

REPORT TO THE GENERAL ASSEMBLY
OF
THE COMMONWEALTH OF PENNSYLVANIA

— ON —

The Organization and Administration
OF
Pennsylvania's State Government



BY
THE JOINT STATE GOVERNMENT COMMISSION
OF
THE GENERAL ASSEMBLY

CAPITOL BUILDING

HARRISBURG, PENNA.

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Report to
THE GENERAL ASSEMBLY
of
THE COMMONWEALTH OF PENNSYLVANIA

on
THE ORGANIZATION AND ADMINISTRATION
OF
PENNSYLVANIA'S STATE GOVERNMENT

By
THE JOINT STATE GOVERNMENT COMMISSION
OF THE GENERAL ASSEMBLY

Capitol Building

Harrisburg, Pennsylvania

January, 1941

JOINT STATE GOVERNMENT COMMISSION OF THE GENERAL ASSEMBLY

(Created in 1937, P. L. 2460, as amended 1939, P. L. 1084)

"A continuing agency of the General Assembly to undertake studies and develop facts, information and data on all phases of government for the use of the General Assembly and Departments and Agencies of the State Government."

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LETTER OF TRANSMITTAL

To the Members of the General Assembly
Of the Commonwealth of Pennsylvania

Under the authority of the Act of July 1, 1937,
P. L. 2460, as amended by the Act of June 26, 1939, P. L.
1084 (Act creating the Joint State Government Commission),
we submit herewith a report on the Organization and Admin-
istration of Pennsylvania's State Government.

Ellwood J. Turner, Chairman

Joint State Government Commission

February, 1941

FOREWORD

The information contained in the following pages represents an effort on the part of the Joint State Government Commission and its Committee on Departmental Organization to present a "behind-the-scenes" picture of how the State Government of Pennsylvania operates. In this respect the material presented is to be considered as a manual or reference book on the State Government, rather than an analytical study of methods of operation.

Procedure

The work in connection with this report was begun in October, 1939, with the submission of a questionnaire to all branches of the State Government inquiring into their powers, duties, and methods of operation and administration. Following the return of the replies to this questionnaire, the Committee on Departmental Organization held a total of 52 hearings, at which time representatives of departments, boards or commissions appeared for questioning and further elaboration on their administrative procedures.

During the course of the above hearings, numerous suggestions were made to the Committee relative to the need for new or amendatory legislation to produce increased efficiency and greater economy of operation in the affairs of particular departments. These recommendations have been reviewed and, in addition to those developed by the Committee itself, are contained in a supplementary report which will be submitted to the members of the General Assembly. It is hoped that many of these recommendations will serve as a basis for legislation to be introduced

during the 1941 Session of the General Assembly or future Legislative sessions.

The drafting of the report was undertaken by the Commission's staff during the latter part of 1940. In this stage of the work, numerous conferences were held with officials and employes of the various State departments, for the purpose of obtaining additional details on methods of operation.

Plan of the Report

With respect to each department, board or commission of the State Government, the Commission's report is confined to a standardized form of presentation. This consists of (1) the function of a department, board or commission, (2) its powers and duties as prescribed by Pennsylvania laws, (3) the organization plan and methods of operation followed in carrying out the prescribed powers and duties, (4) personnel employed to perform the job, and (5) the over-all cost of operation.

Although the Commission has not prepared an index to the material contained in this report, the Table of Contents (pp. IX to XLV) is presented in sufficient detail to enable the reader to ascertain the scope of the information presented with respect to each department. An Alphabetical Index to Chapters is set forth on page VIII in order to facilitate the task of locating the discussion relating to any one department.

Throughout each chapter references are made to legal and source citations. For this report, the Commission has adopted the plan of placing all footnote references at the end of each chapter.

Further Studies Required

As a part of this report, it was the intent of the Commission to present three special studies relating to (1) the regionalization of the Commonwealth by State departments for the performance of their functions, (2) the office and other space occupied and rented by departments in various municipalities throughout the Commonwealth, and (3) the coordination of statistical services in the State Government. These studies were started under the supervision of technical assistance loaned to the Commission by the Pennsylvania State College and the University of Pennsylvania. Due to the pressure of other work, however, and the lack of sufficient time, it was impossible to complete these studies. It is recommended that they be continued at a later date.

Acknowledgment of Assistance

The Commission takes pleasure in acknowledging the helpful cooperation of the Pennsylvania Economy League. For a period of one year, the League made available without cost to the Commission, the technical and editorial services of its staff to aid in the preparation of this report. This assistance made possible the completion of the Commission's report.

The Commission extends an especial acknowledgment and appreciation to Harry P. Griffiths of the Pennsylvania Economy League for his conscientious effort, work and invaluable assistance in drafting various chapters and in directing and supervising the preparation of this report in all its phases.

The Commission also wishes to express its appreciation of the assistance rendered by many individuals, including: Dr. W. Brook Graves and Irving J. Zipin; Dr. Edward W. Carter, Dr. Victor S. Karabasz, Dr.

Stephen B. Sweeney, Dr. Jacob Tanger, and Dr. Fred F. Lininger. The services of Dr. Graves and Mr. Zipin were loaned to the Commission through the kindness of Temple University; those of Dr. Carter, Dr. Karabasz, and Dr. Sweeney through the kindness of the University of Pennsylvania; and of Dr. Tanger and Dr. Lininger through the Pennsylvania State College. Acknowledgment is also made to John H. Fertig, Esq.; Edward S. Hannestad, Assistant Director of the Legislative Reference Bureau; and Edward S. Moore, Parliamentarian of the House of Representatives for their aid in reviewing and editing the chapter on the General Assembly.

Finally, the Commission expresses its sincere gratitude to all officials and employes in the various branches of the State Government for their cooperation in furnishing the Commission with the material and information requested for the preparation of this report.

William E. Habbyshaw, Chairman
Committee on Departmental Organization

February, 1941

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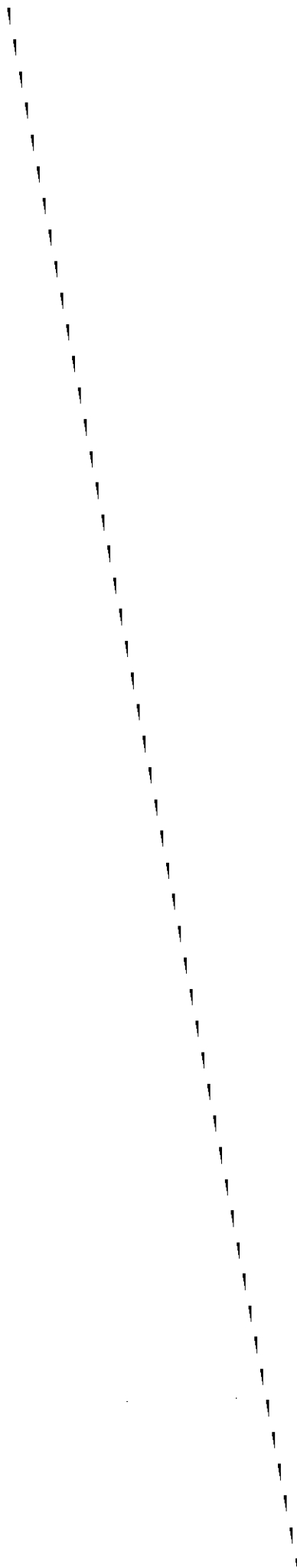
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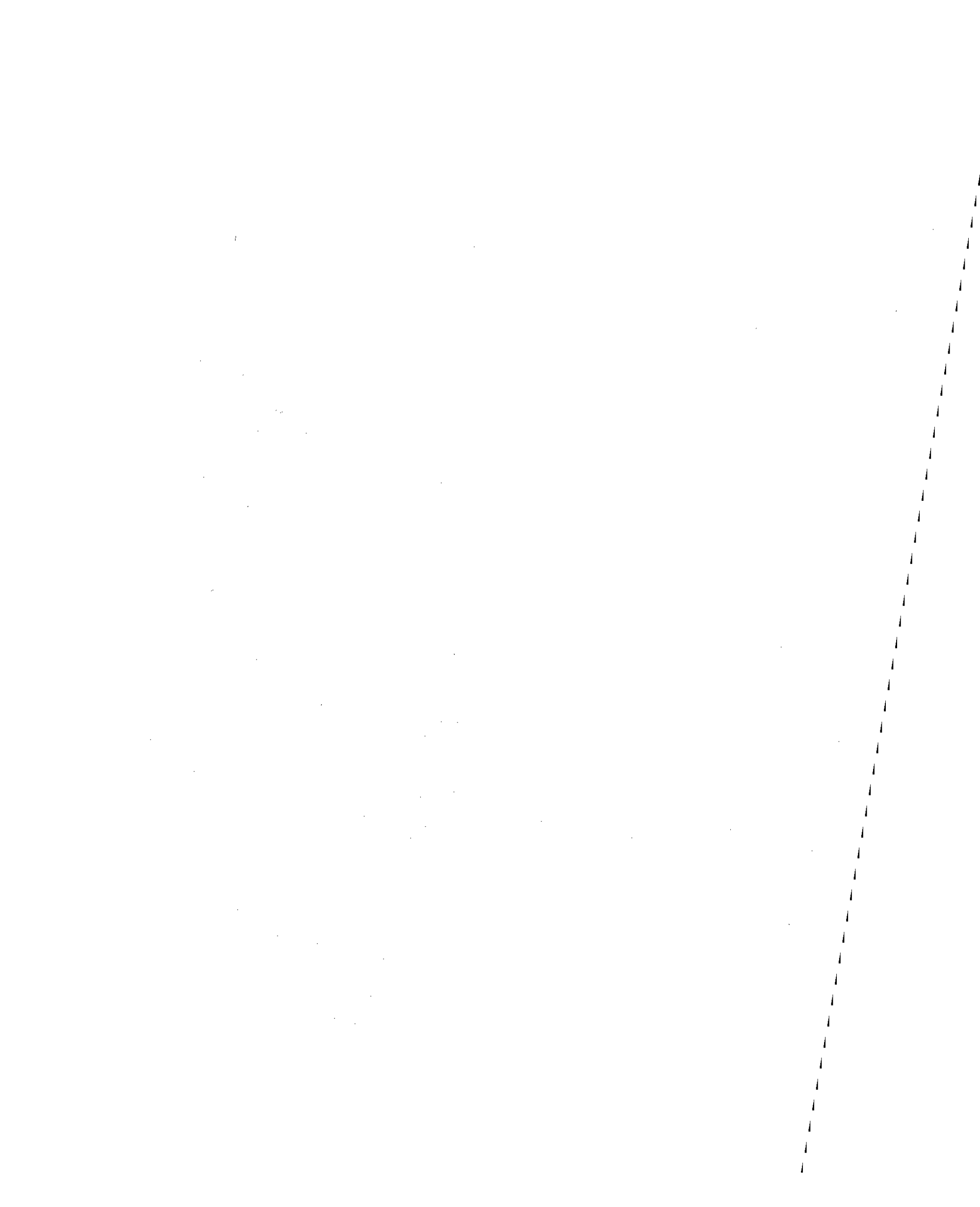
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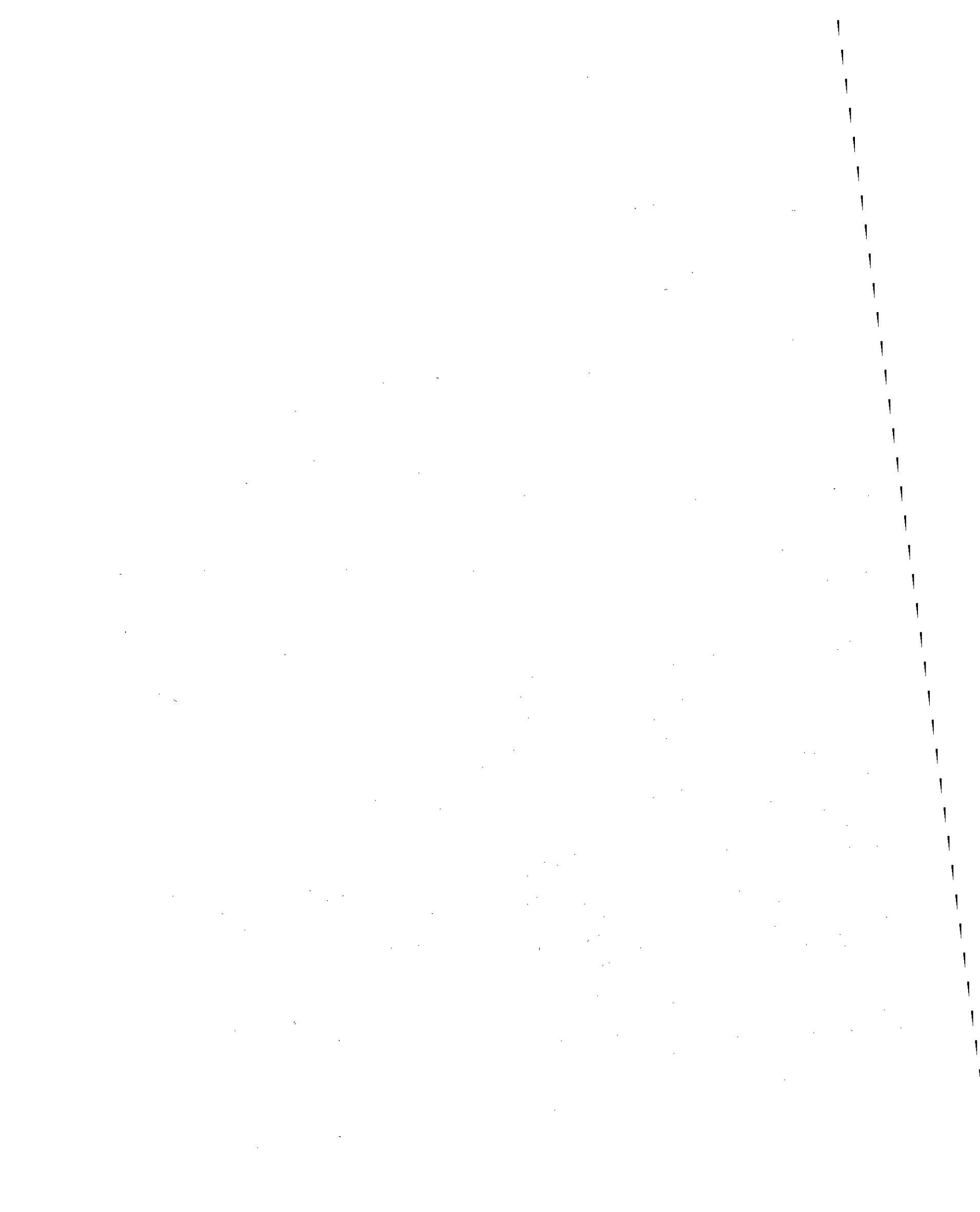
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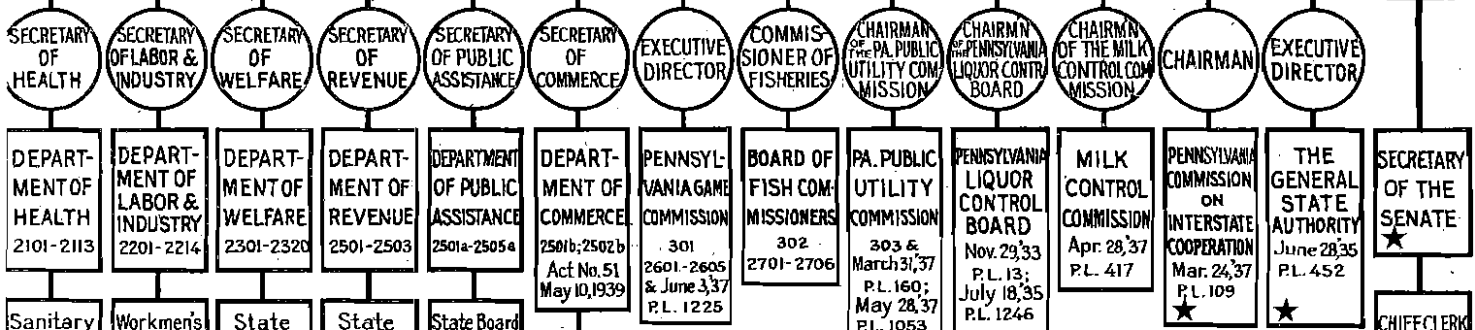
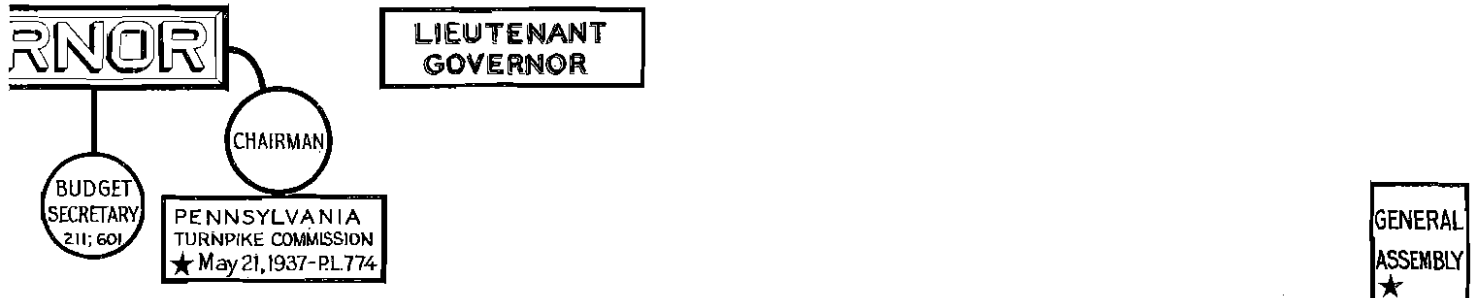


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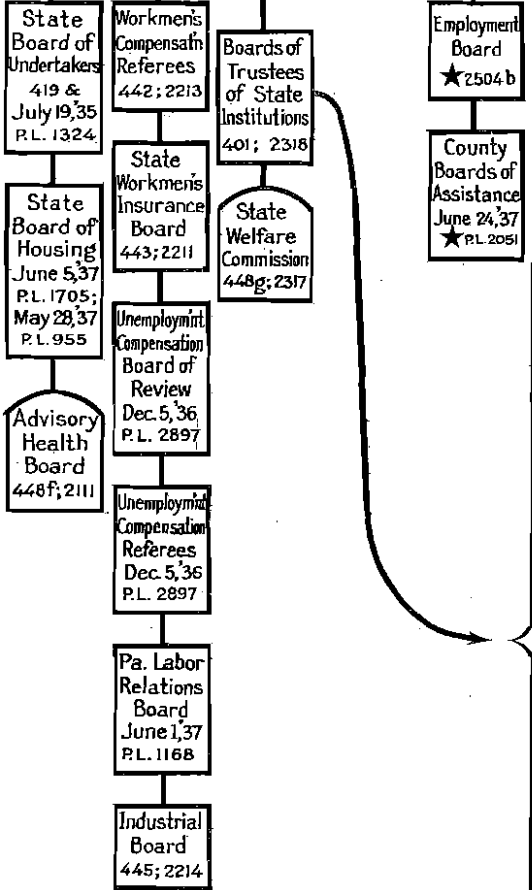
ORGANIZATION OF PENNSYLVANIA



Legend

ADMINISTRATIVE
 ADVISORY -----

★ Not a department, board or commission under Administrative Code.
 # No powers or duties under existing law.
 Numbers designate sections of Administrative Code of 1929, as amended. Other pertinent Acts of Assembly are also noted.



Eastern State Penitentiary
 Western State Penitentiary
 Pennsylvania Industrial School
 State Industrial Home for Women
 Pennsylvania Training School

Allentown State Hospital
 Danville State Hospital
 Farview State Hospital
 Harrisburg State Hospital
 Norristown State Hospital
 Philadelphia State Hospital
 Torrance State Hospital
 Warren State Hospital
 Wernersville State Hospital

Ashland State Hospital
 Blossburg State Hospital
 Coaldale State Hospital
 Connellsville State Hospital
 Hazleton State Hospital
 Locust Mountain State Hospital
 Nanticoke State Hospital
 Philipsburg State Hospital
 Scranton State Hospital
 Shemokin State Hospital

Laurelton State Village
 Pennhurst State School
 Polk State School
 Selinsgrove State Colony for Epileptics



INTRODUCTION

From a relatively humble beginning, under the first State Constitution of 1776, enacted within a few months after the Declaration of Independence by the colonies, the business of administering the governmental functions and services of the Commonwealth of Pennsylvania has expanded uninterruptedly until it now encompasses an operating expenditure of well over a half billion dollars in a biennium and on September 1, 1940, was engaging the full-time services of approximately 34,000 employes.

During this span of 164 years, the government of the Commonwealth has not only retained virtually all of the functions and purposes for which it was created but has vastly increased its activities as the developing economic and social life of its citizens has made the extension of governmental services either necessary or desirable.

A review of the kaleidoscopic changes which have occurred during this period shows that by far the greatest change and growth both in volume and prestige have taken place in the executive and administrative branch of the State Government. The Legislature, with its general powers to determine policies, define functions, and raise and distribute funds, continues to be the keystone of the democratic form of government of the State. These have constituted the basic powers of representative assemblies since their beginnings and have not changed materially in nature during this period. Similarly, the activities of the judiciary have continued to increase in volume but its functions have changed very little in characteristic relation to the whole structure of popular government.

On the other hand, it was inevitable that, with the increasing emphasis upon the performance of common services through the means of the common social

INTRODUCTION

agency of government, increasing power and responsibility should come to rest upon that branch of government charged with the daily execution of the laws and performance of the public services. This trend has resulted in a marked development of the executive and administrative arm of the government, the departmental organization and operation of which is described in detail in this report.

BACKGROUND OF EXECUTIVE AND ADMINISTRATIVE STRUCTURE OF STATE GOVERNMENT

Under the first Constitution of the Commonwealth, the executive powers were vested in an elected executive council of twelve members, one from each of the existing counties and the City of Philadelphia. For the purpose of providing a chief executive, members of the General Assembly and the executive council were required to elect annually by joint ballot one member of the council as president and one as vice-president. The General Assembly also elected a treasurer for the Commonwealth. In general, this Constitution assigned extensive power to the Legislature and only limited functions to the executives.

Since that time there has been, however, an almost steady trend in the direction of enlarging the power and authority of the executive branch of the government. Some of this increased influence has resulted from the extension of the appointing power of the executive, and some of it has resulted from the steady increase in administrative functions and services of the State.

The changing status of the executive was given its first real impetus in the Constitution of 1790 which, for the first time, vested the executive authority in a governor independently elected by the people. In addition

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to the power to appoint judges, justices of the peace, and, from a list of elected candidates, sheriffs and coroners, the Governor was also given the duty of seeing that the laws were faithfully executed. His powers were further extended through the authority to grant reprieves and pardons. His relation to the legislative branch was established through requirements that he inform the General Assembly regarding the condition of the Commonwealth, and submit suggestions or measures for its consideration. He was also given the power to veto its enactments, subject to overruling by a two-thirds vote of the Assembly, to convene the Assembly, and to adjourn it for a period of not more than four months, in case of disagreement on adjournment. This newly elected executive was given a term of three years and was permitted to succeed himself, although limited to a service of not more than nine out of a period of twelve years.

The extensive grant of power to an elected executive, particularly in relation to the selection of judges, was somewhat curtailed under provisions of the Constitution of 1838, wherein the period of service was limited to two terms of three years each in a period of nine years. Appointment of judges, instead of being for life or during the period of satisfactory service, was limited to a definite term of years and the appointments by the Governor were made subject to the advice and consent of the Senate. By amendment of this Constitution in 1850, judges of all courts of record were made elective and removed from the appointing jurisdiction of the Governor, except in the case of temporary filling of vacancies. The Constitution of 1838 also provided for the direct election of sheriffs and coroners by the voters of each county.

INTRODUCTION

The present Constitution, as adopted in 1873, established for the first time an Executive Department to include the Governor, Lieutenant-Governor, Secretary of the Commonwealth, Attorney General, Auditor General, State Treasurer, Secretary of Internal Affairs, and Superintendent of Public Instruction. Five of these eight officers -- Governor, Lieutenant Governor, Auditor General, State Treasurer and Secretary of Internal Affairs -- were made elective. The other three were to be appointed by the Governor.

The inclusion of these additional executive officers, while it did not change the authority of the Governor as chief executive, gave constitutional status to other executive officers whose functions had gradually evolved during the period and had become recognized as essential to the conduct of the State's business and to the execution of its laws.

There were also in existence five administrative agencies; namely, Adjutant General, Board of Public Charities, Fish Commission, Insurance and Mine Inspection, created by statute prior to adoption of the Constitution of 1873 and not affected by it.

The principal changes in the new Constitution applying to the office of Governor covered an increase in the length of term from three to four years with the provision that he could not succeed himself, limited his power to grant pardons by creation of the Pardon Board, and extended his veto power to include specific items in appropriation bills.

This Constitution provided the framework under which the vast expansion of the State's administrative organization has since taken place. Some indication of the rate of growth in the State's business was furnished

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in a report to the General Assembly by the Joint Legislative Committee on Finances, published in 1934 under the title "A Survey of the Government of Pennsylvania." A compilation shown in this report indicates that in the year 1900 biennial appropriations for all departments totaled \$19,820, 100. The departments receiving appropriations numbered 18 and the number of employes reported for 15 of the 18 departments was 217. By 1900 there had been added by statute since the adoption of the Constitution in 1873 five additional departments; namely, Agriculture, Banking, Factory Inspection, Game Commission, and Public Grounds and Buildings.

During the period from 1900 to 1920 a still greater increase occurred both in the duties or services assumed by the State and in the number of agencies authorized to perform them. These agencies were created from time to time by statute, usually as independent boards or commissions empowered to perform one particular duty or function with little or no relation to already existing departments or agencies. This rapid and largely haphazard multiplication of State administrative bodies produced a demand for some definite action to unify and simplify the administrative organization of the Commonwealth, which culminated in the first comprehensive reorganization of the executive and administrative offices and agencies under the Administrative Code enacted by the General Assembly in 1923.

REORGANIZATION UNDER THE ADMINISTRATIVE CODE

Prior to the adoption of this Code, the executive branch of the State included a total of 139 independent agencies. Of this number 24 were designated as departments, 2 as independent bureaus, 18 as boards, 2 as councils, 49 as commissions, 31 as authorities for State institutions, and one

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additional officer not under any of the above classifications.

The reorganization effected through adoption of the Administrative Code of 1923 combined all of these previously existing scattered and independent or semi-independent boards, commissions, bureaus, etc. into 14 administrative departments, each under a responsible cabinet officer appointed by the Governor, in addition to the offices of the Governor, the Lieutenant Governor, 3 departments directed by elective State officials, and 3 appointive commissions. While many of the advisory or quasi-judicial boards and commissions were continued in existence, all but three of these were made subordinate to or were attached to one of the major departments. The administrative organization provided as a result of this action was as follows:

Elective Officials and Agencies Assigned

Governor
 Pennsylvania State Police
Lieutenant Governor
Auditor General
State Treasurer
 Board of Finance and Revenue
Secretary of Internal Affairs
 Board of Property

Departments and Commissions With Agencies Assigned

State and Finance
 State Employees Retirement Board
Justice
 Board of Pardons
 Commissioners on Uniform Laws
Public Instruction
 Council of Education
 Public School Employees Retirement Board
 Pennsylvania Historical Commission
 State Board of Censors
 Thirteen Professional Examining Boards
 Three Boards of Trustees of Institutions.

INTRODUCTION

Departments and Commissions With Agencies Assigned (Continued)

Military Affairs

Armory Board

Agriculture

State Fair Commission

Forests and Waters

Water and Power Resources Board

Five Park Commissions

Lake Erie and Ohio River Canal Board

Geographic Board

State Forest Commission

Labor and Industry

Workmen's Compensation Board

State Workmen's Insurance Board

Industrial Board

Workmen's Compensation Referees

Health

Sanitary Water Board

Anatomical Board

Advisory Health Board

Highways

Welfare

State Welfare Commission

Twenty-Eight Boards of Trustees of State Institutions

Property and Supplies

Commissioners of Public Grounds and Buildings

State Art Commission

Five Monument Commissions

Mines

State Anthracite Mine Cave Commission

Anthracite Mine Inspectors

Bituminous Mine Inspectors

Banking

Board to License Private Bankers

Insurance

Board of Game Commissioners

Board of Fish Commissioners

Public Service Commission

Under this Code, the Governor, with an executive board consisting of four heads of departments of his own selection, was given general administrative direction over each of these departments and commissions except the three departments headed by the elected Auditor General, State Treasurer and Secretary of Internal Affairs. All bureaus and divisions which had hitherto been established by statute were abolished by the Code and the ex-

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executive board was authorized to approve or disapprove the creation of bureaus and divisions within each department. This made possible a much needed internal reorganization within the departments to accompany the external consolidation of agencies.

A further accomplishment under the reorganization movement in 1923 was a thoroughgoing overhauling of the State's fiscal management and procedure. The rapidly mounting total of public funds handled by the State's officers and agencies led to a demand for improvement and modernization of the methods of collecting, allocating and spending of these funds.

Thus, the Code of 1923 provided not only for a tightening of the executive power and responsibility of the Governor over the administration of the State's services, but also for an extension of his control over financial operations, principally by means of an executive budget. The budget system was placed under the supervision of a budget officer with authority to establish and maintain a continuous budget control. Under this Code, the Secretary of the Commonwealth, an official appointed by the Governor, was also constituted the chief budget officer and his department was called the Department of State and Finance.

Acting through the budget director, the Governor was given the responsibility of preparing the biennial budget and submitting it, with recommendations, to the General Assembly. After action upon the fiscal program by the Legislature, the Governor's power to veto individual appropriation items or parts of items gave him sufficient power to hold the program within the total estimated income. Following adoption of the budget program, the Governor, acting again through the budget officer, was given authority to require adherence to the budget by the spending agencies.

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The Administrative Code of 1923 also provided for standardization of the State's personnel administration and purchasing procedure. For the first time in the Commonwealth's history, a single agency, the executive board, was authorized to standardize titles, salaries and wages of all persons employed by the administrative departments, boards and commissions, except in the three elective departments. Salaries fixed by statute, which covered practically one-fourth of all State employes were repealed. The authority of department heads to fix the compensation of the remaining three-quarters of the State's workers, with little or no consultation and no attempt at standardization or uniformity, was removed. The executive board was made in a sense the central personnel agency for the State Government. This change was quickly followed by a complete job analysis of the work of each administrative agency and the adoption of a classification plan in which standard grades and classes of positions were set up with specified qualifications and a standard salary or wage scale for each grade or class of position. The Governor was given authority to approve the number and compensation of the employes in each department, subject to the classification of duties and standards of pay authorized by the executive board through the classification plan.

While the purchasing of supplies for all State agencies was not completely centered in the new Department of Property and Supplies, full authority over the purchase of certain staple articles was given to the Department, together with the power and duty to establish standard specifications for other purchases and to supervise in general the adherence of all spending agencies to the prescribed standards. The Department was authorized to purchase and supply all articles required by the Legislature

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and the fourteen administrative departments. In the case of administrative boards and commissions and the outlying State institutions, the Department was empowered to formulate and establish specifications. The use of these specifications was optional with these agencies. Any agency not using these specifications was required to record the specifications used with the Department. The State institutions were given the option of designating the Department as purchasing agent. By this means the Department was empowered either to become a central purchasing body or a source of record for all purchasing transactions of every State agency, thus either standardizing purchasing or bringing to light the details of purchase transactions not made through the central agency or according to standard specifications.

This brief outline will indicate the sweeping nature of the reorganization of the State's administrative machinery effected by adoption of the Administrative Code of 1923. This action constituted a genuine effort to introduce into the vast and continuously expanding State administrative service the general principles of organization and management which were being widely accepted and applied in the field of business and industrial administration. The movement was characterized by the creation of a strong, single executive with sufficient authority to unify and control the executive and administrative agencies and with corresponding definite and clear-cut responsibility for their effective operation under his control.

For the most part the general outlines of this reorganization plan have justified the hopes and predictions made in their behalf and the plan as originally enacted has been continued up to the present time, with modifications in detail and additions as needed, but little change in the basic allocations of authority or principles of administration.

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The most extensive amendment to the Code occurred in 1927 when the Department of Revenue was created to consolidate the collection of all State revenues into one department. At this time also the supervision of the budget was removed from the Secretary of the Commonwealth and placed under a Budget Secretary, attached directly to the Governor's Office. The Department of Internal Affairs, with its elected head, was transferred from the independent status which it had held along with the Departments of the Auditor General and Treasury, and placed under supervision of the Governor, thus bringing the Department under the personnel and salary classification, purchasing control, budgetary allotment plans and other general administrative regulations provided under the Code of 1923. Purchasing for all State agencies and institutions was brought more directly under control of the Department of Property and Supplies with the exception that food-stuffs, fuel and other articles available at lower prices in the neighborhood of any State institution might be purchased directly by the institution. The Department was also authorized to permit any department, board or commission to make direct purchases in the field, not exceeding specified amounts, when such procedure would appear to be advantageous.

Under the amendments of 1927, additional administrative or advisory commissions were created and placed under general authority of the various departments as follows:

State Farm Products Show Commission (to replace State Fair Commission)	- Department of Agriculture
State Aeronautics Commission	- Department of Internal Affairs
State Athletic Commission	- Department of Military Affairs
State Council for the Blind	- Department of Welfare
State Securities Commission	- Department of Banking

In 1929 the original Code of 1923 with its amendments was recodified

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into the Administrative Code of 1929 without further substantial change in administrative structure.

ADDITIONS TO STATE SERVICE SINCE 1929

Changes in the Code since 1929 have come largely through the addition of new agencies. Numerous adjustments in the delegation of authority or re-alignment of functions between the agencies have been made but these have not been of a major character.

Seven substantial additions to the State administrative organization in the past decade have resulted from the assumption by the State of six new and widely varying types of functions. The first of these additions resulted from the far-reaching decision of the General Assembly to create a State controlled and operated monopoly for the sale of alcoholic liquors upon the repeal of the Eighteenth Amendment of the Federal Constitution in 1933. This decision was implemented by the creation in November, 1933, of the State Liquor Stores system under the authority of the State Liquor Control Board. This agency has now developed to the point where it receives in the neighborhood of \$75,000,000 a year and has 3,400 employees. It is providing approximately \$32,000,000 profit for the State during the 1939-41 biennium.

To meet the rapidly expanding problem of public relief for the unemployed resulting from the business depression of 1930 and succeeding years, the State Emergency Relief Board was created in 1932 with a substantial appropriation of State funds. The size of this problem and the State's appropriation increased annually. During the same period a considerable expansion also took place in the distribution of State funds for general public assistance through the old age, blind pension, and mothers' assist-

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ance programs. Finally, in 1937, a new permanent State agency, the Department of Public Assistance, was created to supervise the distribution from State funds of all forms of direct public aid to residents of the Commonwealth. During the fiscal year ending May 31, 1940, the Department supervised the expenditure of \$140,000,000, including \$17,500,000 of Federal funds, and has approximately 7,700 employes in its State and county offices.

For its third major undertaking of the past decade the General Assembly authorized the creation of an entirely new type of public administrative agency called the General State Authority. The Authority was first created in 1935 under terms which were rejected by the court as unconstitutional. In the session of 1937 amendments were passed designed to meet the constitutional objections to the original proposal. The changes were approved in a subsequent court action and the new agency was established in 1937. Its purpose was to obtain by borrowing on the credit of its enterprises the funds necessary to erect numerous additions to existing as well as new educational, health and welfare institutions. A new unit of the Capitol Group in Harrisburg was also erected. These are leased to the State at an annual rental figure sufficient to amortize over a period of years the cost of erecting and equipping the institutions or buildings. The practical effect of the creation of this agency is to permit the borrowing of funds for capital improvements for the State, without pledging the credit of the Commonwealth, which type of borrowing cannot be done directly by the State without amendment of the Constitution. Up to the present time the Authority has issued bonds totaling \$73,500,000 with which it has erected and turned over to the State under lease several entirely new institutions, as well as new buildings or extensions to practically all previously existing

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institutions for educational, military, health and welfare purposes. Plans have also been announced for an additional issue of bonds to extend the Authority's building program.

Another agency of a similar nature which has recently been added to the list of what may be called accessory administrative bodies is the Pennsylvania Turnpike Commission, which was created by the General Assembly in 1937, for the purpose of constructing a toll highway over a special route extending approximately from Harrisburg to Pittsburgh. The Turnpike, which was completed and opened to public use in 1940, will be paid for by tolls collected from users of the highway. After sufficient tolls have been collected to pay the principal and interest on the bonds sold to finance its construction, together with the interim cost of maintenance of the pike and operation of the Commission, the highway will become a part of the State highway system. The Commission in 1940 was authorized to extend the turnpike eastward to Philadelphia and further proposals for the building of other toll highways have been introduced into the 1941 legislative session.

A fourth entirely new activity entered upon by the Commonwealth since 1929 is the administration of a system of unemployment compensation under which contributions based on the size of payrolls are collected annually from employers and turned into a fund from which benefits are later paid for specified periods to persons who become unemployed. When this function was assumed by the State in December, 1936, an administrative board called the Unemployment Compensation Board of Review was created to assist in its administration and a Bureau of Unemployment Compensation was established. The Board and administrative bureau were made a part of the Department of Labor and Industry. The Bureau has since absorbed the work of the State

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employment offices and is called the Bureau of Employment and Unemployment Compensation. During 1940 contributions of \$83,451,923 were collected by the Bureau and a total of \$44,260,799 was disbursed in compensation benefits. In June, 1940, the Bureau employed 3,339 persons, including the employment service. This function is carried on by the State in cooperation with the Federal Government through the newly organized Federal Security Agency. Except for a small amount appropriated by the State for the employment service, the total cost of administering this new function is paid from Federal funds.

The fifth major addition to the State's administrative agencies was the Milk Control Board, first established as an independent administrative board under the milk control legislation of 1934 and later replaced by the present Milk Control Commission created in 1937. The Commission, which consists of three full-time, salaried members with overlapping terms of six years, has been given extensive power to supervise, investigate and regulate the entire milk industry of the Commonwealth including far-reaching powers to fix prices both to dealers and producers. Control of the milk industry has developed in Pennsylvania during recent years simultaneously with a similar movement throughout other States and in the Federal Government. It is based on a general theory that the business of supplying this basic food is in the nature of a public utility service to be directed and controlled in the interest of the general consuming public. Since the industry presents many unique problems from the angle of both supply and demand, its regulation has proved particularly difficult and has developed many complicated legal aspects. For the administration of this function the Commission employed a staff which numbered 75 on June 1, 1940. The

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Commission is operating in the current biennium on an appropriation of \$200,000 from the General Fund and \$320,000 from the Milk Control Fund, a new special operating fund into which are paid the fees and other revenues collected by the Commission.

The sixth and latest major addition to the State's administrative agencies resulted from the establishment in 1939 of the Department of Commerce whose purpose is the encouragement, rehabilitation, development and expansion of the business, industry and commerce carried on within the Commonwealth. The Department was given the powers and duties of the former State Publicity Commission and the State Planning Board was permanently transferred and made a part of the new Department.

Numerous other changes and additions have been made in the organization and activities of the various departments and commissions since 1929. These are relatively minor in scope, however, and will be described in succeeding pages under the appropriate department.

TREND IN COSTS OF STATE SERVICES

In a survey of State functions published in 1934* attention was given to the growth of governmental expenditures which has inevitably resulted from the rapid extension of the State's activities. The report contained a statement showing the biennial expenditures from the General fund for each two-year period from 1902 through 1933. To show the continuity of this upward trend the earlier amounts are included in the following table, together with the totals for each period up to the present time:

* The Survey of the Government of Pennsylvania, Joint Legislative Committee on Finances, 1934.

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<u>Biennium</u>	<u>Amount</u> *
1902-24	\$37,362,268
1904-06	52,314,997
1906-08	53,748,600
1908-10	57,313,500
1910-12	62,763,465
1912-14	69,156,590
1914-16	67,948,112
1916-18	62,926,920
1918-20	95,377,276
1921-23	111,831,864
1923-25	135,236,493
1925-27	128,506,189
1927-29	151,102,886
1929-31	192,267,458
1931-33	208,277,324
1933-35	217,784,722
1935-37	360,008,894
1937-39	442,288,762

Thus, in approximately 40 years of the present century, the Commonwealth's expenditures for the regular purposes financed through its General Fund have increased nearly twelvefold in total amount. These expenditure figures for recent years have included a growing amount of Federal grants which are made to the State to be spent for various purposes, principally education, health, and the social security payments for old age assistance and aid to dependent children. The amount of such grants spent through the State's General Fund reached a total of more than \$33,000,000** in the 1937-39 biennium. With this deduction, however, the expenditure of

* The figures prior to 1921 are for the two-year period ended November 30 each even-numbered year. At that time the fiscal year used by the Auditor General's Department and the Treasury Department was changed to May 31 to correspond with the biennial appropriation period of the General Assembly. Figures for 1935-37 and 1937-39 do not include repayment of borrowings from other State funds or payment of tax anticipation notes. They do include expenditures of Federal aid for social security and other purposes made through the General Fund.

** In addition there were \$29,767,726 in Federal grants disbursed through the State's special operating funds.

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State funds alone still amounted to more than \$400,000,000 from the General Fund and was well over ten times the amount spent in 1902-04.

Since several of the important functions assumed by the Commonwealth in recent years have been financed through special funds and are not included at any point among the receipts or expenditures of the General Fund, it is necessary, for a complete picture of the expenditure of State revenues, to add the expenditures of certain of its other funds. All money received and spent by the Commonwealth for specific purposes or purposes other than those which are regarded as general operating functions are recorded in some one of the numerous Special Funds. This group of funds is divided in turn into special operating funds and custodial funds.

The special operating funds include moneys which are earmarked for a particular current operating function of the State, the chief of which are maintenance and construction of highways financed through the Motor License Fund, operation of the Fish and Game Commissions covered respectively by the Fish Fund and the Game Fund, and examination of banks and insurance companies through the Banking Fund and Insurance Fund, respectively. Operation of the State Liquor Store system through the State Stores Fund is also included under special operating funds. The operation of the stores, however, is on a self-supporting basis and does not involve the expenditure of State revenues. Expenditure of the profits from the stores is made through the General Fund and, therefore, the transactions of the State Stores Fund have not been included in the total expenditures of State revenues from special operating funds shown in the following table, which amounted to \$187,767,249 in the 1937-39 biennium.

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The custodial funds include moneys set aside in savings or trust accounts of various kinds. The principal custodial funds are the sinking funds for repayment of various State borrowings, the tax funds earmarked for distribution to local governments such as the liquid fuels, foreign fire insurance and liquor license funds, the State and School Employees Retirement Funds, the State Insurance and State Workmen's Insurance Funds, numerous funds for the temporary receipt of Federal grants to the State for specific purposes, and other similar funds. The newest and largest of the custodial funds is the Unemployment Compensation Fund into which are paid the contributions of employers and from which are paid the compensation benefits to the eligible unemployed. This fund alone handled more than \$150,000,000 in the 1937-39 biennium. Most of these funds, such as the sinking, retirement, and insurance funds, receive and hold moneys transferred to them from operating funds. The only custodial funds which receive State revenues and spend them directly are the tax and license funds and the Unemployment Compensation Fund. The Administration Fund, from which the expense of administering the unemployment compensation system is paid, receives its funds from the Federal Government. Unlike other Federal aid funds, however, the expenditures for administration are paid directly from this fund, without being first transferred to the General Fund or other operating fund.

The rate at which the expenditures from State revenues through all of these funds have been built up during the past five decades is shown in the following tabulation.

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DISBURSEMENTS FROM STATE REVENUES
(Including Federal Aid)

<u>Biennium</u>	<u>General Fund</u>	<u>Special Operating Fund</u>	<u>Total Operating Funds</u>	<u>Custodial Funds***</u>	<u>Grand Total All Funds</u>
1897-99	\$25,031,952	\$ ---	\$25,031,952	\$ 4,470,683	\$29,502,635
1907-09	52,292,597	---	52,292,597	6,841,586	59,134,183
1917-19	82,135,740	15,236,711	97,372,451	1,448,200	98,820,651
1927-29	143,846,552*	116,356,782	260,203,334	9,225,960*	269,429,294
1937-39	442,288,762	187,767,249**	630,056,011	133,735,552	763,791,563

Back at the turn of the century and through the first decade there were only two State Funds, the General Fund and the Sinking Fund. From the General Fund, however, a portion of the personal property and foreign fire insurance taxes were segregated for distribution back to the counties or cities, boroughs and townships from which they were collected. Between 1909 and 1917 the full yield of the personal property tax was turned over to counties and the State no longer collected or distributed the tax. The tax on premiums of foreign fire insurance companies is still collected by the State and returned annually to the city, borough or township in which the business is transacted. By 1927-29 the amount of this tax collected by the State was paid directly into a custodial fund from which it was returned to the local units and this practice is still followed, so that the transaction no longer goes through the General Fund. In 1927-29 the one-half cent of gasoline tax for distribution to counties was still being handled through the General Fund although a custodial fund for this purpose was created in 1931-33. For

* Gasoline tax distribution to counties (\$7,256,334) removed from General Fund and included under Custodial Funds, where it also appears in 1937-39.

** Does not include State Stores Fund.

*** These totals include only expenditures of revenues received directly into custodial funds and not expenditure of amounts received by transfer from other funds or of amounts transferred to operating funds.

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comparative purposes the repayment of these locally-shared taxes has been deducted from the disbursements of the General Fund, where they appeared in the earlier periods, and has been included under Custodial Funds for each period in the above tabulation.

Special operating funds were first created during the decade from 1907 to 1917, when a Motor Registration and License Fees Fund, Game Protection and Propagation Fund, Bounty Fund, Fish Propagation Fund, Banking Fund, and State Road Bond Fund were included. By 1927-29 the yield of the liquid fuels tax had been added to the Motor Fund, and its biennial income had increased from \$5,000,000 to \$103,000,000 and the total expenditures of all the Special Operating Funds increased from \$15,000,000 in 1917-19 to \$116,000,000 in 1927-29.

Since the General Fund expenditures, as previously pointed out, also increased greatly during the same period, the combined total of operating expenditures from State revenues rose from \$25,000,000 to \$630,000,000 in the first forty years of the century. Expenditures of State revenues through custodial funds also increased from \$4,470,000 to \$133,000,000. The combined total disbursements from State revenues through all funds handled by State officers, which amounted to \$29,500,000 in 1897-99, increased to \$763,791,563 in 1937-39.

During recent years, while the sums spent by the State Government have followed an upward trend, there has been some compensating reduction in the expenditures of local governments in the Commonwealth. It is difficult to trace the expenditures of local governments on a comparable basis for a long period of years, since until recently there has been no source from which uniform financial statistics of the more than 5,000 local pol-

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itical subdivisions could be obtained. Since 1937, it has been the duty of the Department of Internal Affairs to collect such a record for all counties, cities, boroughs and townships. Corresponding information from school districts has been collected and compiled annually by the Department of Public Instruction for a somewhat longer period.

The year 1937, therefore, represents the first, and thus far the only, year for which a complete and uniform record of local governmental expenditures has been compiled by any agency of the Commonwealth. Fortunately, this compilation was made on a basis similar to a study of State and local government costs made by the Federal Census Bureau covering the year 1931 and the two statements can, therefore, be compared. The following tabulation, based on these two studies, shows the change in the total annual governmental cost payments (expenditures for governmental purposes) of the State and all local subdivisions of the Commonwealth between 1931 and 1937.

	1931	1937	Increase or Decrease
STATE GOVERNMENT			
Operation and Maintenance	\$ 76,492,000**	\$190,718,000**	\$114,226,000
Capital Outlay	41,624,000	24,941,000	16,683,000-
Interest*	3,479,000	7,050,000	3,571,000
Total	\$121,595,000**	\$222,709,000**	\$101,114,000
LOCAL GOVERNMENTS			
Operation and Maintenance	\$346,265,000**	\$315,314,000**	\$ 30,951,000-
Capital Outlay	113,537,000	60,908,000	52,629,000-
Interest*	55,527,000	52,136,000	3,391,000-
Total	\$515,329,000**	\$428,358,000**	\$ 86,971,000-
GRAND TOTAL	\$636,924,000	\$651,067,000	\$ 14,143,000

* Under the classification of the Census Bureau and Department of Internal Affairs, bond issue proceeds are treated as governmental costs of the years in which the money is actually spent and payments into sinking funds to retire the debt are not included in the governmental cost totals.

** Approximately \$45,000,000 in State subsidies to local governments is included as an expenditure under local government in 1931 and \$39,000,000 in 1937.

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These figures for the State Government include expenditures from all operating funds except the State Liquor Stores fund, which is not included in the budget records as an item of the cost of State Government. The State totals also do not include grants of State funds for expenditure by the local units, such as school subsidies, etc., since these amounts are included as expenditures by the local governments which receive them. With these adjustments, it will be noted that the expenditure of funds paid out directly by the State increased by \$101,114,000 between the fiscal years 1931 and 1937. This was offset by a decrease in amounts spent by the local governments during the same period of \$86,971,000. Since the State increase was somewhat more than the local decrease, the total annual governmental cost over the six years showed a net increase of \$14,143,000.

The State records indicate an increase in both operation and maintenance and interest costs and a decrease in expenditures for capital outlays, or permanent improvements. In the case of local costs, decreases resulted in all three classes of expenditure, although by far the largest amount was in capital expenditures. Altogether, the annual outlays from State and local funds for highway and building construction and other forms of public works decreased by \$68,000,000 between these two fiscal periods. During this period the Federal Government developed its public works program and the State Authority program was being organized.

FINANCIAL PROBLEMS CREATED BY INCREASING STATE EXPENDITURES

Among State expenditures the largest increases in the past decade have resulted, as previously pointed out, from the entirely new functions assumed by the State. A large portion of these new functions, such as the Liquor Store system, the Turnpike and the operations of the General State Authority,

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are either self-supporting or are being amortized by relatively small annual installments. Another function, unemployment insurance, is financed by the collection of a special tax from employers which is earmarked for this one purpose. On the other hand, the function of public assistance, which has grown until it constitutes a large proportion of all State expenditures, is financed from general tax revenues. This function has expanded from the granting of a small subsidy of less than \$3,000,000 to counties for mothers' assistance in the 1929-31 biennium until it cost the State a total of \$205,000,000 in 1937-39. It comprises the granting of all forms of non-institutional (or so-called out-door) aid to residents of the Commonwealth, including old age and blind pensions, aid for dependent children (the successor to the former program of mothers' assistance) and general assistance, or unemployment relief.

Following several unsuccessful attempts to assist the counties and local poor districts in the financing of the rapidly increasing outdoor relief programs by means of subsidies, the State gradually assumed direct responsibility for this burden, until in 1937 it took over complete support of all forms of public assistance to be paid through direct grants of public funds to individuals. By this action Pennsylvania became the only one of the large industrial states -- which states have had the highest proportion of their total population in need of public aid -- to assume the entire cost of its public assistance program from State funds. In most of the other states of the country, the portion of this function which is not paid from Federal funds is supported in varying proportions by the State and local governments. In Pennsylvania with the abolition of the system of county and local poor districts, which had functioned since colonial

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days, and the creation of the State Department of Public Assistance, the Commonwealth took over full responsibility for the cost and the administration of this increasingly important function.

The State Department is assisted in the distribution of assistance by a local assistance board in each county, whose members are chosen by the Governor with the advice and consent of the Senate. The full administrative costs of the State Department and all local boards, as well as the sums distributed, are paid by the Commonwealth.

Since public assistance costs are financed from general tax revenues, the expenditures are made from the General Fund. The increase in these costs, therefore, has created a serious financial problem in the effort to provide revenues sufficient to meet the increasing new demands upon this fund.

Some indication of the relative burden added by the new public assistance system as well as the rate of change in the other classes of general State expenditures in the period from 1929 to 1941 (as currently estimated) is given in the tabulation of General Fund appropriations for three bienniums 1929-31, 1937-39 and 1939-41 (estimated) on page 26.

From this statement it is evident that expenditures for the new public assistance function which did not appear in 1929-31 totaled \$207,046,100 in 1937-39. By that time it had already exceeded the total amount of all other executive functions and was only slightly less than half of the total amount of General Fund appropriations for all functions for the biennium. The appropriations made for assistance in the 1939-41 biennium, plus the Governor's estimate of the additional amount required to complete the period, have brought the total to \$208,410,000, which for this period is considerably

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more than the appropriations for all other General Fund purposes, including other executive functions, the Legislature and the judiciary.

	<u>1929-31</u>	<u>1937-39</u>	<u>1939-41**</u>
Executive Functions (excluding Public Assistance)	\$186,087,095	\$201,681,641	\$197,751,271
Public Assistance	----*	207,046,100	208,410,000
Legislative and Judicial	<u>7,115,865</u>	<u>7,350,976</u>	<u>7,632,907</u>
 TOTAL	 \$193,202,960	 \$416,078,717***	 \$413,794,178

Expenditures for the other executive functions, while they have not been as important in any respects as the expenditures for the assistance program, have shown some significant changes since 1929. The major additions under this heading have been for subsidy payments to school districts, for debt service and for rentals for institutions erected by the State Authority. Total subsidy appropriations from the General Fund (not including public assistance) increased from \$90,300,000 in 1929-31 to \$102,100,000 in 1937-39. This included an increase of \$12,600,000 in school subsidies which accounts for slightly more than the total increase and indicates a drop of approximately \$800,000 in the total of other subsidy items. In 1929-31 no appropriations were made from the General Fund for debt service, either as to interest or principal. By 1937-39, these items had reached an annual total of \$15,375,192 and included payments on the 1933 relief and soldiers' bonus bond issues, as well as interest on temporary borrowings through tax antici-

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- * This classification of expenditures did not exist in 1929-31 and the small amount of \$2,750,000 appropriated for Mothers' Assistance was included in the Department of Welfare under Executive Functions above.
 - ** Includes deficiency appropriations estimated in Governor's budget of February, 1941.
 - *** Amount differs from total shown in preceding tabulation, since this total represents appropriations of this biennium only, whereas preceding figures covered cash disbursements during the period, including open appropriations of preceding bienniums.

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pation notes. In 1937-39 another item added to general appropriations for rental payments to the General State Authority amounted to \$2,750,000. This appropriation was increased to \$6,105,000 in 1939-41 as new buildings were completed and turned over for the use of the Commonwealth, and \$7,781,240 has been recommended for this purpose in the Governor's budget for 1941-43.

Altogether these new items appearing in 1937-39 added approximately \$29,900,000 to amounts appropriated for executive functions in 1929-31. A substantial decrease over the period appeared in appropriations for capital improvements which dropped from \$28,600,000 in 1929-31 to \$12,300,000 in 1937-39, a net decrease of \$16,300,000.

The actual over-all increase between the total appropriations for the executive functions in 1929-31 and 1937-39 was \$15,594,546. This increase has been reduced since appropriations made or recommended for the 1939-41 biennium total \$197,751,271 and are \$11,664,176 above the 1929-31 figure.

METHODS ADOPTED TO MEET THE NEW FINANCIAL PROBLEMS

The impact of the tremendous new demands on General Fund revenues developed rapidly into a financial crisis. To complicate the fiscal situation still further, the requirement for increased assistance expenditures developed simultaneously with the drop in industrial activity which, under the traditional Pennsylvania State revenue system, produced a decline in the yield of its principal taxes. This created a situation in which there were rapidly rising costs on the one hand and materially decreased income on the other.

The first serious effect of the interaction of these opposing trends occurred in the 1933-35 biennium when a cash balance of \$20,831,947 was

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absorbed and a relief loan of \$25,000,000 was floated and spent in addition to regular revenues. Even this supplemented income fell short of meeting expenditure liabilities by approximately \$21,000,000.

In the 1935-37 biennium large new revenues were obtained from liquor taxes, increases were made in the rates of some existing taxes and several new taxes were added. In spite of these increases, the expenditures still mounted more rapidly than income and approximately \$9,000,000 was added to the deficit, bringing the cumulative figure to \$30,000,000.

In a further effort to meet the growing public assistance burden an emergency tax program was enacted by the Legislature at the 1935 regular and the 1936 special sessions. This tax program, which was continued in 1937 with some modification, added a total of \$156,000,000 to General Fund revenues for the 1937-39 period, which was again insufficient to meet the expenditure needs and the cumulative deficit reached \$49,000,000. In the 1939-41 biennium all of the so-called emergency taxes were re-enacted and it is estimated that they will produce approximately \$11,000,000 more than in the preceding biennium. As indicated above, however, the public assistance expenditure, plus the amount estimated as necessary to complete the biennium, has reached an all-time peak in this period and it is estimated that the resulting deficit will be further extended to approximately \$74,000,000.

Thus, while several income-producing expedients have been used, including the enactment of temporary tax measures which have more than doubled the tax income of the General Fund in the past six years, the efforts to finance the new assistance burden of the past decade have thus far been unsuccessful. At the present time there is substantial evidence that a

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turn in this tide may be expected in the 1941-43 biennium. As a result of the stimulation to employment and business, the size of the assistance burden is expected to decrease and the yield of the regular and emergency taxes is expected to increase. While it does not appear likely that the improvement will eliminate the entire accumulated deficit in the next two years, the situation should be better than at any time since 1931-33.

In addition to the adoption of tax and other laws to provide new revenues, a number of other fiscal procedures of significance have been developed during this critical period. Some will undoubtedly become permanent, others may be expected to disappear when the acute revenue shortage is relieved.

As the need developed to provide ready cash from the General Fund to meet regular public assistance grants, reaching as high as \$12,000,000 a month in September, 1939, serious difficulty was experienced in timing the flow of cash into the General Fund. Devices developed to meet this situation included the issuance of tax anticipation notes and the adoption of a self-assessment system for the payment of the major corporate taxes.

Through the medium of tax anticipation notes, issuable as soon as a tax is levied with the provision for repayment when the yield of the tax is realized, it is possible to make cash available as needed throughout the fiscal period, subject only to the limitation of the estimated total yield of all the levies. This procedure has been accepted as valid by the courts and it appears that it will become a standard practice to be used as required.

Under the self-assessment plan, each individual or corporation paying certain taxes to the State is required to accompany his return, due usually

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in March or April, with a payment of the amount of tax considered due, with adjustments, if any, to be made at a later date upon settlement of the account by the Revenue Department. This practice replaced the traditional system, under which no payments were made until the return of each taxpayer was reviewed and settled by the Department. As a device for producing additional cash within a given period this remedy was effective only once, since it had the effect of bringing three peak collection periods, instead of two, into the 1937-39 biennium. The requirement has been continued as a permanent part of the revenue laws, however, and has made a substantial change in the State's tax collection procedure.

Borrowing money temporarily from various special funds to enable the General Fund to pay its most pressing obligations, particularly near the end of the biennium, was first authorized in the biennium of 1933-35, when a total of more than \$16,000,000 was transferred from the Motor License, Fire Insurance Tax, Liquid Fuels Tax, State School and Liquor License Funds to the General Fund. This practice has been followed in each succeeding biennium and has grown in amount until the total authorized borrowings for the 1939-41 biennium have reached \$59,550,000, with further borrowings of \$6,400,000 requested in the Governor's budget message of February, 1941. In the laws authorizing these transfers, provision is regularly made for the repayment of the loans, within a specified time after the beginning of the next biennial period. The money borrowed is sometimes unused cash which is available in a trust or other custodial fund. It is frequently money which is earmarked for distribution to local governments, and the periodic distributions must be postponed while the Commonwealth is temporarily using the money for other purposes. The largest transfers have

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usually been made, however, from the Motor License Fund and represents revenue collections accumulated during the winter months for use in the spring and summer highway development programs. To avoid serious interference with highway plans, the attempt is usually made to have the motor fund borrowings returned as soon as possible after the beginning of the biennium on June 1 of each odd-numbered year.

Thus, necessity has introduced many new fiscal procedures and devices, during the decade since 1929. Some of these represent permanent and constructive additions to the Commonwealth's financial operations and some are obvious expedients which will disappear as the excessive pressure for ready cash is reduced. They are definitely the product of a prolonged period of deficit financing whose length and proportions are without precedent in the annals of the Commonwealth.

PERSONNEL TRENDS IN THE STATE'S SERVICE

The continued growth and expansion of the machinery of State Government has, of course, required a corresponding increase in manpower with which to operate.

In an earlier section of this report, mention was made of the fact that in the year 1900 the departmental employes of the State numbered between 200 and 300. By 1940, the number of salaried administrative employes had expanded to 33,700 persons. On this basis it is evident that the State's payroll has increased in a proportion which is fully comparable with the increase in its over-all expenditures.

While all of the employes included in the 1940 total are attached to one of the State departments or agencies, not all of them are paid from State revenues. In order to relate the employment figures to direct ex-

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penditure costs to the State, it is necessary to break down the total to show, first, the number employed in administration of the unemployment compensation system, the cost of which is paid entirely by the Federal government; second, the number employed by the Liquor Control Board, the full cost of which is paid from liquor sales; and third, the number actually employed and paid from the State's operating revenues. These revenues include certain Federal subsidies. On this basis the total for 1940 appears as follows:

Payable from Federal Funds	
Unemployment Compensation and Employment Service	3,206 *
Payable from Liquor Store Income	
Liquor Board Employes	3,489
Payable from State Operating Revenues	
Departmental	19,952 *
Institutional	<u>8,128</u>
Total	34,775

Figures for earlier years are available only in regard to the salaried departmental employes, comparable to the 19,952 shown above. This group numbered 2,710 in 1919 and increased steadily until a peak of 9,235 was reached in 1932. This number decreased to 8,597 in 1933, after which it mounted rapidly as additional functions were added to the State's activities. For example, the total of 19,952 employes in 1940 includes employes in new State services in the following numbers: Public Assistance (7,728); Commerce (41); Milk Control (68); Motor Police (500); Health (572); Welfare (15); and Treasury (373) and Auditor General (96) employes handling work in connection

* The State appropriation for employment service (plus a small amount from the Philadelphia Board of Education) constitutes approximately 4 percent of total cost of administering unemployment compensation and employment service system. From the total number of employes in this Bureau (3,330) 4 percent, or 133, have been deducted and added to departmental employes paid from State revenues.

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with Public Assistance, Liquor Control and Unemployment Compensation activities. The above additions account for an increase of 9,393 employees in 1940 as compared with 1933. Hence, there are now 10,559 salaried employees performing functions approximately comparable to those performed by similar employees in 1932 and 1933.

In terms of dollars the increase in expenditures for salaries, wages and salaries and wages paid from State operating funds (covering the departmental and institutional employees listed above, as well as salaried employees of the Legislature and judiciary) between 1932 and 1940 was as follows:

TABLE "A"

<u>FISCAL YEAR ENDING MAY 31</u>	<u>SALARIES</u>
1932.....	\$28,422,293
1933.....	28,621,052
1934.....	27,205,752
1935.....	27,042,223
1936.....	26,590,810
1937.....	28,909,227
1938.....	38,379,059
1939.....	44,575,589
1940.....	43,845,902

TABLE "B"

<u>FISCAL YEAR ENDING MAY 31</u>	<u>WAGES</u>
1932.....	\$18,543,613
1933.....	17,102,764
1934.....	16,805,280
1935.....	27,373,101
1936.....	20,495,831
1937.....	24,219,581
1938.....	25,387,936
1939.....	32,711,444
1940.....	16,912,441

TABLE "C"

<u>FISCAL YEAR ENDING MAY 31</u>	<u>SALARIES AND WAGES</u>
1932.....	\$46,965,906
1933.....	45,723,816
1934.....	44,011,031
1935.....	54,418,324
1936.....	47,036,641
1937.....	53,128,808
1938.....	63,766,994
1939.....	77,287,832
1940.....	60,770,333

The figures in the first Table, "A", represent what may be called the permanent payroll burden of the State, since they include all regular, full-time salaried employes paid from State revenue funds. As indicated in these totals the annual salary expenditure was slightly downward through the depression years from 1932 through 1936. The upward trend which set in in 1937 was considerably accelerated in 1938, when the full effect of new duties authorized by the 1937 Legislature was registered. The total increased materially for the fiscal year 1938-39 to a peak of \$44,575,589 and dropped slightly to \$43,843,902 for the fiscal year ending in 1940. This represents an over-all increase of \$15,421,609 in salaries during the nine years.

Thus, while the number of salaried departmental employes more than doubled, from 9,235 in 1932 to 19,952 in 1940, the total annual salary payments increased only 54 per cent. This would indicate that the largest increase in number of employes occurred in the lowest salary brackets. Information regarding the distribution of salaried employes, by salary scale, is given in the full-page table on page 35. While generally indicative of the relative number of employes



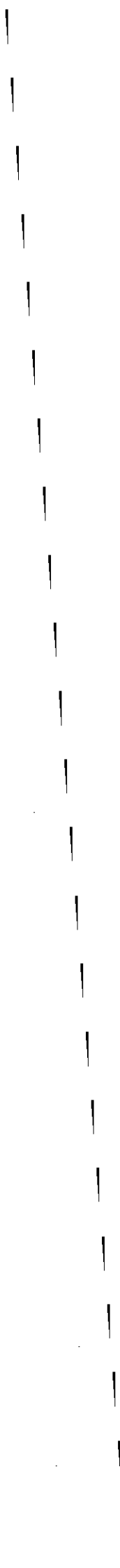
in each salary range, the figures in this compilation are not strictly comparable with the foregoing total salary figures, since the classification by salary grades includes employes of the Liquor Control Board, but does not include institutional employes.

The State's expenditures for personal services also include a substantial amount for wage or per diem employes, as indicated in Table "B". The largest portion of this group is employed in highway work and the number and total payments for wages is subject to wide fluctuations from year to year, depending on the extent of the highway program, the relative amount of highway work done directly by the Department or under contract. The expenditures for wages and fees amounted to \$19,648,092 in 1932, reached \$32,711,444 for the fiscal year 1938-39 and dropped to \$17,778,294 for the fiscal year 1939-40. While this amount has been considerably higher in some years, it is a varying total and does not represent a steady annual increase in operating costs, as in the case of salaried employes.

When the total annual increase of \$15,400,000 for salaries (Table "A") is compared with an over-all annual increase of operating expenditures of \$178,400,000 over the same period, however, it should be observed that a relatively small portion of the increasing State expenditures represents permanent payroll.

Although two large groups of these new employes did not become a direct charge upon the State's revenues, the State administrative agencies are required to select their personnel. As a result of steady and increasing pressure from many sources for the adoption of civil service, separate systems for the selection of employes on the basis of merit as indicated by

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OFFICERS AND EMPLOYEES OF COMMONWEALTH OF PENNSYLVANIA ⁽¹⁾

NUMBER OF DEPARTMENTAL SALARIED EMPLOYEES CLASSIFIED ACCORDING TO SALARY GRADES

(Date compiled as of June 1 for years 1919 to 1932, as of February 1, 1933 and September 1, 1940)

	Under \$1,200	\$1,200 to \$1,499	\$1,500 to \$1,799	\$1,800 to \$2,399	\$2,400 to \$2,999	\$3,000 to \$3,999	\$4,000 to \$4,999	\$5,000 to \$5,999	\$6,000 to \$7,499	\$7,500 to \$9,999	\$10,000 to \$11,999	\$12,000 and Over	Total Number
Male Employees:													
1919	931	404	253	351	102	147	37	28	10	12	10	1	2,286
1924	568	653	493	726	307	238	121	66	37	20	13	3	3,245
1927	983	984	737	1,010	420	319	172	58	57	23	10	6	4,779
1929	666	882	806	1,220	537	406	207	82	73	31	12	8	4,930
1931	1,001	1,059	1,077	1,603	651	469	221	106	69	23	20	8	6,307
1932	896	1,006	1,100	1,665	682	481	219	107	74	24	18	8	6,280
1933	801	935	975	1,546	655	464	204	104	69	22	18	8	5,801
1940	3,494	4,004	1,617	3,174	900	651	219	105	59	21	21	7	14,272
Female Employees:													
1919	342	66	7	5	2	2	---	---	--	--	--	-	424
1924	749	302	211	57	10	12	5	1	--	--	1	-	1,348
1927	1,109	483	296	85	23	17	6	2	--	--	1	-	2,022
1929	814	550	326	112	31	24	3	2	2	1	1	-	1,866
1931	1,504	780	388	157	41	29	6	2	2	1	--	-	2,910
1932	1,492	786	417	171	43	32	7	2	3	1	1	-	2,955
1933	1,408	741	392	163	46	31	8	2	3	1	1	-	2,796
1940	6,129	1,778	668	293	87	67	8	3	1	1	1	-	9,036
Total Employees:													
1919	1,273	470	260	356	104	149	37	28	10	12	10	1	2,710
1924	1,317	955	704	783	317	250	126	67	37	20	14	3	4,593
1927	2,092	1,467	1,033	1,095	443	336	178	60	57	23	11	6	6,801
1929	1,480	1,432	1,132	1,332	568	430	210	84	75	32	13	8	6,796
1931	2,505	1,839	1,465	1,760	692	498	227	108	71	24	20	8	9,217
1932	2,388	1,792	1,517	1,836	726	513	226	109	77	25	19	8	9,235
1933	2,209	1,676	1,367	1,709	701	495	212	106	72	23	19	8	8,597
1940	9,623	5,782	2,285	3,467	987	718	227	108	60	22	22	7	23,308

(1) This table includes only departmental salaried officers and employees. It does not include the Judiciary, the General Assembly and its employees, or persons employed in State-owned institutions. The figures for 1940 include, in addition to executive departments, employees of the Liquor Control Board. They do not include employees of the General State Authority or Turnpike Commission.

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competitive examinations, have been developed and applied to three of the newest and largest of the State administrative agencies. They are the Liquor Control Board, the Unemployment Compensation Division of the Department of Labor and Industry, and the Department of Public Assistance. Altogether, approximately 13,880 of the 34,775 salaried employes had been selected under one or the other of these merit plans in 1940.

In 1939 a bill was passed by the General Assembly authorizing the merging of the personnel boards and functions of the three agencies now operating under the separate systems into one personnel agency under a State Civil Service Commission. The bill provided that this agency should supply the employes of additional departments placed under civil service by the General Assembly. The bill was vetoed by the Governor, who objected to certain technical details of the plan rather than to the principle. The Governor recommended to the 1941 Legislature the adoption of a unified civil service system for the departments now functioning under separate systems. He has also proposed its extension to the Departments of Health, Welfare, the Motor Police, Fish Commission and Game Commission.

CHANGES BY DEPARTMENTS

The general nature and extent of the new functions assumed by the Commonwealth have been discussed in preceding pages of this Introduction. Consideration of some of the additions or significant changes in the traditional departments follows:

Charities, Hospitals and Corrections

In 1931 the administration of these related functions was centered almost entirely in the Department of Welfare. The major part of the expansion which increased the proportion of total State expenditures for these purposes

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resulted from the State assuming financial responsibility for direct relief, culminating in the creation of the Department of Public Assistance, as previously outlined.

Department of Welfare

Along with the growth of outdoor or direct assistance, the past decade has also been marked by a vast increase in the number of persons requiring institutional care through the State's mental, medical, general welfare and correctional institutions. An attempt to provide facilities to meet this need has been made through the first construction program of the General State Authority under which a total of \$27,000,000* has been allocated for the extension of present State welfare institutions and the erection of new ones.

The most serious need has developed for the care of mental patients, both insane and mentally defective, and the facilities have been extended until the eight State mental hospitals which housed a total of 13,036 patients in January, 1933 had a total of 16,294 patients in July, 1940. In 1939 the Philadelphia Mental Hospital at Byberry was added to the State group, bringing the total of mental patients in State hospitals to 22,047. In spite of the increased space made available under the General State Authority program, it is estimated that the mental hospitals are still overcrowded to 25 percent beyond capacity. A proposal has recently been made for additional construction work by the State Authority at the Philadelphia Hospital to rebuild and extend its present facilities. Legislation was enacted in 1938 providing for the transfer to the State of the other twelve county mental hospitals with patients numbering more than 10,000. The

* Governor's Budget, February, 1941, p. 65.

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effective date of the legislation to transfer these twelve hospitals has been postponed.

In addition to the mental hospitals, increased facilities were provided under the State Authority program to the State-owned institutions for mental defectives, the State medical and surgical hospitals and the correctional institutions.

All functions of the Department relating to the granting of outdoor, or non-institutional, direct assistance were transferred to the Department of Public Assistance upon its creation in 1937. The function of the Department of Welfare to supervise and collect statistics from the 424 local poor districts was materially affected by the Act abolishing these districts. The Department now supervises the institutional activities of the 68 county and city institution districts which took the place of the poor districts.

In 1936 a new division, called the Rural Extension Unit, was added to the Bureau of Community Work to conduct a program of child welfare in rural areas, financed largely through Federal funds.

The salaried employes of the Department of Welfare totaled 174 in 1933 and 168 in 1940, with an annual payroll decrease from \$387,060 to \$342,685. Total appropriations to the Department increased from \$38,070,773 in 1931-33 to \$41,930,662 in 1939-41. The figure for 1931-33 included an institutional construction program of \$5,663,593, which was not recurring. In 1939-41 there were increases of \$8,600,000 for institutional maintenance and \$1,200,000 for subsidies above 1931-33. In addition, the biennial rentals to the State Authority for the Welfare Department construction program are estimated at \$3,179,200 for the biennium 1941-43.

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Education

The State appropriations for education increased between 1931-33 and 1939-41 by \$4,844,067. This amount includes deficiency appropriations for 1939-41 recommended by the Governor in his budget message of February, 1941.

Department of Public Instruction

The State funds for education in Pennsylvania are expended under the supervision of the Department of Public Instruction. While there has been an extension of the duties and activities of most of the administrative divisions of the Department in the past decade there have been relatively few completely new functions added. The Department has had several internal administrative reorganizations during the period, the latest having been accomplished in 1936 when the general functions of the Department were organized with an executive office and four coordinate bureaus. The State Council of Education serves as an advisory board to the Department and the Department also encompasses the activities of the State Library and Museum, boards of trustees and presidents of State Teachers' Colleges, the Public School Retirement Board, Pennsylvania Historical Commission, Pennsylvania State Board of Censors and the professional examining boards.

Although both State and local expenditures for public schools have increased during the past decade, it is significant to note that the net public school enrollment of 1,886,833 in 1938-39 was slightly less than the total of 1,897,128 in 1928-29. A considerable shift has occurred, however, between the various age groups now enrolled in the schools, with an increase occurring in the high school groups. This shift has been accentuated by legislation effective in 1938 raising the compulsory school age from 16 to 17 years. Since per pupil costs in high schools are higher than in elemen-

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tary schools, this enrollment shift has been one decisive factor in the steadily mounting school expenditures. The change in distribution of the pupils among the elementary schools and high schools, at five year intervals, between 1918 and 1939 was as follows:

<u>Year</u>	<u>Total Net Enrollment</u>	<u>Elementary</u>	<u>% of Total</u>	<u>Secondary</u>	<u>% of Total</u>
1918-19	1,583,187	1,452,917	92	130,270	8
1923-24	1,802,505	1,576,530	88	225,975	12
1928-29	1,897,128	1,589,108	84	308,020	16
1933-34	1,994,022	1,394,480	70	599,542	30
1938-39	1,886,833	1,203,903	64	682,930	36

Although there has been considerable discussion of the need for revising the method of distributing State aid for local public schools as originally provided under the Edmonds Act of 1921, there have been no substantial changes in the provisions.* Reductions in local assessed valuations, upon which the distribution depends, have brought an increasing number of school districts into the group receiving the largest proportion of State aid and this has resulted in increasing the State's appropriation for school support from \$56,000,000 in the biennium 1931-33 to \$61,000,000 in 1939-41. In addition, a special item "aid to financially handicapped school districts" has been found in all budgets since 1929-31. The amounts appropriated follow:

1929-31	\$100,000
1931-33	1,250,000
1933-35	5,000,000
1935-37	4,000,000
1937-39	3,000,000
1939-41	4,000,000**

* See first report of Joint State Government Commission to the General Assembly on Tax and Financial Problems of the Commonwealth of Pennsylvania, pp.115,ff.
 **\$3,000,000 deficiency appropriation for school support and \$500,000 deficiency appropriation for financially handicapped school districts requested in Governor's Budget Message of February, 1941.

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Increases in the distribution of aid for transportation have increased the biennial appropriation for this purpose from \$1,500,000 to \$4,648,853 during the same period.

Since 1931-33 a change has been made in the method of appropriating funds for State Teachers' Colleges, whereby the receipt for tuition are now appropriated through a continuing appropriation rather than being estimated in advance and included in the appropriation act as a specific amount. In addition to these receipts a specific appropriation is still made. The appropriation of \$9,500,000 in 1931-33 was reduced to \$3,720,000 in 1939-41. Since the tuition receipts now average \$4,000,000 a biennium, this indicates a total expenditure of \$7,700,000 for the biennium, or an over-all decrease of approximately \$2,000,000 for State Teachers' Colleges, most of which occurred during the 1933-35 biennium at the time when the appropriation method was changed. In 1931-33 there was a further appropriation of \$330,000 for construction work at the teachers' colleges. Under the recent State Authority program a total of \$8,893,000 has been spent in new construction work at the various teachers' colleges and the rentals on this program add \$1,021,000 to the estimated expenditures for teachers' colleges for the 1941-43 biennium.

Appropriations for the universities and colleges receiving State funds increased from \$8,010,000 to \$8,458,000 from 1931-33 to 1939-41. Of this amount Pennsylvania State College received \$1,650,000 in 1931-33 and \$4,375,000 in 1939-41. To this sum was also added an appropriation of \$1,060,000 for construction work at State College in 1931-33. Under the State Authority program, a total of \$4,825,000 has recently been spent at State College, resulting in a biennial rental charge of \$617,000 for 1941-43.

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There are 13 professional examining and licensing boards attached to the Department which directly possess administrative powers, and three advisory committees in which professions the Department of Public Instruction makes most of the decisions and enforces them. As a result of extension of Federal aid for vocational training through the George-Deen Act, a new agency known as the Pennsylvania Public Service Institute has been created and attached to the Department. Its duty is to conduct a series of training schools or courses for the in-service training of State and municipal employes.

Highways

The amounts appropriated for highway purposes have shown a steady and substantial increase during the last decade. Complete supervision over the highway work of the Commonwealth and its correlation with the work of the Federal Government on highways within the State is committed to the State Department of Highways. Its operations are financed wholly from income received from motorists and accounted for through the Motor License Fund.

Department of Highways

Although State funds available for highway work have increased considerably during the past ten years, it has also been necessary to spread the funds over a greatly increased highway system since the miles of highway brought under State supervision have practically trebled since 1931, when the total mileage in the State system was 13,521. By relatively small additions to the so-called primary State system, and the addition of more than 20,000 miles of rural, or secondary, roads the total mileage in the State system had reached 40,522 by May, 1940.

In addition to this increase in mileage, the State has assumed respon-

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sibility for an increasing number of bridges on these highways. State highway costs have also been increased by a recent change in policy regarding the purchase of right-of-way and payment of property damages in highway construction, which are now paid for by the State in cases where these costs are not assumed voluntarily by the counties or municipalities.

During the past ten years the State has also assumed a larger share in the cost of maintenance and construction of all remaining rural roads in second class townships which have not been formally included in the State system. For a brief period (during 1937 and 1938) the State assumed direct responsibility for the cost and work of maintaining these roads. Since that time the cost, to the extent of \$8,500,000 a biennium, has been paid by the State to the township supervisors who have been responsible for directing the work.

While the State has thus been extending its highway activities, the Federal Government has also greatly expanded its highway expenditure in Pennsylvania, both through its P.W.A. program and through increased Federal aid to the State program. A substantial proportion of the Federal expenditure for highways has gone into grade crossing elimination.

To handle these newer activities, the organization of the Department has been enlarged and reorganized. New divisions added under the construction engineer include the W.P.A. Cooperation Division, for work with the Federal program, and the Turnpike Division rendering technical assistance to the recently created Turnpike Commission.

As the miles of improved highways have increased in the State with the attendant added usage by the public, an increasingly important phase of the Department's work has been its snow removal program. The mileage

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covered by this service has increased from 9,685 in 1930-31 to 18,215 in 1939-40 and the annual cost from \$1,519,000 to \$4,380,000.

New divisions under the expanded maintenance section of the Department include a Traffic Division and Safety Division, which have taken over the functions of the former Division of Signs and Safety. Newest among the staff services of the Department is the work of the Planning Survey Division which has the responsibility for developing the wide variety of information necessary for the planning of future highway construction programs.

The number of full-time, salaried employes required to carry on the highway activities was 2,685 in June, 1940. This included headquarters staff of 539 and field staff of 2,146. It represents an increase from a headquarters staff of 435 and field staff of 1,341, or a total of 1,776 in March, 1933. Appropriations from the Motor License Fund to the Department of Highways were \$105,341,355 in the biennium 1931-33 and \$148,507,000 in 1939-41.

General Government

Under this broad functional heading is grouped all those agencies of a general administrative nature referred to in management terms as the staff agencies. In Pennsylvania they include the offices of the elected executive officers: the Governor, Auditor General, Treasurer, and Secretary of Internal Affairs, as well as the Departments of Revenue, State, Justice, Property and Supplies, and Commerce. This group also includes the legislative and judicial branches of the State service.

Governor's Office.

As discussed in pages 5 to 8 of this Introduction, extensive changes in the duties and functions immediately under the direction of the Governor

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occurred following the adoption of the Administrative Code in 1923 and its amendment in 1927. Since that time, however, few further changes have been adopted. Salaried employes numbered 63 in 1933 and 53 in 1940. The biennial appropriation for the office, which was \$450,100 in 1931-33 had been brought down to \$334,750 in 1939-41.

Finance Offices

Probably the most notable change in any of these staff agencies in the last decade has been the increase both in the volume of work and in the number of employes in the finance offices of the Auditor General, Treasurer and Department of Revenue. Since the amount of money handled through these offices has more than tripled in recent years, it has been necessary to expand both the personnel and office space. The physical problem of housing these expanding agencies has caused the erection of a new building in the Capitol group which has been planned particularly for these offices and is called the Finance Building. This was financed by the General State Authority at a cost of \$5,178,974. The three financial departments first occupied this building in the spring of 1940.

Auditor General

The work of this Department has increased as the result of additional auditing services required following creation of the State Liquor Store system in 1934 and from the expansion of the public assistance program. Two divisions have been added to the Bureau of Audits to take care of these new assignments. Some internal changes among bureaus of long standing were effected in 1938 by a shift in the pre-auditing functions from the Bureau of Disbursements to the Bureau of Audits. The personnel of the whole Department was increased from 300 employes in 1933 with total salaries of

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\$686,680 to 360 in 1940 drawing total salaries of \$718,420. This change includes some consolidation of positions and work assignments in an effort to meet the heavy increase in duties placed upon the Department. A total of 96 employes were assigned to the two new divisions of liquor store and public assistance audits during this period.

Treasury Department

Addition of the extensive new functions to the State's operations has been directly reflected in the activities and organization of the Treasury Department in which two large divisions have been added to handle funds for public assistance and unemployment compensation. As of June 1, 1940, a total of 292 salaried employes were included in the Assistance Section and 81 in the Unemployment Compensation Section of the Bureau of Disbursements. Since that date, however, the duty of preparing checks for public assistance grants has been transferred to the Department of Public Assistance, under an enactment of 1939. The Treasury Department also handles State Liquor Control funds, but no new division was created to take care of this additional function.

In 1937 the State Employes' Retirement Board was transferred from the Department of State to the Treasury Department, but its return to the Department of State was again effected as of June 1, 1939.

The new duty of issuing tax anticipation notes has been placed with the Treasury Department since the authorization of this form of borrowing in the last three bienniums.

The number added to the Department payroll by the public assistance work alone nearly trebled the previous staff of the Department. Altogether, the personnel increase has been from 157 in 1933 to 557 in 1940. Although

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this represents an annual salary increase from \$303,070 to \$879,840, the expenditure for the Assistance Section is paid by allocation from the appropriation to the Department of Public Assistance and the expenditure for the Unemployment Compensation Section is paid from Federal funds. The appropriation from the General Fund for the operating expenses of the Treasury Department, which was \$858,300 in 1931-33, actually decreased to \$844,445 in 1939-41. By 1939-41 the Treasury Department was also disbursing a total of more than \$15,000,000 in General Fund payments for interest and principal on General Fund debt, none of which existed in 1931-33. This is in addition to payments on the highway debt paid from the Motor License Fund. The amount of tax anticipation notes issued during the 1939-41 biennium through this Department totaled \$155,000,000.

Revenue Department

With the addition of new State taxes, new collection duties have been placed on the Revenue Department. The increase in personnel and payroll required by these additions, however, was more than offset in total personnel by the transfer of the Highway Patrol to the Motor Police in 1937. Also in 1937 the State Athletic Commission was transferred from the Department of Military Affairs to the Revenue Department. The net result of these changes has been an over-all reduction in the personnel of the Department from 1,612 in 1933 to 1,345 in 1940, and an annual payroll reduction from \$2,260,760 to \$1,967,020.

The chapters on the administrative organization of these three finance departments contain reference to problems arising from several long-standing duplications and inconsistencies in the distribution of functions between the departments. These questions are discussed at greater length in Appendix A of the Supplement to this report.

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Department of Internal Affairs

No major changes in the general functions or organization of this Department have occurred in the past decade. Its duties have been enlarged by the requirement for the licensing of weighmasters of solid fuels, which developed as a result of increasing evidence of the short-weight selling of coal, and by assignment to the Department of supervision over the uniform budgeting and reporting systems required of all units of local government by legislation enacted in 1935 and 1937. In spite of these added duties, the number of employes and annual payrolls has shown a net decrease from 114 in 1933 to 102 in 1940. The total annual payroll dropped from \$270,100 to \$211,000 between these years.

Department of Property and Supplies

As in the case of the offices which handle the funds for the new and expanding State services, the Department of Property and Supplies, which must keep all agencies housed and supplied with working materials, has experienced a greater increase in volume than in type of work performed during recent years. The single problem of providing space for the new State agencies has added materially to the activities of the Department. This has been offset to some extent by a notable decrease in the amount of direct construction work carried on by the State. On the other hand, all relations of the Commonwealth with its new construction agency, the General State Authority, are carried on through the Department of Property and Supplies and this has added further to its problems and duties. This is particularly true since all property, once it is acquired for use by the Commonwealth, either through ownership or lease, must thereafter be maintained for the Commonwealth by this Department, and likewise all

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agencies occupying the property must be serviced and supplied with necessary working tools and equipment.

In spite of these additions to its work, the Department was operating with 571 employes on June 1, 1940, as compared with 672 in 1933 and carried an annual salary payroll of \$738,972 in comparison with \$920,912 for the earlier period. This decrease is general throughout the Department.

Department of State

Changes in the activities of this Department, as in the Governor's Office, consist mainly in the enlargement of duties and functions assigned under the Administrative Code of 1929. Some of the additional items cover increased activities in connection with administration of the laws relating to corporations, including the licensing of foreign corporations to do business in the State, and the determination and collection of the bonus on domestic corporations. Numerous additional duties were required of the Department under the revised Election Code of 1937, among the most important being the collection of fees for the filing of nomination petitions. As a result of the new Defense Program, the work of canvassing the vote of soldiers or others absent from their voting districts because of military service will again become an important function of the Department. As a result of legislation of 1937, a Civil Rights Division was created in the Administrative Bureau to render information and general assistance on this subject.

The State Employes' Retirement Board, the only administrative board attached to the Department, was transferred to the Treasury Department in 1937, but was returned again to the Department of State by legislation of 1939.

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Salaried employes of the Department have increased from 41 in 1933 to 60 in 1940, with a payroll rise from \$81,980 to \$97,940. Total appropriations to the Department, including payments from the General Fund into the Retirement Fund, decreased from \$2,218,681 in 1931-33 to \$1,903,370 in 1939-41. Appropriations applicable to the Department other than the Retirement Fund were \$295,900 in 1939-41, a decrease from \$387,725 in 1931-33. This latter amount included \$130,000 more than in 1939-41 for publishing constitutional amendments. An item of \$300,000 has been requested in the budget of 1941-43 for administering the absentee soldier voting system.

Protection of Persons and Property

State agencies classed under this general function include the Departments of Banking, Insurance, Labor and Industry, Military Affairs, Mines, the Public Utility Commission, and the Motor Police.

Banking Department

In the past decade particular emphasis in the Banking Department has been placed on the liquidation of closed banks and building and loan associations, with the final settlement of 122 banks and 274 building and loan companies still pending at the end of 1940. Following the codification of the Banking Laws in 1933, the Securities Commission, an administrative board already attached to the Department, was assigned additional functions relating to the investment business. Previously they were general functions of the Department. Through extensive amendments to the Banking Code in 1937, two advisory boards, the Banking Board and the Building and Loan Board, were created to assist and advise the Secretary of Banking. Supervision of the Banking Department was also extended to the newer forms of loan agencies, such as credit unions and consumer discount companies. Pawnbrokers were

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also made subject to regulation by the Department.

Over the period from March, 1933, the number of employes in the Department decreased from 279 to 218 and the annual payroll from \$685,740 to \$535,370. Except for the functions of the Securities Commission, the operations of the Banking Department are financed from service charges upon the banks and other financial institutions examined by the Department. Its collections and expenditures are financed through the special Banking Department Fund.

Insurance Department

Changes in this Department in the past decade have included the extension of its authority over fire insurance rate-making bureaus, title insurance companies, fraternal benefit societies, beneficial societies, non-profit hospitalization corporations, the Workmen's Compensation Security Fund and non-profit medical service corporations. The Department is financed entirely from the Insurance Fund, which is built up from fees and licenses collected from insurance companies. These collections exceeded the operating costs of the Department by approximately \$189,000 in 1937-39. The personnel and payrolls have decreased somewhat since 1933, dropping from 89 to 83 in number employed and from \$216,500 to \$180,220 in annual salary payroll.

Department of Labor and Industry.

This Department, as in the case of several others, experienced a greater increase in the volume than in the nature of its activities over the last decade. The principal exception to this was the placement under its general supervision of the new unemployment compensation function, which has been described under new State activities.

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A new addition to the Department is the Pennsylvania Labor Relations Board created by Act of 1937 to provide protection for the employees' right to organize and bargain collectively through duly constituted representatives. Duties of the Board also include the prevention of certain unfair labor practices enumerated in the Act and the certification of representatives elected by a majority of the employees in their appropriate employment units.

A new advisory group, organized by the Department in 1939 as a voluntary agency without authorization by law, is the Pennsylvania Apprenticeship Council, including representatives of both employers and employees and designed to assist the Department with problems involving apprentices and apprentice helpers.

The activities of the Workmen's Compensation Bureau were considerably increased as a result of extensive amendments to the Compensation Law and passage of the Occupational Disease Compensation Act in 1937. Under amendments to the boiler inspection law, the State inspection service was extended to the cities of Philadelphia, Scranton, and Erie and elevator inspection law amendments extended State inspection to the cities of Philadelphia, Pittsburgh and Scranton. These were the only jurisdictions not previously covered by this supervision. In the case of elevator inspection it is estimated that it has increased the work of the State Division approximately 175 percent. Under the Explosives Law of 1937, the Division of Mines and Quarries has assumed the duty of licensing and inspecting the storage of explosives in magazines throughout the State.

The Bureau of Industrial Standards conducts an inspection service for occupational disease hazards under the new law, although the major portion

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of the work of the control of occupational diseases was transferred in 1939 to the Department of Health.

Under the Bureau of Research and Information a Division of Negro Research and Planning was organized in 1939 with a State Advisory Council on Negro Affairs. Research activities of the Bureau have also been extended to include price and cost of living studies for use in administration of the Minimum Wage Law for women. Administration of the Minimum Wage Law is an added function of the Bureau of Women and Children, together with the Industrial Home Work Law and extensive amendments to the Women's Hour Law also enacted in 1937.

Since adoption by Congress of the Wagner-Peyser Act in 1935, the Federal Government has contributed to the States, on an equal sharing basis, funds for extension of the State employment offices and this service was considerably expanded in Pennsylvania prior to enactment of the unemployment compensation system. When the unemployment compensation system was set up, much of the local work of administering the Act was assigned to the State employment offices. The number and personnel of the offices were greatly increased and the cost of administering them was merged with the cost of administering the unemployment compensation system. This administrative cost is all paid from Federal funds except for the State appropriation for the employment service, plus a small amount for the Philadelphia junior employment offices from the Philadelphia Board of Education, which total approximately \$136,000 a year and constitute about 4 percent of the total annual administrative cost for both the unemployment compensation and employment service. From a bookkeeping standpoint this is matched under the Wagner-Peyser Act by the Federal Government, the remain-

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ing cost being directly charged to unemployment compensation.

In June, 1940, the total salaried staff of the Department of Labor and Industry, including employes paid from both Federal and State funds, reached 4,189. The subdivisions of this staff and their comparison with the number employed in March, 1933, were as follows:

	<u>June 1,</u> <u>1940</u>	<u>March 1,</u> <u>1933</u>
Departmental Employes (except Bureau of Employment)	559	404
State Workmen's Insurance Fund	291	212
Unemployment Compensation	1,759	---
Employment Service		
State and Federal (matched funds)*	266	37**
Federal (as part of unemployment compensation system)	<u>1,314</u>	<u>---</u>
Total Employment Service	<u>1,580</u>	<u>37</u>
Total Employes	4,189	653

During this period the appropriations to the Department from the General Fund increased from \$2,535,200 in 1931-33 to \$3,255,850 in 1939-41. These appropriations covered the activities of the departmental employes in both periods, and included the State appropriation for the employment service.

Department of Military Affairs

Considerable increase in the functions and activities of the Department occurred during the past decade prior to the inauguration of the present defense program. This extension of activities included a large increase in the military properties owned and maintained by the Department

* Number of employes apportioned on the basis that funds supplied jointly by the State and Federal Government under the Wagner-Peyser Act constitute approximately 8 percent of the combined administrative cost of the unemployment compensation system and the employment service.

** Paid in varying amounts by the Federal Government.

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among which were 27 new armories built since 1933 through the combined programs of the W.P.A., the Department of Property and Supplies, and the General State Authority. A new service developed in connection with the organized veterans' activities. This included distribution of the State soldiers' bonus of \$50,000,000 authorized by amendment to the State Constitution in 1933, assistance to veterans in making applications for payments of Federal grants and development of a system of veterans' unemployment relief. The activities connected with the bonus and Federal payments have been declining in the last two bienniums and the total appropriation of \$3,111,500 of State funds to the Department in 1939-41 was only slightly more than the total of \$3,014,619 in 1931-33.

The normal peace-time program of the Department has been almost completely changed as a result of the new national defense activities. Under recent Federal enactments the entire National Guard of the State, which in normal times is maintained, trained and paid from State funds, has been inducted into the Regular Army, and thus its expenses are provided entirely by the Federal Government. At the same time, the Military Reservation at Indiantown Gap, previously conducted and maintained by the State, has been selected by the Federal Government as a training camp for a large portion of the National Guard. For the period during which these and other activities, normally carried on by the Department, are taken over by the Federal Government, it is anticipated that there will be a reduction both in personnel and expenditures by the State agency, unless, as recommended by the Governor in his Budget Message of February, 1941, the appropriation normally used for these purposes be made available for the extension of other military functions and duties expected to devolve upon the State as a

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result of the intensified Federal defense activities.

Department of Mines

Under legislation of 1939 the Department of Mines was given the additional duty of supervising research for new uses and markets for anthracite and bituminous coal. The Department's advisory boards were also increased by an Act of 1937 creating Bituminous Miners' Examining Boards, not to exceed five in number, to conduct examinations of miners applying for the right to work in the bituminous coal mines of the State. With these exceptions, few other changes have occurred in recent years, either in duties or organization of the Department. The personnel of the Department decreased from 70 in 1933 to 61 in 1940, while the biennial appropriation decreased from \$726,800 in 1931-33 to \$625,000 in 1939-41.

Public Utility Commission

Under legislation enacted in 1937, the former Public Service Commission was abolished and a successor agency, called the Public Utility Commission, was created. The membership of the Commission was reduced from the former seven to five members appointed for overlapping terms of 10 years and not only appointed but removable by the Governor with the advice and consent of the Senate. Under the new legislation the regulatory powers and duties of the Commission were considerably extended.

The seven administrative bureaus of the former Commission were combined into five. For the performance of its increased functions the personnel of the Commission has more than doubled between 1933, when the total of salaried employes was 158, and 1940, when the total had reached 344. In addition to certain fees and fines previously collected, the new Commission was given authority to collect an assessment from each utility

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to cover the cost of annual examinations, similar in principle to the long standing practice of the Banking Department. Appropriations for this function increased from \$1,026,850 in 1931-33 under the earlier Commission to \$1,866,000 in 1939-41 under the new Commission. The latter amount was offset by revenues estimated at \$1,838,008 for the biennium, of which \$736,574 was actually received during the first year 1939-40.

Pennsylvania Motor Police

A basic change in the State's law enforcement agencies occurred in 1937 when the State Police and the Highway Patrol were merged into one organization called the Pennsylvania Motor Police. The new agency is financed jointly from the General and Motor License Funds in a proportion of approximately \$1,000,000 from the General Fund to \$8,000,000 from the Motor License Fund. The work of the agency is carried on under two general divisions in the headquarters staff -- the crime division and the traffic division -- although the work of the field patrol frequently overlaps these divisions.

In addition to the coordination and extension of its general patrol duties which have been affected as a result of the consolidation, the enforcement or inspection services rendered by the police to the other State departments and agencies has increased nearly fourfold between 1937 and 1940, rising in actual man-hours from 46,091 in 1937 to 178,332 in 1940. This increase has resulted primarily from the use of police personnel by the Revenue Department in the duty of inspecting automobile inspection stations in garages, by the Department of Justice in the work connected with the return of parolees from other states, and by the Governor's Office in the inspection and investigation of applicants for police commissions, such as railroad police, etc.

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A considerable increase in personnel has occurred since 1933 when the Bureau of Highway Patrol and Safety in the Department of Revenue numbered 610 employes and the State Police 441. This total of 1,051 carried a biennial salary payroll of \$3,156,260. Under the combined setup, the total number of employes was 1,544 on June 1, 1940, and the biennial payroll during the first biennium under the new organization (1937-39) was \$4,771,776. The number of Motor Police is limited by law to a total of 1,600 men.

Conservation of Natural Resources

Agencies of the Commonwealth which are engaged directly and primarily in conservation work include the Department of Forests and Waters, the Fish Commission and the Game Commission. Since several of the important functions of the Department of Agriculture also fall within this classification, it is customarily included in the group.

Department of Forests and Waters

The principal additions to the activities of this Department in recent years have been in flood control work which is carried on under the supervision of the Water and Power Resources Board, an administrative board attached to this Department. Following the disastrous floods of 1936, an appropriation of \$4,900,000 was made to the Department for flood control projects at the session of 1937. Expenditure of approximately \$2,000,000 of this sum by the Board made possible the securing of additional Federal funds for this work in Pennsylvania. Since that time the remainder of the State appropriation has been lapsed and the projects have been financed almost exclusively by Federal funds, although the State engineers continue to cooperate with both the Federal and local officers in

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planning and carrying out the projects. Since 1933 the Department personnel has increased from 270 to 286, while its annual salary payroll has dropped from \$515,290 to \$493,940.

Fish and Game Commissions

These two agencies are financed from the proceeds of fishing and hunting licenses, fees, and fines which are earmarked and held in separate funds for these respective purposes. The last decade has been marked by a considerable increase both in the revenues of the funds and the activities financed by them. In the case of the Fish Commission, its revenues were considerably increased during the 1937-39 biennium by the legalizing of fishing on Sunday. This increase in revenues resulted in an increase in expenditures by the Commission from \$936,948 in 1931-33 to an estimated \$1,705,976 in 1939-41. In the Game Fund expenditures have increased from \$2,374,475 in 1931-33 to an estimated \$3,361,555 in 1939-41. Under terms of the Game Law of 1937, a substantial portion of all revenues received in the Game Fund must be earmarked for the purpose of acquiring and maintaining more game lands. The volume of these holdings has increased from 313,194 acres in 1930 to 956,459 in 1940.

Department of Agriculture

The major functions of this Department are of such long standing that changes over a given period consist largely of additions to traditional functions rather than entirely new additions. In recent years efforts to control both animal and plant diseases and pests have been intensified and each decade sees the addition of numerous new enemies to be combatted. Further efforts at plant pest control followed enactment of the Plant Pest Act of 1937, requiring the inspection of nursery stock

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offered for sale in the Commonwealth. Licensing and bonding of produce dealers were also added to the functions of the Department in 1937, and in the same year the State Soil Conservation Board was created and added to the Department's administrative boards.

Salaried employes of the Department totaled 350 in 1933 and 298 in 1940, with an annual payroll decrease from \$660,960 to \$517,660. As a result of this decrease, together with a marked reduction in the total required for animal indemnities, the total appropriation for the Department dropped from \$4,800,350 in 1931-33 to \$3,214,000 in 1939-41.

Health and Sanitation

This function has been performed in Pennsylvania in the past entirely by the Department of Health. Since the Commonwealth has assumed the function of regulating the milk industry under the Milk Control Commission, this new activity may also be classified in the field of public health.

Department of Health

Although, as with many other State functions, the proportion of total expenditures which were devoted to public health activities in 1938 was less than in 1931, there has been a marked expansion in the duties and functions of the Health Department. One of the most important developments has been the increased supplying of free serums for treatment of pneumonia and venereal diseases. The State's activities in the control of syphilis were considerably enlarged as a result of legislation enacted in 1939 requiring pre-marital and pre-natal examinations. The number of State venereal disease clinics practically doubled between 1934 and 1940.

In 1939 the function of occupational disease control was transferred from the Department of Labor and Industry and became the Division of In-

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dustrial Hygiene in the Bureau of Health Conservation. Another relatively new function of this Bureau is the examination of sanitary conditions in all public camps and recreational areas. In recent years a Division of Cancer Control has been created to administer a program financed almost entirely from Federal funds.

A further new function assigned to the Department by legislation of 1935 was the inspection of the handling and selling of shellfish within the State. Coal mine sealing, for which sizable appropriations were being made early in the decade, has been supplanted by the de-watering of flooded mines for which the Department has been given appropriations biennially since the extensive floods of 1936.

In 1935 the State Board of Undertakers was transferred from the Department of Public Instruction and added to the growing group of administrative boards functioning in connection with the Health Department. In 1937 the newly created State Housing Board was added. This Board received an appropriation of \$25,000 for the 1939-41 biennium and has named an executive director and clerk but is not yet actively functioning.

As of June 1, 1940 more than half of the regular (non-institutional) employes of the Department were being paid from Federal funds, the division being: State - 539, Federal - 572. In addition there were 661 salaried and 566 wage earning employes in the three tuberculosis sanatoria and the crippled children's hospital. In spite of the expanding functions of the Department, the appropriation of \$6,099,400 made for the 1939-41 biennium was actually less than the appropriation of \$6,199,695 for 1931-33. The latter amount included approximately \$500,000 for new construction which was not duplicated in the 1939-41 total. However, the General State Author-

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ity has expended \$8,318,532 in additions and new construction for Department of Health institutions, the rentals on which for the 1941-43 biennium are budgeted at \$943,000. These include the expenditure of \$2,591,133 for the erection of a new tuberculosis sanatorium at Butler.

This review of the changes in and additions to the functions of the traditional administrative departments shows that virtually all of these departments are now performing considerably more extensive, and in many cases more numerous, duties than at the beginning of the decade. Due to improvements in organization and management and to the pressure for economy in the face of other more pressing needs, these additional activities are being carried on, in most of the departments, with the same number or fewer employes than ten years ago.

Continued improvement in efficiency in the handling of traditional functions as well as the tremendous expansion into new fields of activity necessitate an ever increasing emphasis on business methods of administration and constant adjustment of departmental organization to meet the growing demands. Recommendations to this end, which have resulted from this survey of present day operation and organization of each State department and agency, are contained in a separate publication issued as a supplement to this volume.

PART I

MAJOR BRANCHES OF THE STATE GOVERNMENT

CHAPTER I

GOVERNOR'S OFFICE

A. FUNCTION

The Executive Department⁽¹⁾ of the Commonwealth consists of the Governor, Lieutenant Governor, Secretary of the Commonwealth, Attorney General, Auditor General, State Treasurer, Secretary of Internal Affairs, and the Superintendent of Public Instruction.

The Governor is the chief executive officer⁽²⁾ of the Commonwealth, and commander-in-chief⁽³⁾ of the Army and Navy of the Commonwealth and of the militia except when they are called into Federal service. He administers the laws and manages the financial affairs of the State.

The Governor must be 30 years of age or over,⁽⁴⁾ a citizen of the United States and for 7 years preceding his election, a resident of the Commonwealth. He is elected by the people at a general election for a term of four years⁽⁵⁾ dating from the third Tuesday of January next following his election. He may not be reelected for the next succeeding term. The salary is fixed by statute⁽⁶⁾ at \$18,000 per year.

The Governor is a member or chairman of the following Boards and Commissions:

1. Executive Board⁽⁷⁾
2. State Armory Board⁽⁸⁾
3. State Farm Products Show Commission⁽⁹⁾
4. Board of Commissioners of Public Grounds and Buildings⁽¹⁰⁾
5. State Military Reservation Commission.⁽¹¹⁾

B. POWERS AND DUTIES

Powers and duties are vested in and imposed upon the Governor by the Constitution and by statute.

1. Constitutional Powers

Under the Constitution⁽¹²⁾ the Governor has power to appoint with the advice and consent of two-thirds of the Senate all administrative officers of the Commonwealth and such other officers as he is authorized by law to appoint; to fill any vacancies in the offices to which he may appoint, in the office of the Auditor General, State Treasurer, Judicial offices or any other office which he is or may be authorized to fill; to remit fines and forfeitures and grant reprieves; upon recommendation of the Board of Pardons, to grant commutations of sentence and pardons except in case of impeachment; to require information in writing from the officers of the executive department; on extraordinary occasions, to convene the General Assembly and in case of disagreement between the two houses as to time of adjournment, to adjourn them to such time as he shall think proper, not exceeding four months; to convene the Senate in extraordinary session by proclamation for the transaction of executive business; to approve or veto legislation passed by both houses of the General Assembly; to disapprove any item or items of any appropriation bill; and to act as commander-in-chief of the Army, Navy and Militia of the State except when they are called into the service of the United States.

He is required to give to the General Assembly information as to the state of the Commonwealth and to recommend to their consideration such measures as he may deem expedient. He is also required to approve or disapprove, with the Auditor General and State Treasurer, certain types of contracts.⁽¹³⁾

2. Administrative Code

Additional powers and duties under the Administrative Code, as amended, authorize the Governor:

- a. To cause to be published for the information of the public, bulletins of the work of the State Government;
- b. To prescribe and require uniform systems of bookkeeping, accounting and reporting, for agencies under his supervision, after consulting with the Auditor General;
- c. To approve or disapprove all investments by departments, boards or commissions of funds administered by them;
- d. To submit a State budget to the General Assembly;
- e. After each biennium appropriation to the Department of Property and Supplies for certain purposes, to allocate, and from time to time, to reallocate to the several departments, etc., such portions of such appropriations as will fairly represent their needs;
- f. To grant to pilots, engaged in the aeronautical work of the Department of Revenue, commissions of such grades as the Governor may prescribe.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, the work of the Governor's Office is divided among three bureaus, as follows:

Administrative Bureau
Budget Bureau
Personnel Bureau

1. Administrative Bureau

This Bureau is under the direction of the Secretary to the Governor, being concerned with the general executive and administrative duties which the Governor must perform. It issues news releases, assembles items for the newspapers, prepares information needed by the Governor, and makes investigations for him which cannot be performed by any other investigatory agency of the Commonwealth.

a. Notary Public Commissions

Applications for commissions as Notaries Public are sent by this Bureau to individual applicants. While appointments are non-partisan in nature, the endorsement of the State Senator in whose district the appli-

cant resides is required. Between sessions of the Legislature an interim appointment is made and a commission issued which expires at the end of the next session of the Senate. These appointments are later submitted to the Senate and, if confirmed, commissions are issued for four years from the day of confirmation. Approximately 7,000 applications are handled through this Bureau each biennium.

b. Issuance of Corporate Charters

While the Governor no longer needs to approve business corporation charters, (14) the Administrative Bureau performs certain functions with regard to those corporations organized and incorporated before June 1, 1933. Charters for credit unions, (15) cooperative associations, (16) and insurance companies, (17) are still approved by the Governor, who issues letters patent to such corporations.

2. Budget Bureau

The Budget Bureau is under the supervision and direction of the Budget Secretary, whose duty it is to administer the budget with the approval of the Governor. This is the agency through which the Governor exercises control over State expenditures.

a. Formulation of the Budget

The formulation and operation of the budget is provided by statute. (18) Not later than August 15 of each even numbered year, the Budget Secretary distributes forms to each agency and institution which desires a State appropriation on which to furnish complete information as to present financial position in relation to the last preceding appropriation, an estimate of future needs and a complete explanation of and reasons for estimates of receipts and expenditures for the succeeding biennium. These forms must be completed and returned not later than November 1st, after which further

inquiries, conferences and investigations may alter the estimates. The Budget Secretary must submit a completed budget estimate and any additional information requested to the Governor on or before January 1st next succeeding.

As soon as possible after the organization of the General Assembly, the Governor is required to submit a State budget recommending amounts to be appropriated to the various agencies of the State Government, to institutions within the State and for all other public purposes. At the same time, he must submit estimates of receipts from all sources and an estimated amount to be raised by taxation or otherwise. With the budget, the Governor must submit the estimates of receipts and expenditures as received by the Budget Secretary.

b. Control of State Expenditures

Each agency receiving an appropriation furnishes the Budget Secretary before June 1st of each year, with an estimate of the portion of its biennial appropriation it expects to spend in that year for each object (19) and for the particular function of government. This annual estimate is divided into monthly estimates on the above bases. When these object and functional allocations have been finally agreed upon and approved by the Governor, they cannot be changed without approval of the Governor. The Governor notifies the Auditor General of any agency failing to submit an estimate of expenditures requested by him, whereupon the Auditor General is forbidden to draw any warrant in favor of such agency. Copies of all requisitions for expenditures of money by any agency must be submitted to the Budget Office where records are maintained by object classification and by appropriation. In this way, a control over expenditures is constantly exercised.

c. Additional Duties

This Bureau checks all recommendations for investment of custodial funds in order to check the value and worth of the proposed investment and makes recommendations to the Governor for approval or disapproval. It also supervises the systematizing and standardization of accounting procedures in the various agencies of the Commonwealth.

3. Personnel Bureau

(20)

Under the Administrative Code, the heads of the several administrative departments appoint and fix the compensation of the employes of their departments. This does not apply to the Liquor Control Board, the Department of Public Assistance, or the Division of Unemployment Compensation and Employment Service in the Department of Labor and Industry, all of which are under civil service. The number and compensation of all employes appointed, outside of civil service, is subject to approval by the Governor.

The Personnel Bureau, under the direction of the Personnel Secretary, maintains a complete record of all salaried employes in the executive branches of the State Government and at all State institutions including teachers' colleges. It maintains files of all applications for positions in the State service and furnishes departments with the names of applicants where vacancies occur. In actual practice, although the approval of the Governor is required merely on the number and compensation of appointees, he actually passes upon the applicant as well.

D. PERSONNEL

Exclusive of the Governor, who receives an annual salary of \$18,000, there were 52 employes on the payroll as of June 1, 1940. Aggregate annual salaries on this date totaled \$126,580. Table I-A shows these employes by bureau, personnel classification, and annual salary.

TABLE I-A

GOVERNOR'S OFFICE
NUMBER OF EMPLOYEES ACCORDING TO BUREAU,
PERSONNEL CLASSIFICATION AND ANNUAL SALARIES
JUNE 1, 1940

Bureau and Personnel Classification	Number of Employees	Annual Salaries
<u>Administrative Bureau</u>		
Secretary to the Governor	1	\$ 7,500
Assistant Secretary to the Governor	1	5,000
Correspondence Secretary (\$3,600)	2	7,200
Chief Clerk	1	5,000
Principal Correspondence Secretary	1	2,400
Assistant Accountant	1	1,980
Senior Secretary-Stenographer	1	1,860
Special Clerk-Stenographer	1	1,860
Supervising File Clerk	1	2,100
Senior Commission Clerk	1	1,440
Senior Accounting Clerk	1	1,440
Senior Stenographer	1	1,260
Senior Stenographer (\$1,200)	7	8,400
Senior Stenographer-Clerk (\$1,200)	2	2,400
Advanced File Clerk	1	1,200
Advanced Mail Clerk (\$1,200)	2	2,400
Senior File Clerk	1	1,020
Total	<u>26</u>	<u>\$54,460</u>
<u>Budget Bureau</u>		
Budget Secretary	1	\$ 8,000
Assistant Budget Secretary	1	5,500
Budget Accountant	1	3,000
Assistant Budget Accountant	1	1,860
Systems Accountant	1	3,000
Advanced Stenographer-Secretary	1	1,860
Advanced Personnel Control Clerk	1	1,620
Appropriation Liability Clerk	1	1,380
Senior Stenographer-Clerk	1	1,320
Record Clerk	1	1,200
Record Clerk	1	1,320
Assistant Record Clerk	1	1,020
Junior Record Clerk (\$1,020)	2	2,040
Junior Expenditure Clerk	1	1,140
Senior Messenger	1	1,080
Total	<u>16</u>	<u>\$35,340</u>

TABLE I-A
(Continued)

Bureau and Personnel Classification	Number of Employees	Annual Salaries
<u>Personnel Bureau</u>		
Personnel Secretary	1	\$ 6,000
Assistant Personnel Secretary	1	3,000
Advanced Personnel Clerk	1	1,860
Personnel Clerks (\$1,140)	2	2,280
Junior Stenographer-Secretary	1	1,200
Senior Clerk-Stenographer	1	1,140
Senior Stenographer-Clerk	1	1,140
Reception Clerk	1	1,140
Senior Messenger	1	1,020
Total	10	\$ 18,780
Grand Total	52	\$126,580

E. FINANCES

The only revenue of the Governor's Office is the \$25.00 fee for the Notary Public commissions. This averages \$150,000 a biennium.

Expenditures of the Governor's Office, during the past three fiscal years, including operation of the Governor's Mansion, have ranged from a minimum of \$152,176.60 in 1939-40 to a maximum of \$171,565.29 during 1938-39. Table I-B shows expenditures by object classification during the fiscal years 1937-38 to 1939-40, inclusive.

TABLE I-B

GOVERNOR'S OFFICE
EXPENDITURES BY OBJECT CLASSIFICATION
Fiscal Years 1937-38 to 1939-40, Inclusive

Object	Fiscal Year Ending May 31		
	1937-38	1938-39	1939-40
Salary of the Governor	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Salaries	109,505.56	106,991.31	107,230.02
Wages	346.08	5,684.63	3,241.17
Fees	1,395.25	238.94	137.50
Printing, Binding, Stationery ..	2,457.48	7,360.17	2,962.49
Food and Forage	90.10	167.56	87.50
Materials and Supplies	2,217.94	4,614.47	2,959.65
Traveling Expenses	3,752.35	3,897.62	1,704.69
Motor Vehicle Supplies, Repairs	458.80	500.27	1,307.54
Freight, Express, Cartage	1.84	1.58	22.29
Postage	1,890.02	2,387.20	1,270.00
Telephone & Telegraph	6,859.97	8,057.75	4,388.97
Newspaper Advertising, Notices .	218.23	--	--
Contracted Repairs	121.39	252.72	1,153.74
Rent of Real Estate	--	200.00	--
Rent of Equipment	2,631.00	2,675.10	3,241.07
Insurance, Surety and Fidelity			
Bonds	197.13	386.22	148.38
Other Maintenance Services and			
Expenses	3,336.79	3,432.55	1,865.34
Equipment and Machinery	2,367.32	2,067.40	975.74
Subsidies, Grants, Bounties and			
Indemities	1,741.55	4,649.80	1,480.51
Total	\$157,588.80	\$171,565.29	\$152,176.60

FOOTNOTES

- (1) Administrative Code, Section 201
- (2) Pennsylvania Constitution, Article IV, Section 2
- (3) Pennsylvania Constitution, Article IV, Section 7
- (4) Pennsylvania Constitution, Article IV, Section 5
- (5) Pennsylvania Constitution, Article IV, Section 3
- (6) Administrative Code, Section 209
- (7) Administrative Code, Section 204
- (8) Administrative Code, Section 426
- (9) Administrative Code, Section 430
- (10) Administrative Code, Section 446
- (11) Administrative Code, Section 448
- (12) Pennsylvania Constitution, Article IV, Sections 8, 9, 10, 11, 12, 15, 16.
- (13) Pennsylvania Constitution, Article III, Section 13
- (14) 1933, P.L. 364
- (15) 1933, P.L. 1076
- (16) 1919, P.L. 466
- (17) 1921, P.L. 682, Section 211
- (18) Administrative Code, Section 601 and 602
- (19) Administrative Code, Section 604
- (20) Administrative Code, Section 214

CHAPTER II
THE GENERAL ASSEMBLY

A. FUNCTION

The Constitution of Pennsylvania provides that "the legislative power of this Commonwealth shall be vested in a General Assembly which shall consist of a Senate and a House of Representatives."⁽¹⁾

The "legislative power" may not readily be defined, but the principal function of the General Assembly is to enact the laws of the Commonwealth.

B. POWERS AND DUTIES

As the statute law-making body of the State, the General Assembly is legally supreme, except as limited by the Constitutions of the United States and the Commonwealth of Pennsylvania.

1. Constitutional Restrictions

The limitations on the powers of the General Assembly imposed by the State Constitution, expressly or implicitly, are summarized in the following paragraphs.

In order to remedy the legislative abuse of passing legislation covering individual persons, cases, corporations, and communities, the Constitution of 1874 declared that the General Assembly shall not pass any local or special law on twenty-eight stipulated subjects.⁽²⁾ The purpose of this section is not to limit legislation, but to prohibit the doing, by special or local laws, of that which can be accomplished by general laws; it relates not to the substance but to the method of legislation.⁽³⁾

These prohibitions against local and special legislation brought into being the system of legislating for particular classes. Classification is essentially unconstitutional, unless there exists a necessity springing from

manifest peculiarities, clearly distinguishing those of one class from each of the other classes, and imperatively demanding legislation for each class, (4) separately, that would be useless and detrimental to the others. However, by amendment of 1923, the Legislature was specifically invested with the power to classify counties, cities, boroughs, school districts and townships according to population, and all laws passed relating to each class are to be deemed general legislation.

The Constitution forbids the adoption of any law giving any extra compensation to any public officer, servant, employe, agent or contractor, after services have been rendered or contract made, or providing for the payment of (5) any claim against the Commonwealth without previous authority of law.

No law may extend the term of any public officer or increase or diminish (6) his salary after his election or appointment; no appropriation may be made to any charitable or educational institution not under the absolute control of the Commonwealth, other than normal schools, except by a vote of two- (7) thirds of all the members elected to each House; nor may an appropriation, except for pensions or gratuities for military services, be made for charitable, educational or benevolent purposes, to any person or community, or to (8) any denominational or sectarian institution or association.

The General Assembly may not delegate to any special commission, private corporation or association, any power to make, supervise or interfere with any municipal improvement, money, or property, or to levy taxes or perform (9) any municipal function whatever; it may not authorize the investment of trust funds by executors, administrators, guardians, or other trustees, in (10) the bonds or stock of any private corporation, or change the location of the Capitol until the electors of the Commonwealth have agreed thereto at a (11) general election.

The General Assembly is also effectively limited in its legislative power by the requirement of the Governor's approval for every bill. (12)

The Governor is empowered to veto any bill and the General Assembly can over-ride such veto only by a two-thirds vote.

The judicial power of review of legislation and invalidation of laws on constitutional grounds is, likewise, a powerful check on legislative authority.

2. Specified Powers

In some cases, the General Assembly has specifically been empowered by constitutional provision or amendment to exercise its legislative power.

Article III, Section 34 of the Constitution, giving the Legislature power to classify municipalities according to population, has already been mentioned.

Each House may determine the rules of its proceedings and punish its members or other persons for contempt or disorderly behavior in its presence, to enforce obedience to its process, to protect its members against violence or private solicitation, and, with the concurrence of two-thirds, to expel a member, and has all other powers necessary for the legislature of a free state. (13)

The General Assembly may make appropriations of money to institutions for widows or orphans of soldiers. (14)

It may enact laws requiring the payment by employers, or employers and employes jointly, of reasonable compensation for industrial injuries and occupational diseases; but it may not prescribe any time limitations within which suits may be brought against corporations for injuries to persons or property, or for other causes, different from those fixed by general laws regulating actions against natural persons. (15)

The Senate has special powers regarding executive appointments. All officers appointed by the Governor during sessions of the General Assembly must be confirmed by a two-thirds vote of the Senate before they may assume office. (16) Officers appointed during the interim are commissioned to hold office until the next session of the Legislature when their appointments must be confirmed.

C. ORGANIZATION AND OPERATIONS

1. Membership

a. Number

The General Assembly is a bicameral body of men and women, consisting of 50 Senators and 208 Representatives.

b. Election and Term of Office

The entire membership of the House of Representatives and one-half of the members of the Senate are elected every two years at the general election held in even-numbered years. The term of office of Representatives is two years, while Senators are elected for four years. (17) Their term of service begins on the first day of December next after their election. (18)

For the purpose of election, the Legislature is required to divide the State into fifty senatorial districts of compact and contiguous territory as nearly equal in population as is possible. Each district elects one Senator. (19) The senatorial ratio is ascertained by dividing the whole population of the State by fifty. Each county containing one or more ratios of population is entitled to one Senator for each ratio, and to an additional Senator for a surplus of population exceeding three-fifths of a ratio. No county may form a separate district unless it contains four-fifths of a

ratio, except where the adjoining counties are each entitled to one or more Senators when such county may be assigned a Senator on less than four-fifths and exceeding one-half of a ratio. No county is to be divided unless entitled to two or more Senators, and no city or county is entitled to separate representation exceeding one-sixth of the whole number of Senators. No ward, borough or township is to be divided in the formation of a district.

Each county is entitled to at least one Representative. The membership of the House of Representatives is apportioned among the several counties, on a ratio obtained by dividing the population of the State, as ascertained by the most recent United States Census, by 200. ⁽²⁰⁾ The constitutional provision prescribes: (1) for every county containing less than 5 ratios one Representative for every full ratio, and an additional Representative when the surplus exceeds half a ratio; (2) for every county containing 5 or more ratios one Representative for every full ratio. Every city containing a population equal to a ratio shall elect separately its proportion of the Representatives allotted to the county in which it is located. Every city entitled to more than 4 Representatives, and every county having over 100,000 inhabitants is divided into districts of compact and contiguous territory, each district to elect its proportion of Representatives according to its population, but no district to elect more than 4 Representatives. At present, there are 95 one-member districts, 39 two-member districts, 9 three-member districts, and 2 four-member districts. The General Assembly makes the apportionment subject to constitutional restrictions. Thus, there are now 208 members in the lower house.

c. Vacancies

Whenever a vacancy occurs in either House, the presiding officer

thereof issues a writ of election to fill such vacancy for the remainder
(21)
of the term.

d. Qualifications and Restrictions

(22)
Each House judges of the election and qualifications of its members. In addition, the Constitution prescribes certain qualifications for legislators.

Senators must be at least 25 years of age and Representatives 21 years of age. They must have been citizens and inhabitants of their respective districts one year next before their election, unless absent on public business. They must reside in their respective districts during their terms
(23)
of service.

No Senator or Representative may, during the time for which he has been elected, be appointed to any civil office under this Commonwealth. No member of Congress or other person holding any office, except of attorney-at-law or in the militia, under the United States or this Commonwealth, may be a member of the Pennsylvania General Assembly during his continuance
(24)
in office.

No person convicted of embezzlement of public moneys, bribery, perjury
(25)
or other infamous crime, is eligible to the General Assembly.

The Constitution is severe in the matters of bribery and corrupt sol-
(26)
icitation of legislators. For example, a member of the General Assembly who solicits, demands, receives, or consents to receive, for himself or for another, some consideration of value for his vote or official influence shall be held guilty of bribery and shall incur the disabilities provided for said offense by the Constitution and by law. Conviction for bribery disqualifies one for membership in the General Assembly and for any other
(27)
office of trust in the Commonwealth. Each branch of the Assembly may,

with the concurrence of two-thirds, expel a member for corruption and such
(28)
member is not thereafter eligible to either House.

Bribery of legislators is defined by the Constitution and punishment
is provided by law. Corrupt solicitation of legislators is defined by law
and, as specified by the Constitution, is punishable by fine and imprison-
(29)
ment.

e. Privileges

Members of the General Assembly are in all cases, except treason,
felony, violation of their oath of office, and breach of surety of the
peace, privileged from arrest during their attendance at sessions and in
going to and returning from the same. Members may not be questioned in
(30)
any other place for any speech or debate in either House.

f. Compensation

The members of the General Assembly receive such salary and mil-
(31)
age for regular and special sessions as is fixed by law. The law gov-
erning salaries and other compensation of members, officers, and employes
(32)
of the General Assembly is the Act of June 24, 1919, as amended and
supplemented. A digest of the law pertaining to compensation may be found
(33)
in The Pennsylvania Manual.

Senators and Members of the House of Representatives receive \$3,000
for each regular biennial session, and mileage to and from their homes at
the rate of 5¢ per mile circular for each week a member is in actual att-
endance at the session. They receive \$500 plus mileage for each special
or extraordinary session lasting less than one calendar month, and \$750
plus mileage for each special session lasting one calendar month or more.
In addition, they receive \$150 in postage for each regular session and
\$50 for each special session.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives, in addition to their salaries as members of the General Assembly, receive \$1,000 each for each regular biennial session and \$500 for each special or extraordinary session.

Members are prohibited by constitutional provision from receiving any other compensation, whether for service upon committees or otherwise. No member of either House shall, during the term for which elected, receive any increase of salary, or mileage, under any law passed during such term. (34)

2. Organization

a. Sessions

(1) Regular and Special Sessions

The General Assembly meets regularly at 12:00 o'clock noon, on the first Tuesday of January every odd-numbered year, and at other times when convened by the Governor in extraordinary session. (35) The sessions of each House and of committees of the whole are open to the public, unless the business is such as ought to be kept secret. (36)

Since the first regular session in 1776, under the Constitution of that year, there have been 134 meetings of the Legislature, of which 35 have been held under the present Constitution of 1874. The longest regular session under this Constitution lasted 178 days, the shortest 75 days.

Since 1776, 23 special sessions have been convened, varying in length from 2 days in the 1797 session to 183 days in the session of 1882. In the past decade, there have been as many as 8 special sessions. Four were held in the second Pinchot Administration, in 1931, 1932, 1933 and 1934; three in the Earle Administration, two in 1936 and one in 1938; and Governor James convened the General Assembly in extraordinary session in 1940.

In the case of special sessions, the Legislature may not enact legis-

lation upon subjects other than those designated in the proclamation of the Governor calling the session. (37) A subject in such proclamation must be stated with some particularity, but within the specified subject the Legislature is fully empowered to act. (38) The Governor may not prescribe the details of legislation.

The Governor is also empowered to convene the Senate in extraordinary session for the transaction of executive business, such as confirmation of appointments. (39)

(2) Adjournment

Neither House may, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two Houses are sitting. (40) In case of disagreement between the two Houses with respect to the time of adjournment of special sessions, the Governor may adjourn them to such time as he shall think proper, not exceeding 4 months. (41)

b. Officers

The General Assembly is authorized to prescribe by law the number, duties and compensation of the officers and employes of each House. (42)

The Lieutenant-Governor is President of the Senate, but has no vote except when the chamber is equally divided. (43) The Senate is directed by the Constitution to elect, at the beginning and close of each regular session and at such other times as may be necessary, one of its members President Pro Tempore to perform the duties of the Lieutenant-Governor in that officer's absence or disability. (44) In case of a vacancy in the Lieutenant-Governorship or when the Lieutenant-Governor has been impeached or is unable to exercise the duties of his office, the powers, duties and emoluments thereof, for the remainder of the term or until the disability be removed,

devolve upon the President Pro Tempore; and, in like manner, the President Pro Tempore succeeds to the office of Governor if a vacancy or disability exists in that office. (45)

The House of Representatives elects from its membership a Speaker to act as its presiding officer. (46) In case of a vacancy or disability, the Chairman of the Judiciary General Committee succeeds to the office of Speaker.

Each House chooses its other officers and employes, all of whom are elected at the beginning of each session and hold office for a two-year period.

c. Committees

The committee system is an integral part of the legislative process. It is in these committees that the real work of legislation is accomplished. The Constitution of Pennsylvania does not specifically provide for the establishment of legislative committees, although it does stipulate that no bill shall be considered unless referred to a committee and returned therefrom. (47) Custom, parliamentary practice, legislation, and the rules of procedure of both Houses have been instrumental in setting up the existing committee system.

(1) Standing Committees

The members and the chairmen of the standing committees of the Senate are appointed by the President Pro Tempore as soon after his election as possible. (48) All vacancies are filled similarly by the President Pro Tempore. The President Pro Tempore is ex-officio a member of all standing committees.

In the House, committees are selected in a different manner. A committee composed of the Speaker, 7 members of the House selected by the

majority party, and 3 members selected by the principal minority party constitute a Committee on Committees, whose duty it is to recommend to the House the names of the members of the standing committees. The chairmen and vice-chairmen are named by the Speaker.

In 1939, there were 26 standing committees in the Senate and 42 in the House of Representatives. The number of members on Senate committees in 1939 varied from 6 on the Rules Committee to 21 on the Appropriations and Judiciary General Committees. The average number of members on all Senate Committees was 13.6.

In the House, in 1939, the Committee on Interstate Cooperation had 4 members, one committee had 22 members, eighteen had 23, two had 24, one had 32, thirteen had 33, and six had 34 members.

In the Senate, the number of committees on which one member served varied from 4 to 11, in the House from 4 to 8. The burden of work of the various committees is roughly proportionate to the importance of the type of legislation considered. The great majority of bills in each House is referred for consideration to only a few committees.

The functions of the various standing committees are varied. They serve to investigate special fields of proposed legislation and to collect pertinent data; to deliberate upon matters referred to them; to employ the specialized knowledge of experts where required; to hold public hearings on certain bills; and to recommend to their respective Houses appropriate action upon bills referred to them.

(2) Special Committees

In addition to the regular standing committees, several special committees exist in both Houses.

There is, of course, the Committee of the Whole, the informal session

of each House wherein bills are discussed and procedural restrictions on time and debate are somewhat relaxed. This Committee is rarely used in the Pennsylvania General Assembly.

Each House also has a Committee on Rules which considers and reports at any time rules for the government of each House. There are, in addition, conference committees and, in the House, the aforementioned Committee on Committees.

Finally, there are those committees or commissions composed sometimes of legislators only and sometimes of legislators and representatives of interested groups or of the public to investigate special problems. Many are joint creatures of the two Houses. If they are to function during the interim between legislative sessions, they must be constituted by law. The Speaker of the House and the President Pro Tempore appoint the members of select and conference committees, unless otherwise ordered by their respective Houses.

3. Procedure

a. Constitutional Provisions

The Constitution regulates legislative procedure in many respects.

No law may be passed except by bill, and no bill may be so altered or amended, on its passage through either House, as to change its original purpose. (49) No bill may be considered unless referred to a Committee, (50) and no bill, except general appropriation bills, may be passed containing more than one subject, which must be clearly expressed in its title. (51)

The presiding officer of each House must sign all bills and joint resolutions passed by the General Assembly. (52)

Every bill is required by the Constitution to be read at length on three different days in each House, but in actual practice this provision

is not complied with. Amendments to bills must be printed for the use of members before the final vote is taken. No bill becomes a law unless on its final passage the vote is taken by yeas and nays, the names of the persons voting for and against the same entered on the Journal, and a majority of the members elected to each House recorded thereon as voting in its favor. (53)

No law may be revived, amended, or the provisions thereof extended or conferred by reference to its title only, but so much thereof as is revived, amended, extended or conferred must be re-enacted and published at length. (54)

The majority of each House constitutes a quorum, but a smaller number may adjourn from day to day and compel the attendance of absent members. (55)

All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose amendments as in other bills. (56)

The General Appropriation Bill shall embrace nothing but appropriations for the ordinary expenses of the executive, legislative, and judicial departments, interest on the public debt, and for public schools; all other appropriations shall be made by separate bills, each embracing but one subject. (57)

A member who has a personal or private interest in any measure or bill shall disclose the fact to the House of which he is a member, and shall not vote thereon. (58)

(59)
b. The Legislative Process

The process through which a bill passes to its final enactment into law is outlined briefly as follows:

(1) Bill Drafting

Bill drafting is a technical legislative task, usually requir-

ing the services of experienced persons if a bill, upon enactment into law, is to effectuate the purpose of the introducer, and yet hold up in a court of law and be subject to effective execution and enforcement by administrative officers. Few legislators are specially qualified to draft legislation. Accordingly, the Legislative Reference Bureau was established in 1909 as a bill drafting service for legislators, administrators, and sometimes private citizens. The work of the Legislative Reference Bureau is described in greater detail on page 225.

(2) Introduction of Bills

When legislative bills are ready for introduction, they are signed by the introducer. In the Senate, the practice is to have the Senator rise in his place and offer the bill, which is then sent to the desk, numbered, and referred to an appropriate committee by the presiding officer. In the House of Representatives, because of the number of members, bills are merely transmitted to the desk and numbered.

(3) Committee Action

The Speaker of the House and the President of the Senate, at the following sessions of their respective Houses, then refer all bills to appropriate committees for consideration.

Committees in considering bills usually refer them to a sub-committee of three or four members, who report back to the whole committee whether or not a bill is meritorious. If the main committee agrees to advance a bill, it is handed to some member to report to the House, so that it may be placed on the calendar for consideration. Before a bill is reported, it may be amended by the Committee, in which case it is reported as amended. If it is not amended it is reported as committed. Committee reports are

made from the floor of the House. If the committee does not favor reporting a bill, it dies, unless some member of the House in which the bill originated moves from the floor of the House to discharge the committee from further consideration of the bill. It takes a majority vote to discharge a committee and bring a bill on the floor for consideration. This motion is rarely successful. A bill may also be reported with a negative recommendation. In such cases the bill does not go on the calendar, and can be placed there only by a majority of the House.

When a bill is reported from committee, it is reprinted, filed on the desks of the members, and placed on the calendar as a first reading bill.

(4) Readings

The Constitution requires that all bills be read at length on three separate days in each House, and be considered and agreed to before being passed finally. The time required to read bills makes such a procedure impossible. Just a few words are read to show some semblance of compliance with the constitutional provision. There is, of course, no longer any necessity actually to read a bill from the desk since the bill is printed and is on each member's desk.

After a bill has been read the first time it is placed on the second reading calendar. On second reading, correctional and other amendments are offered from the floor of the House, and if agreed to, are inserted in the bill. The bill is then reprinted, and again filed on the members' desks, and placed on the third reading calendar. When a bill is on third reading calendar it is ready for final passage. This is the stage at which the merits of a bill are debated on the floor of the House. Many bills of minor importance are never debated, while on others the debates are quite lengthy. In the case of very important bills a special time is fixed for their final

consideration; this is usually referred to as a bill on special order. It is possible to amend a bill on third reading, but only by unanimous consent of the House, unless the House goes into a committee of the whole. Any amendments which are agreed to necessitate a reprint of the bill and a delay of one day in the procedure because the bill cannot be considered until it is on the members' desks and is on the calendar.

(5) Reconsideration by Committee

When a bill is on the calendar, it may, when it comes up for consideration, on motion, agreed to by a majority of the House, be re-referred to a committee for amendment or for further study. This procedure frequently takes place and is sometimes used to kill a bill in the committee to which it is re-referred.

There are, of course, other moves which take place on the floor, such, for instance, as placing a bill on the postponed calendar. Frequently when a bill comes up for final consideration opposition develops and the sponsor, fearing the result of a vote, moves to postpone action on the bill. Such a move enables the sponsor to measure the extent of any opposition and plan his arguments to combat it. When a bill is on the postponed calendar it does not come up automatically for consideration, but must be called up by the sponsor. This is also true of bills on second reading; they must be called up for consideration.

When a bill has been passed finally by one House, it is sent to the other House, where it is again referred to committee and follows the same course as in the original House.

If a bill is amended in the second House, it must, if passed in amended form, be returned to the House of origin so that agreement to the amendments may be secured. If this agreement is not secured, the bill is re-

turned with the request that the second House recede from its amendments and restore the bill to the same form as it was when originally transmitted.

(6) Conference Committee

If the second House refuses to do this, and insists on its amendments, the bill is sent to a conference committee of three members from each House. The conference committee reports the bill to the House of origin in the form in which it thinks the measure should be adopted. The bill is reprinted in the form recommended by the conference committee and in most cases these conference reports are adopted by both Houses without debate.

(7) Signing

When a bill has been finally passed by both Houses and signed by the presiding officers, it is forwarded to the Governor for his consideration and action. The Governor has power to approve a bill or to veto it. Bills which are transmitted to the Governor during the session must be acted upon within ten days, and if the Governor fails to act within that time, a bill becomes a law without his signature. On bills transmitted within the last ten days of the final adjournment of the Legislature, the Governor has 30 days in which to act. In acting on bills carrying appropriations of State moneys, the Governor has power to reduce the amount or veto in its entirety the item of appropriation.

(8) Recall

Bills which have been passed finally and sent to the Governor are frequently recalled before he acts on them. This recall is accomplished by a resolution passed by both Houses and signed by the Governor. Most of these recalls are at the request of the Governor, and are occasioned because

he desires some amendment to the bill or wishes to avoid a veto.

All bills and resolutions acted upon by the Legislature go to the Governor for his approval or disapproval, except those proposing amendments to the Constitution and those which simply express a policy or matter of sentiment but are not legislative in character. These are merely transmitted to the Secretary of the Commonwealth for record.

(9) Veto

Where a bill is vetoed by the Governor, the Legislature has power to repass a bill over his veto if a vote of two-thirds of the members of each House is secured. This has happened but once in the last 23 years, and then with the consent of the Governor, who admitted that the veto was an error.

(10) Approval

After a bill has been approved by the Governor, it is a law but it may not be effective immediately. All laws, except those carrying appropriation items, become effective on the first day of September of the year in which they are adopted. Appropriation laws or laws having appropriation items, become effective on the first day of June, which is the beginning of the fiscal year of the State. These effective dates may be avoided by inserting into the law a clause providing a different effective date.

(11) Enrollment

After laws have been approved, they are enrolled in the office of the Secretary of the Commonwealth who proceeds to punctuate, edit, and index them for publication in book form. All bills are passed without punctuation and that inserted by the Secretary of the Commonwealth is not binding on the courts.

4. Legislative Printing

a. The Journals

The Constitution provides that each House shall keep a Journal of its proceedings and from time to time publish the same, except such parts as require secrecy. (60) The General Assembly maintains three Journals for recording its proceedings: the House Journal, the Senate Journal, and the Legislative Journal. The House Journal and Senate Journal contain all proceedings except debates. These are kept daily but are not printed until the Legislature adjourns, when they are published at the expense of their respective Houses. The Legislative Journal is a daily stenographic report of all proceedings of both the Senate and the House, including debates, and is published jointly by the Senate and House and the cost of printing is pro-rated between them.

b. Other Printing

Besides the Journals, several other printing items exist. There are advance acts and pamphlet laws, calendars, bills, and the History of House Bills and Resolutions and Senate History of Bills. In addition, there are reports of special committees or commissions to be printed.

Total legislative printing costs for the regular session of 1939 were \$296,197.99, as shown by Table II-A.

D. PERSONNEL

Section 10 of Article III of the Pennsylvania Constitution provides that the General Assembly shall prescribe by law the number, duties, and compensation of the officers and employes of each House, and no payment shall be made from the State Treasury, or be in any way authorized, to any person except to an acting officer or employe elected or appointed in pursuance of law.

TABLE II-A

GENERAL ASSEMBLY
LEGISLATIVE PRINTING COSTS
1939

Purpose	Cost
Pink Bills	\$ 57,895.65
White Bills	71,017.87
Calendars	10,838.66
Resolutions	877.09
Journals	109,241.46*
Histories	46,327.26
Total	\$296,197.99

* Estimated

The number and compensation of officers, members, and employes of the Senate and House of Representatives were first set forth in legislation enacted in 1919. (61)

All officers and employes of the General Assembly are elected or appointed in the odd-numbered years, at the opening of each regular biennial session, and serve until 10 days after the opening of the next General Assembly or until their successors are selected and have qualified, unless sooner removed by the appointing authority during any session of the Legislature. (62) In 1939, the number of employes of the Senate and House of Representatives was, respectively, 103 and 138, including those officers elected by each body. Most of them are elected by their respective Houses; however, some are appointed by certain legislative officers.

1. Senate Employes and Compensation

The titles and salaries of the officers and employes of the Senate as of the 1939 session are given in Table II-B.

TABLE II-B

GENERAL ASSEMBLY
SENATE OFFICERS, EMPLOYES, AND COMPENSATION
1939 SESSION

Position	Number	Compensation
Secretary	1	\$7,500.00 per annum
Chief Clerk	1	6,000.00 per annum
Librarian	1	4,500.00 per annum
Assistant Clerk	1	2,000.00 for session
		175.00 per month, ad interim
Journal Clerk	1	2,000.00 for session
Assistant Journal Clerk	1	1,800.00 for session
Executive Clerk	1	1,800.00 for session
Message Clerk	1	8.00 per diem during session
Transcribing Clerk	5	7.00 per diem during session
Sergeant-at-Arms	1	8.00 per diem during session
Chief Asst.Sergeant-at-Arms..	1	7.00 per diem during session
Assistant Sergeant-at-Arms..	8	7.00 per diem during session
Postmaster	1	7.00 per diem during session
Assistant Postmaster	1	6.00 per diem during session
Messenger	1	6.00 per diem during session
Assistant Messenger	1	6.00 per diem during session
Superintendent Folding Room..	1	7.00 per diem during session
Pasters and Folders	4	6.00 per diem during session
Chaplain	1	7.00 per diem during session
Watchman (Day)	1	150.00 per month
Watchman (Night)	1	150.00 per month
Clerks to Committees	12	7.00 per diem during session
Custodian, Senate Chamber...	1	150.00 per month
Custodians, Committee Rooms..	2	6.00 per diem during session
Custodian, Washroom	1	150.00 per month
Custodian, Basement	1	150.00 per month
Chief Page	1	3.00 per diem during session
Pages	14	2.00 per diem during session

APPOINTMENTS BY CHIEF CLERK

LEGISLATIVE JOURNAL

Filing Clerks	2	\$ 7.00 per diem during session
Compiling Clerks	2	9.00 per diem during session
Chief Official Reporter	1	18.00 per diem during session
Official Reporters	2	15.00 per diem during session
Expert Typists	4	7.00 per diem during session
Copyholders	3	7.00 per diem during session
Proof Readers	3	7.00 per diem during session

TABLE II-B
(Continued)

Position	Number	Compensation
APPOINTMENT BY THE LIEUTENANT-GOVERNOR		
Page to President	1	\$3.00 per diem during session
APPOINTMENTS BY THE PRESIDENT PRO TEMPORE		
Clerk to President Pro Tempore	1	\$2,400.00 per annum
Stenographer to President Pro Tempore	1	7.00 per diem during session
Page to President Pro Tempore	1	3.00 per diem during session
APPOINTMENTS BY THE SECRETARY		
Assistant to Secretary	1	\$10.00 per diem during session 200.00 per month, ad interim
Clerk, History Legislation	1	8.00 per diem during session
APPOINTMENTS BY THE CHIEF CLERK		
Stenographer	1	\$7.00 per diem during session
Assistant Custodians, Senate Chamber	3	3.00 per diem during session 85.00 per month, ad interim
Superintendent, Storerooms	1	3,000.00 per annum
Stenographers	4	5.00 per diem during session
APPOINTMENTS BY THE SENATE LIBRARIAN		
Assistant Librarian	1	\$3,600.00 per annum
Stenographers	2	8.00 per diem during session 150.00 per month, ad interim
Messenger	1	1,200.00 per annum
Grand Total Employees	103	

2. House Employes and Compensation

The titles and salaries of House officers and employes as of the 1939 session are shown in Table II-C.

TABLE II-C

GENERAL ASSEMBLY
HOUSE OFFICERS, EMPLOYES, AND COMPENSATION
1939 SESSION

Position	Number	Compensation
Chief Clerk	1	\$6,000.00 per annum
Secretary of House	1	5,000.00 per annum
Assistant to Chief Clerk	1	3,600.00 per annum
Parliamentarian	1	3,600.00 per annum
Custodian, Basement	1	1,800.00 per annum
Custodian, Committee Room ...	2	6.00 per diem during session
House Stenographers	6	5.00 per diem during session
Chief Official Reporter	1	18.00 per diem during session
Official Reporters	4	15.00 per diem during session
Expert Typists	6	7.00 per diem during session
Copyholders	3	7.00 per diem during session
Proof Readers	3	7.00 per diem during session
Compiling Clerks	2	9.00 per diem during session
Filing Clerks	2	7.00 per diem during session
Speaker's Secretary	1	2,400.00 per annum
Assistant Clerk	1	2,000.00 regular session 10.00 per diem special session 175.00 per month, ad interim
Journal Clerk	1	2,000.00 regular session 10.00 per diem special session
Assistant Journal Clerk	1	1,800.00 regular session 10.00 per diem special session
Reading Clerk	1	1,800.00 regular session 10.00 per diem special session
Assistant Reading Clerk	1	1,800.00 regular session 10.00 per diem special session
Desk Clerks	2	1,800.00 regular session 10.00 per diem special session
Message Clerk	1	8.00 per diem during session
Transcribing Clerks	9	7.00 per diem during session
Clerks to Committee	15	7.00 per diem during session
Chaplain	1	7.00 per diem during session
Postmaster	1	7.00 per diem during session
Sergeant-at-Arms	1	8.00 per diem during session
Chief Asst. Sergeant-at-Arms	1	7.00 per diem during session
Assistant Sergeant-at-Arms ..	16	7.00 per diem during session
Assistant Postmaster	1	6.00 per diem during session
Messenger Post Office	1	6.00 per diem during session
Asst. Messenger Post Office .	3	6.00 per diem during session
Pasters and Folders	8	6.00 per diem during session
Custodian, Hall of House	1	1,800.00 per annum
Superintendent Folding Room .	1	7.00 per diem during session
Watchman (Day)	1	1,800.00 per annum
Watchman (Night)	1	1,800.00 per annum

TABLE II-C
(Continued)

Position	Number	Compensation
Pages	20	\$ 2.00 per diem during session
Chief Page	1	3.00 per diem during session
Custodian, Washroom	1	6.00 per diem during session

APPOINTMENTS BY SPEAKER

Speaker's Clerk	1	\$ 7.00 per diem during session
Speaker's Stenographer	1	1,800.00 per annum
Speaker's Page	1	3.00 per diem during session

APPOINTMENTS BY CHIEF CLERK

Stenographer to Chief Clerk .	1	\$ 7.00 per diem during session
Chief Stenographer to Chief Clerk	1	8.00 per diem during session 150.00 per month, ad interim
Superintendent of Storerooms	1	3,000.00 per annum
History Clerk	1	8.00 per diem during session
Messenger, Library	1	1,200.00 per annum
Assistant Custodians	4	3.00 per diem during session 85.00 per month, ad interim

Grand Total Employes 138

E. FINANCES

Legislative expenditures, actual, totaled \$1,988,013 for the 1935-37 bien-
nium, including Property and Supplies expenditures for legislative printing
and insurance. Estimated expenditures for 1937-39 amounted to \$2,133,124,
including Property and Supplies expenditures of \$526.00 for insurance. Of
this amount, \$1,299,402 was expended for the regular and special sessions
of the House of Representatives and \$563,136 for the regular and special
sessions of the Senate. The cost of the Legislative Journal was \$10,000 for
the regular and special sessions, and \$166,060 was spent for Miscellaneous
Legislative and Commissions.

Table II-D, page 230, contains more detailed information on legislative expenditures from 1933-35 to 1937-39.

F. AFFILIATED ORGANIZATIONS

1. Legislative Reference Bureau

a. Establishment

The Legislative Reference Bureau was created in 1909 as part of the State Library. (63) In 1923, it was reconstituted as an agency of the legislative branch and the power of appointment of the Director was invested in the General Assembly instead of in the Governor. (64) Subsequent amendments in 1927, 1929 and 1931 have lent greater efficiency to the work of the Bureau.

b. Function

The Bureau exists as an impartial agency which performs the technical service of drafting bills for legislators, the Governor, and administrative officials. Its services are also extended to private citizens, although such is not required. Its functions include giving counsel to members and committees of the Legislature on technical questions regarding bills, preparing codes by topics, compiling a history of legislation, and collecting and filing pertinent legislative materials.

c. Director

The Bureau is under the supervision of a full-time Director who is elected biennially before the first day of February in odd-numbered years, by the Senate and House of Representatives in joint session. The Act of 1923 requires that he be well versed in legislative procedure and parliamentary practice, and, when called upon, be ex-officio adviser in such matters to the General Assembly.

d. Personnel

There are, in addition to the Director, ten permanent positions in the Bureau, incumbents of which are appointed by the Director, who also fixes their compensation within the biennial appropriations. (65)

These are:

Chief Compiler
Compiler and Bill Drafter
Compiler and Bill Reading Clerk
Search Clerk
Messenger and File Clerk
Chief Clerk
Reference Librarian
Secretary
Stenographers (2)

During legislative sessions the permanent staff is supplemented by a temporary force of reporters, stenographers, clerks and proof readers. The appropriations for salaries and wages for 1937-39 amounted to \$90,357.

e. Finances

Expenditures of the Bureau for the 1937-39 biennium were \$89,738; the appropriation for 1939-41 was \$94,000, with an additional \$1,000 allowed for the compilation of the existing veterans laws.

2. Joint State Government Commission

a. Establishment

The Joint State Government Commission was created by act of General Assembly in 1937 (66) and reconstituted in 1939. (67)

b. Members

As presently constituted, the Commission consists of 19 members, including the Speaker of the House and the President Pro Tempore of the Senate. The Speaker is directed to appoint ten members of the House and the President Pro Tempore seven members of the Senate in each odd-numbered year. Members hold office until February 1st of the next odd-numbered year.

c. Powers and Duties

This Commission is a continuing legislative research and planning agency similar in pattern to the legislative councils which have been developed in Connecticut, Illinois, Kansas, Maryland, Virginia, and other states.

Its duties and functions in no way overlap or duplicate those of the Legislative Reference Bureau, whose primary function is that of providing a technical bill-drafting service.

The Joint State Government Commission has been directed by the General Assembly to:

- (1) Investigate departments, boards, commissions and officers of the State and local governments, and to study their legislative, financial and other problems;
- (2) Make studies for the use of the legislative branch of the government, seeking to improve the administrative organization of the State and local government, to eliminate waste and overlapping functions, and to institute economies;
- (3) Suggest ways and means of financing the Commonwealth upon a more scientific and equitable basis;
- (4) Gather budget information for the use of the General Assembly;
- (5) Make such other investigations and studies and to gather such other information as may be deemed useful to the General Assembly;
- (6) Sit during the interim between legislative sessions;
- (7) From time to time, report to the General Assembly such findings and recommendations accompanied with such drafts of legislation as it deems necessary for the information of and consideration by the General Assembly.

3. Pennsylvania Commission on Interstate Cooperation

a. Creation and Function

(68)

In 1937, the General Assembly created the Commission on Interstate Cooperation to encourage and arrange conferences with officials of other

states and of other units of government, to carry forward the participation of Pennsylvania as a member of the Council of State Governments, and to formulate proposals for cooperation between this State and other states.

b. Composition

At the same time, a Committee on Interstate Cooperation was established in each of the two Houses. Each consists of five members designated in the same manner as is customary in the case of standing committees. These members along with five officials of the State Government named by the Governor comprise the Commission on Interstate Cooperation. The Governor designates one of his appointees as chairman and is himself an honorary member of the Commission.

c. Method of Operation

The Commission establishes such committees as it deems advisable to conduct conferences and to formulate proposals concerning subjects of inter-governmental cooperation. The members of these committees are appointed by the chairman of the Commission, subject to the approval of the Commission. State officials who are not members of the Commission may be appointed as members of any committee, but at least one member of the Commission must be a member of any such committee.

The Commission reports on its activities to the Governor and to the Legislature within 15 days after the convening of each session and at such other times as it deems appropriate.

Its members and the members of all committees serve without compensation but are paid necessary expenses.

The two committees on Interstate Cooperation function during the regular sessions of the Legislature and also during the interim periods between sessions. Their members serve until successors are designated, and

they respectively constitute the Senate and House Executive Committees of the American Legislators' Association for Pennsylvania. The terms of the administrative members of the Commission extend until the next gubernatorial inauguration and thereafter until successors are appointed.

d. Finances

The Commission contributes to the Council of State Governments and participates with other states in maintaining the Council's regional and central secretaries and other governmental services.

The General Assembly provided the sums of \$7,500 in 1937 and \$5,000 in 1939 to defray the expenses of the Commission.

TABLE II-D

GENERAL ASSEMBLY
EXPENDITURES OF GENERAL ASSEMBLY
1933-35 TO 1937-39

Purpose	Biennium		
	1933-35	1935-37	1937-39 *
Senate (Regular)	\$ 396,862	\$ 389,364	\$ 430,570
Senate (Special)	151,222	141,140	132,566
House (Regular)	853,409	864,251	1,041,533
House (Special)	296,997	364,075	257,869
Legislative Journal (Regular)	3,000	3,000	7,500
Legislative Journal (Special)	1,500	1,200	2,500
Legislative Reference Bureau	74,704	82,597	94,000
Miscellaneous and Commissions	1,048	132,495	166,060
Sub-total	\$1,778,742	\$1,978,122	\$2,132,598
Property & Supplies Expenditures:			
Legislative Printing:			
Special Session, 1933	54,907	--	--
Special Session, 1936	--	8,374	--
Insurance:			
Legislative	1,131	1,304	456
Legislative Reference Bureau ...	145	213	70
Grand Total	\$1,814,925	\$1,988,013	\$2,133,124

* Estimated.

TABLE II-E

GENERAL ASSEMBLY
 STATISTICS ON THE NUMBER OF BILLS INTRODUCED,
 THE NUMBER OF BILLS PASSED, LAWS ENACTED, AND BILLS VETOED
 1933-1940

Year	Bills Introduced			Total Number of		General Laws Signed	Appropriation Acts Signed	Bills Vetoed	Date of Adjournment
	Senate	House	Total	Bills Passed	Joint Resolu- tions Passed				
1933*	109	214	323	85	--	67	--	18	12-12-33
1934*	2	9	11	9	--	9	--	--	9-20-34
1935	950	2563	3513	587	4	433	77	73	6-21-35
1936*	45	163	208	62	5	54	--	3	8- 6-36
1937	911	2088	2999	746	13	602	105	26	6- 5-37
1938*	46	71	117	48	--	48	--	--	11-30-38
1939	670	1403	2073	549	4	405	69	71	5-29-39
1940*	7	29	36	17	--	11	6	--	5-16-40

* Special Session.

FOOTNOTES

- (1) Constitution, Article II, Section 1.
- (2) Ibid., Article III, Section 7.
- (3) Pennsylvania Company for Insurance on Lives & Granting Annuities v. Scott, 198-A. 115, 329 Penna. 534, 1938.
- (4) Ibid.
- (5) Constitution, Article III, Section 11.
- (6) Ibid., Article III, Section 13.
- (7) Ibid., Article III, Section 17.
- (8) Ibid., Article III, Section 18.
- (9) Ibid., Article III, Section 20.
- (10) Ibid., Article III, Section 22.
- (11) Ibid., Article III, Section 28.
- (12) Ibid., Article IV, Section 15.
- (13) Ibid., Article II, Section 11.
- (14) Ibid., Article III, Section 19.
- (15) Ibid., Article III, Section 21.
- (16) Ibid., Article IV, Section 8.
- (17) Ibid., Article II, Section 3.
- (18) Ibid., Article II, Section 2.
- (19) Ibid., Article II, Section 16.
- (20) Ibid., Article II, Section 17.
- (21) Ibid., Article II, Section 2.
- (22) Ibid., Article II, Section 9.
- (23) Ibid., Article II, Section 5.
- (24) Ibid., Article II, Section 6.
- (25) Ibid., Article II, Section 7.
- (26) Ibid., Article III, Section 29.
- (27) Ibid., Article II, Section 7.
- (28) Ibid., Article II, Section 11.
- (29) Ibid., Article III, Sections 30-32.
- (30) Ibid., Article II, Section 15.
- (31) Ibid., Article II, Section 8.
- (32) 1919, P.L. 579.
- (33) The Pennsylvania Manual, 1939, page 857.
- (34) Constitution, Article II, Section 8.
- (35) Ibid., Article II, Section 4.
- (36) Ibid., Article II, Section 13.
- (37) Ibid., Article III, Section 25.
- (38) Commonwealth v. Liveright, 161 A. 697, 308 Pa. 35, 1932.
- (39) Constitution, Article IV, Section 12.
- (40) Ibid., Article II, Section 14.
- (41) Ibid., Article IV, Section 12.
- (42) Ibid., Article III, Section 10.
- (43) Ibid., Article IV, Section 4.
- (44) Ibid., Article II, Section 9.
- (45) Ibid., Article IV, Section 14.
- (46) Ibid., Article II, Section 9.

- (47) Ibid., Article III, Section 2.
- (48) Rule 23, Senate Rules.
- (49) Constitution, Article II, Section 1.
- (50) Ibid., Article III, Section 2.
- (51) Ibid., Article III, Section 3.
- (52) Ibid., Article III, Section 9.
- (53) Ibid., Article III, Section 4.
- (54) Ibid., Article III, Section 6.
- (55) Ibid., Article II, Section 10.
- (56) Ibid., Article III, Section 14.
- (57) Ibid., Article III, Section 15.
- (58) Ibid., Article III, Section 33.
- (59) Drawn from a Memorandum by John Fertig entitled
"Legislative Procedure and Bill Drafting", 1940.
- (60) Constitution, Article II, Section 12.
- (61) 1919 P.L. 717, Amended by 1929 P.L. 1538, 1939 P.L. 664.
- (62) 1919 P.L. 717, Amended by 1939 P.L. 664 (Section 2).
- (63) 1909 P.L. 208.
- (64) 1923 P.L. 158.
- (65) 1931 P.L. 95.
- (66) 1937 P.L. 2460.
- (67) 1939 P.L. 1084.
- (68) 1937 P.L. 109.



CHAPTER III

THE JUDICIARY

(1)

The Constitution provides that "the judicial power of this Commonwealth shall be vested in a Supreme Court, in Courts of Common Pleas, Courts of Oyer and Terminer and General Jail Delivery, Courts of Quarter Sessions of the Peace, Orphans' Courts, Magistrate's Courts and in such other courts as the General Assembly may from time to time establish." The General Assembly, by statute has created the Superior Court, Municipal Court of Philadelphia County, the Allegheny County Court, and the Juvenile Court of Allegheny County.

A. PENNSYLVANIA'S COURTS

1. The Supreme Court

The Supreme Court as presently constituted, dates from 1834. There are, today, seven Justices including a Chief Justice, elected by the duly qualified electors of the State at large for a term of twenty-one years during good behavior, but they are not eligible for re-election.

Since 1929, this Court has been sitting in Philadelphia, Harrisburg, and Pittsburgh, the three districts designated for the administration of its business. Of these, the middle or Harrisburg district is comprised of three counties. Eighteen counties comprise the Pittsburgh or western district and forty-six counties make up the eastern or Philadelphia district. The annual salary of the Chief Justice is \$20,000, while each of the Associate Justices receive \$19,500.

(2)

The Jurisdiction of the Supreme Court extends over the entire State. The Court has original jurisdiction in cases of (1) injunction where a corporation is party defendant, (2) habeas corpus, (3) mandamus to courts of

inferior jurisdiction, and (4) quo warranto as to all officers of the Commonwealth whose jurisdiction is State-wide. It has appellate jurisdiction (3) by appeal certiorari, or writ of error as provided by law. The legislature has restricted direct appeal to the Supreme Court in civil actions to cases involving sums of over \$2,500 in criminal cases to felonious homicide. Cases involving the right to public office are also appealed directly to the Supreme Court.

The Supreme Court usually allows an appeal to it directly from a lower court where the constitutionality of a law is involved.

The Supreme Court has jurisdiction by appeal from the Superior Court. In practice, however, such appeals are allowed only in special cases.

The Supreme Court also has jurisdiction to remove the record and proceedings of a case already under indictment in the Quarter Sessions or Oyer and Terminer Courts in the various counties, and the judges of the Supreme Court are also, by virtue of their office, justices of the Court of Oyer and Terminer and General Jail Delivery. It is also within the jurisdiction of the court to designate and assign judges of the District Courts (Common Pleas) to other districts where the pressure of business, vacancies or other circumstances, require it.

Finally, the Supreme Court may establish rules of practice and procedure to govern the business of the courts.

(4)
In 1937 the legislature authorized the Supreme Court to prescribe, by general rules, the forms of action, process, writs, pleadings, motions, and practice and procedure in civil actions, at law and in equity, for the Courts of Common Pleas, the County Court of Allegheny County and the Municipal Court of Philadelphia, with the provision that these courts may

adopt additional local rules not in conflict with the general rules prescribed by the Supreme Court. The Supreme Court was also authorized to prescribe additional general rules for expediting the business of any of the courts of record of the Commonwealth whether civil or criminal. These rules to supersede all present rules of court inconsistent therewith, but, to meet local needs, the various courts may likewise add to them as long as such additions are not inconsistent therewith.

In keeping with the provisions of the 1937 Act, and to carry them into effect, the Supreme Court selected a Procedural Rules Committee consisting of fourteen distinguished members of the bar representing different sections and localities throughout the Commonwealth. The late Chief Justice Robert Von Moschzisher was appointed chairman and since his death the former Chief Justice John W. Kephart has been the chairman. It is the Committee's duty to study and analyze existing rules of court and then to advise and recommend new rules of procedure and new rules of court with the ultimate purpose of achieving uniform practice and procedure. Upon this Committee's recommendations the Supreme Court has adopted and promulgated, to date, the following: (1) twenty-eight rules of court governing the business of courts applicable on the civil side; (2) rules of construction; (3) rules of civil procedure relating to the following subjects:

- a. Actions by Real Parties in Interest
- b. Minors as Parties
- c. Partnerships as Parties
- d. Unincorporated Associations as Parties
- e. Actions for Wrongful Death
- f. Joinder of Additional Parties
- g. Interpleader by Defendants

The work is still continuing and eventually there will be a complete set of uniform rules of practice and procedure governing all the civil courts of Pennsylvania whether in law or in equity. Although repetitive, it is to be noted that the Committee on Administrative Law of the Joint

State Government Commission has, for some time, been engaged in a study of the practice and procedure before the administrative agencies and tribunals with a view towards drafting uniform codes of practice and procedure before these bodies. A survey of the present procedure on appeals from orders of administrative tribunals with State-wide jurisdiction has recently been completed. The fruit of this study will be the adoption of uniform rules on the new and extremely important field of legal practice. The general rules adopted by the court supersede all the previous rules of court, and laws of pleading and procedure, which may be inconsistent therewith, whether legislative or judicial.

2. The Superior Court

Because of the tremendous pressure of business thrown upon the Supreme Court, the General Assembly by the Act of 1895 ⁽⁵⁾ created the Superior Court, which is composed of seven judges, elected by the voters of the State at large for terms of ten years. Members are eligible for reelection. The Court meets at regular terms in Philadelphia, Harrisburg, and Pittsburgh. The salary of the President Judge is \$18,500 a year; the Associate Judges receive \$18,000.

The Superior Court has no original jurisdiction except its inherent power to issue writs of habeas corpus. It has final appellate jurisdiction in the following cases: (1) appeals from the Courts of Quarter Sessions and the Courts of Oyer and Terminer in the various counties, except in cases of felonious homicide and those involving the right to a public office; (2) all appeals in civil cases, including proceedings in the Common Pleas Courts, Orphans' Courts, County Court of Allegheny County and Municipal Court of Philadelphia, where the amount in controversy does not exceed \$2,500 and the case appealed does not involve any right to a public

office and is not brought, authorized or defended by the Attorney-General in his official capacity; (3) appeals in divorce cases; (4) joint appeals by labor claimants; (5) all appeals from the Public Service Commission; (6) all appeals in Workmen's Compensation cases; (7) appeals in proceedings brought in the lower courts to obtain support or the custody of children.

In addition, the Superior Court may pass on any case appealed to it if no question of its jurisdiction is raised by the appellee or if the parties to the action agree to the jurisdiction of the Superior Court. However, while in most cases the decision of the Superior Court is deemed final, there is a right of appeal to the Supreme Court from any of the holdings of the Superior Court in the above-listed cases where the question of jurisdiction is at issue, where the case involves the construction of the Constitution of the United States or Pennsylvania or of a statute of either, or where the appeal is allowed by the Superior Court or the Supreme Court.

3. District Courts (Common Pleas Courts)

The Constitution, in Article V, Section 5, provides that all counties containing a population of 40,000 persons shall constitute a separate judicial district and elect one judge learned in the law, with the General Assembly authorized to provide for additional judges as required. Counties with less than 40,000 inhabitants may be formed into separate districts or attached to contiguous districts as the General Assembly may provide. However, no more than four counties may be included in one judicial district.

(6)
The Constitution, provides that the General Assembly, at the next succeeding session after each decennial census shall designate the several

judicial districts as required by the Constitution. This has been done from time to time and at present there are fifty-eight districts in the sixty-seven counties.

By special provision in the Constitution, it was provided that Philadelphia County should have five distinct and separate Courts of Common Pleas of equal jurisdiction, composed of three judges in each. ⁽⁷⁾ The number of Courts may be increased from time to time by the General Assembly. There are now seven such Courts, the last one having been created in 1937. ⁽⁸⁾

The above constitutional provision also allows for one Court of Common Pleas for Allegheny County, with as many judges as required or provided by law from time to time. At present there are fourteen judges in the Allegheny Court of Common Pleas.

In 1937, 34 districts in the State had one judge, 10 districts had two judges, 11 districts had three judges, 1 district (Schuylkill County) had four judges, and 1 district (Luzerne County) had five judges. The judges of these various districts are elected at a municipal election by the voters of their respective districts for a term of ten years subject to be removed. The salaries of the regular law judges range from \$9,000 per year to \$14,000 per year, depending on the size and population of the particular district.

In counties not constituting separate judicial districts, and where the same judge serves two or more counties, there exists the office of the associate judge, he being one not learned in the law. The office of the associate judge was created by the Act of 1834, which provided that the Courts of Common Pleas were to consist of a president judge and two associate judges. The present Constitution abolished the office in counties which formed separate judicial districts, so that the office, although restricted, still remains in the smaller counties.

The salary of associate judges is \$5.00 a day with a minimum of \$600 per year. The average actual expenditure for the salaries and traveling expenses of these judges for the last four bienniums have totalled about \$45,000, and the appropriation approved for the 1939-41 biennium was \$57,000. In districts comprising more than one county, the judges are provided with their cost of travel between county seats in the performance of their duties.

The judges of the Common Pleas Courts are also allowed to certify to the Prothonotary of the Supreme Court their desire to sit in courts of another judicial district where they may be required because of the pressure of business. The salaries of judges so assigned are fixed at \$20 a day with mileage at ten cents a mile. The judges of the District or Common Pleas Courts, by constitutional provision ⁽⁹⁾ are also judges of the Courts of Oyer and Terminer and General Jail Delivery, the Quarter Sessions of the Peace and of the Orphans' Courts (except in counties where special Orphans' Courts exist). In their districts they are Justices of the Peace as to criminal matters. Generally, the Common Pleas divisions of these district courts have wide original jurisdiction both at law and at equity to hear all sorts of proceedings and disputes brought before them. There are no limitations to their jurisdiction by the amounts in controversy. They have concurrent jurisdiction with the Courts of Justices of the Peace, Aldermen and Magistrates, and have appellate jurisdiction in civil cases from these courts not of record. They also have appellate jurisdiction from final orders of local taxing bodies and some administrative departments of the Government. Their jurisdiction extends only within their respective districts.

The Dauphin County Court of Common Pleas, because of the fact that the State Capitol is situated in the county, has general jurisdiction to hear cases where the Commonwealth is plaintiff, and original jurisdiction in all actions to compel State officers to perform their official duty or to restrain them from a violation thereof.

The Courts of Common Pleas not only sit to hear cases at law but also in equity, and when sitting as such do so as a Court of Chancery. (10) The Courts have only such equity jurisdiction and power, however, as is conferred upon them from time to time by statute.

As a Court of Quarter Sessions of the Peace, the district courts have jurisdiction to hear and determine all crimes and offenses not exclusively given to the Court of Oyer and Terminer. In those counties where there is no separate Juvenile Court, the Court of Quarter Sessions sits as a Juvenile Court to hear cases concerning dependent, neglected, delinquent and incorrigible children under the age of sixteen years.

4. Orphans' Court

In counties where the population is above 150,000 inhabitants, a separate Orphans' Court is required to be established by the General Assembly and the jurisdiction of the judges of the Court of Common Pleas in Orphans' Court proceedings in these counties shall cease. However, the General Assembly may establish a separate Orphans' Court as it sees fit, in any of the other counties. (11)

At present there are seventeen separate Orphans' Courts consisting of judges elected by the voters of their respective districts as Judges of the Orphans' Court. In the other counties, the Common Pleas Judges sit as Judges of the Orphans' Court. In Philadelphia County there are six Judges of the Orphans' Court.

The Orphans' Court has jurisdiction over cases involving the proba-
tion of wills, estates of decedents, estates of minors, certain trust es-
tates and adoption proceedings.

5. County Court of Allegheny County

The County Court of Allegheny County was established by statute in 1911.
In 1937, it consisted of six judges elected by the voters of Allegheny County
for ten year terms. The President Judge receives an annual salary of \$10,500,
and the associate judges \$10,000 per annum, paid by the State. Vacancies
are filled by the Governor until an election can be held. The Prothonotary
of Allegheny County is clerk of this court, and all the officers and em-
ployes thereof are appointed by the majority vote of the judges of the said
court. The Court may, in its discretion, divide the County into districts
for the holding of its terms at designated times.

The jurisdiction of this Court extends to all civil actions where the
sum in controversy does not exceed \$2,500. It has exclusive jurisdiction
in: (1) domestic relations cases arising out of desertion and non-support;
(2) appeals from Aldermen and Justices of the Peace Courts of the County
and, especially, appeals from summary convictions and judgements in suits
for felonies rendered by courts not of record.

6. Municipal Court of Philadelphia County

Comparable to the Allegheny County Court, but with jurisdiction of a
more extensive nature, is the Municipal Court of Philadelphia, which was
created by the General Assembly in 1913. (12)

The Court consists of a president judge and one associate judge for
each 200,000 of population or fraction thereof over 100,000 in a county.
In 1940, there were twelve judges elected by the voters of the county for
terms of ten years. The president judge's salary is \$10,500, and the as-

sociate judges receive \$10,000 a year. These salaries are fixed by the legislature and are paid from the State Treasury.

The Municipal Court is not a city court and ordinances and laws applying to the City of Philadelphia do not pertain to it. The County Commissioners of Philadelphia, however, are bound by law to provide sufficient and suitable accommodations for the conduct of the court's proceedings, as well as office space and clerical facilities.

The judges by a majority vote appoint the various court officers, and attaches and employes necessary to the work of the court and may, in most cases, fix the amounts of their wages or salaries. There are between 500 and 600 employes in the Municipal Court, for which an appropriation of over \$1,000,000 is required.

The judges elect one of their number to be the president judge with the power to direct the business of the Court. He assigns the various judges to the different duties to be performed by them. At least once each month a meeting of all the judges is held for the purpose of discussing their mutual problems and promoting the speedy administration of their business.

The Municipal Court has, subject to contrary statutory provisions, all the powers of a court of record possessed by the Common Pleas Courts, the Courts of Quarter Sessions and Oyer and Terminer of Philadelphia County. (13)
More specifically, the Court is organized on a functional basis with five divisions, each dealing with the several kinds of cases within the court's jurisdiction that involves a different branch of the law.

First, there is the civil division of the Court. It has jurisdiction in all civil actions, on law or on equity, where the amount in controversy

does not exceed \$2,500. Appeals in ordinary civil proceedings from judgments of the magistrates' courts in Philadelphia go to the Municipal Court exclusively. Civil cases pending in the Common Pleas Courts in which less than \$2,500 is involved may be transferred to the Municipal Court for trial by a majority of the judges of the Common Pleas Court.

The criminal jurisdiction of the court extends to all suits for penalties and criminal indictments except cases of arson, burglary, murder, voluntary manslaughter, treason, violation of the election or registration laws, embezzlement by a public officer or breach of duties by a public officer. The exercise of this jurisdiction, however, is at the option of the District Attorney. It has exclusive jurisdiction in cases involving disorderly street walking, criminal proceedings for the desertion of wife and children, bastardy proceedings, et cetera. One of the departments within the court is the probation department, under whose supervision most of the convicts in Philadelphia are paroled.

The juvenile division of the Municipal Court has exclusive jurisdiction of all proceedings concerning dependent, delinquent, neglected or incorrigible children under the age of sixteen years. The court has jurisdiction in cases of support of children either by their parents or the county. Furthermore, it may hear adoption proceedings in which its jurisdiction is concurrent with the Orphans' Court.

One of its most important divisions is that of domestic relations, where it has exclusive jurisdiction in proceedings for support. In this division its civil and criminal powers very often dovetail. There is also the misdemeanants division of the Municipal Court which is concerned with cases of disorderly street walking, and actions against minors between the

ages of sixteen and twenty-one years who are disorderly or in any other way incorrigible. Since the judges of the Municipal Court also have the powers of Justices of the Peace or Magistrates, they have the jurisdiction, also, to hear charges of drunkenness, vagrancy, disorderly conduct and other minor offenses ordinarily brought before the Magistrates.

An important adjunct of the Municipal Court is a division customarily known as the "Morals Court". This court has the power to preliminarily hear cases of persons accused of certain indictable sexual offenses. The proceedings here are of an informal nature and the judge may release the accused, place him or her on probation or hold for court or action by the Grand Jury. Emphasis is placed upon and consideration is given mostly to the public health and medical aspects of the case, especially the detection and treatment of venereal diseases.

Appeals from the judgments of the Municipal Court lie generally to the Supreme or Superior Court as the case may be.

7. Juvenile Court of Allegheny County

The Juvenile Court of Allegheny County was established by the General Assembly in 1933. It is a separate court for Allegheny County and consists of one judge learned in the law. Its jurisdiction extends to all proceedings affecting delinquent, neglected or dependent children; where an adult is charged with an offense against a child; the appointment of guardians; and proceedings for the support of wards of the court. Appeals from the Juvenile Court go to the Superior Court.

8. Justices of the Peace, Aldermen and Magistrates' Courts

The Justices of the Peace, Aldermen and Magistrates' Courts constitute the lowest division in the judicial structure of Pennsylvania. The Justices

of the Peace preside in townships and boroughs, the Aldermen in wards of cities other than the first-class, and the Magistrates in Philadelphia. They are elected by the voters in each of their divisions at local elections and are commissioned by the Governor for a term of six years. No township, ward, district or borough may elect more than two Justices of the Peace or Aldermen without the consent of a majority of the qualified electors thereof. In cities of over 50,000 inhabitants, not more than one Alderman may be elected for each ward of his district. In Philadelphia, where the Magistrates' system exists, one Magistrate is elected for each 30,000 of population, on a general ticket at a city election by the voters-at-large. Vacancies are filled by the Governor until the next local election. Magistrates, Aldermen and Justices of the Peace are not required to be learned in the law.

In general, the jurisdiction of this lower judiciary extends in civil cases wherein the sum involved does not exceed \$300, although Magistrates are limited by the Constitution to jurisdiction in cases involving not more than \$100. They have no jurisdiction in proceedings pertaining to marriage, divorce or the titles to land.

The criminal jurisdiction of these courts extends over a great and varied list of offenses, most of which are a carry-over from our English ancestors. However, due to our expanding civilization and growth of cities and rural areas these courts have gradually been given jurisdiction over violations of most local ordinances. In fact, the major portion of the work of these courts now pertains to traffic violations, disturbances of the peace, violations of health ordinances, vagrancy, and other such minor offenses. In this particular sphere of jurisdiction, these courts have

summary powers to hear and dispose of the prosecutions.

Besides their summary jurisdiction in these particular criminal matters, the lower judiciary has vast powers in the great majority of criminal cases with authority to inquire into the nature and gravity of the offense, to require bail or commit when holding the accused for court, except in capital cases. Prosecution of almost all criminal offenses are first instituted before Magistrates, Aldermen or Justices of the Peace. In those localities where there are no coroners, Justices of the Peace may hold inquests.

The officers of these courts are generally compensated by fees fixed by the law. In civil cases, generally, one of the parties pays the costs, while in criminal cases, the accused if convicted is generally required to pay a fine which includes costs. In Philadelphia, however, the Magistrates receive fixed salaries of \$5,000 per annum paid by the county.

Attached to these courts are constables who serve the various writs and processes required. They are compensated by fees and hold office for terms of four years, being elected in the same manner as Justices of the Peace, Aldermen, and Magistrates.

In Philadelphia County, detailed records are required under the new Magistrates Act. In 1937, the Legislature ⁽¹⁴⁾ revised and amended the then existing Magistrates' Court Act and provided generally for a continuation of the already existing twenty-eight courts of police and civil causes in Philadelphia established under the 1927 Act. ⁽¹⁵⁾ In addition, it sets up a central police court and a number of divisional police courts and regulates the practice therein.

The central police court sits in City Hall, Philadelphia, on twenty-

four hour duty. The divisional courts sit in the various police stations throughout the city, the power being in the Chief Magistrate to make assignments of the different magistrates to these courts in rotation.

The new statute also sets up a civil division for the trial of small claims, the cases to be tried before three magistrates sitting as one court en banc. However, in Rutenberg v. Philadelphia,⁽¹⁶⁾ this provision was held unconstitutional as in violation of the Constitution,⁽¹⁷⁾ which provides for one magistrate for every 30,000 persons. The Act also provides that the magistrates are to devote their full time to their office and prohibits their membership and active participation in the work of any political party. Provision is made for separate civil and criminal dockets and books of record, wherein all proceedings and official actions as well as all fees, costs, fines, et cetera, must be recorded with exactness. New provisions also exist for the setting of bail with the assistance of the City Comptroller's Office.

A Board of Magistrates is provided for, presided over by a Chief Magistrate, with the power of general supervision of the business of all the Magistrates' Courts, and the right to make interim orders while the board is not sitting. The board itself is to consider, supervise, and prescribe the various rules and regulations for the conduct of the divisional police courts and also to prescribe the practice and procedure for the administration of justice therein. The judges of the different Courts of Common Pleas of Philadelphia County are given the power to pass on and approve all the rules, practice, and procedure adopted by the board, and they have a general supervisory power over the administration and conduct of the business of the Magistrates' Courts.⁽¹⁸⁾

The duty is placed upon Philadelphia to supply court-room accommodations and other facilities required to conduct business of these lower courts, and to pay all salaries, wages and expenses as provided by law. The Chief Magistrate has the power to appoint sufficient stenographers to be present in the various police courts for the purpose of making a full report of the proceedings in the said courts and for filing a transcript of the same where such is required by law. The clerks of these courts are also to file a monthly report of the criminal business conducted in and by these courts, and the Chief Magistrate is to file an annual report of the business of all the Magistrates' Courts in the conduct of their criminal cases.

B. OFFICERS AND EMPLOYES OF THE COURTS

The following officers, employes and agents connected or associated with the courts of this Commonwealth are generally elected by the voters of their respective districts: (1) the Prothonotary of the various courts, (2) the Clerk of the several courts, (3) the Register of Wills, (4) Sheriff, (5) Coroner, and (6) the various judges. All of these, except the judges, may appoint other deputies, clerks and stenographers necessary to the proper performance and conduct of their office. Generally, it is within the province of the judges to appoint the criers and tipstaffs of their particular courts, and also the auditors, trustees, referees, and masters, where this is required by the circumstances of the particular case.

In addition to the above mentioned officers of the courts, the Justices of the Supreme Court of Pennsylvania may employ briefers, investigators, stenographers, clerks, law-clerks, and other necessary assistance. In addition to a Prothonotary for each of the three districts of the court,

as well as a deputy, clerks, stenographers, criers, tipstiffs, et cetera, provisions have been made for the appointment of a court reporter to report the opinions and decisions handed down from time to time. He is appointed by the Governor with the advice and consent of the Senate. Similar officers, employes and agents are provided for the Superior Court.

The Courts of Common Pleas have a Prothonotary, deputies, clerks, and stenographers. There are separate clerks for the Courts of Quarter Sessions and Oyer and Terminer, and for the Orphans' Court, with their respective deputies, clerks and stenographers. Attached to these courts, are official court stenographers appointed by the various judges for the purpose of taking down the proceedings and testimony during the trials. Likewise, there are interpreters appointed by the judges. The Allegheny County Court has a Prothonotary who is also the clerk of the court; he may appoint clerks to assist him with the consent of the majority of the judges of the court.

The Prothonotary of the Common Pleas Courts and the clerk of the Courts of Quarter Sessions and Oyer and Terminer act as the clerk of the Municipal Court of Philadelphia in the conduct of the varied duties of that court. There are also official stenographers for each of the judges of this Court who take down the proceedings and testimony at trials. The Board of Judges of the Municipal Court also has power to appoint the various employes necessary to help conduct the business of the different divisions of this court. Because of this court's jurisdiction over juveniles the houses of detention come within its province and the Board of Judges of the Court may appoint the boards of managers for these houses of detention. Similarly there is the power to appoint the probation officers for the proper performance of this function of the court.

Finally, while not technically a part of the judiciary proper, the following officers perform certain judicial acts and therefore might properly be labeled judicial officers:

- (1) Register of Wills, in the sense that they grant or refuse letters testamentary or of administration;
- (2) Burgesses, Mayors, or other Chief Executive Officers of administrative organizations who are, by virtue of their offices, Justices of the Peace, Aldermen and Magistrates, as the case may be;
- (3) the Grand Jury;
- (4) the Coroner;
- (5) innumerable public officers, commissions, and boards, who have semi- or quasi-judicial powers, with the right of appeal from their rulings to the various courts of record, to courts of first instance or to an appellate court as the case may be.

C. EXPENDITURES

The expenditures made by the State for the maintenance of the judicial branch of the government, including judges' salaries and all the services and facilities required by the judiciary, and applicable to the bienniums 1935-37, and 1937-39, are shown in Table III-A, page 319.

TABLE III-A

THE JUDICIARY
STATE EXPENDITURES FOR JUDICIAL PURPOSES
BIENNIUMS 1935-37 and 1937-39

Purpose	Biennium	
	1935-37	1937-39
Supreme Court	\$480,527.12	\$508,352.50
Superior Court	364,005.02	360,945.52
Common Pleas Court	2,980,107.46	3,133,221.11
Orphans' Courts	560,917.28	618,288.42
Philadelphia:		
Municipal Court	211,790.90	9,209.10 ^{b/}
Family Court	--	194,269.44 ^{c/}
Allegheny County:		
County Court	121,000.00	121,000.00
Juvenile Court	20,000.00	20,000.00
Miscellaneous ^{a/}	154,934.09	131,070.21
State Reporter	23,991.88	27,701.63
Total	\$4,917,273.75	\$5,124,057.93

Source: Biennial reports of the Auditor General.

- ^{a/} Includes salaries and mileage of retired and associate judges.
- ^{b/} Abolished by Legislative Enactments in 1937 (P.L. 721) which was set aside by the Supreme Court in Commonwealth ex rel Kelly v. Brown, 327 Pennsylvania 136.
- ^{c/} Created by Legislative Enactment in 1937 (P.L. 460) which was declared unconstitutional by Supreme Court in Commonwealth ex rel Margiotti v. Setton, 327 Pennsylvania 337.

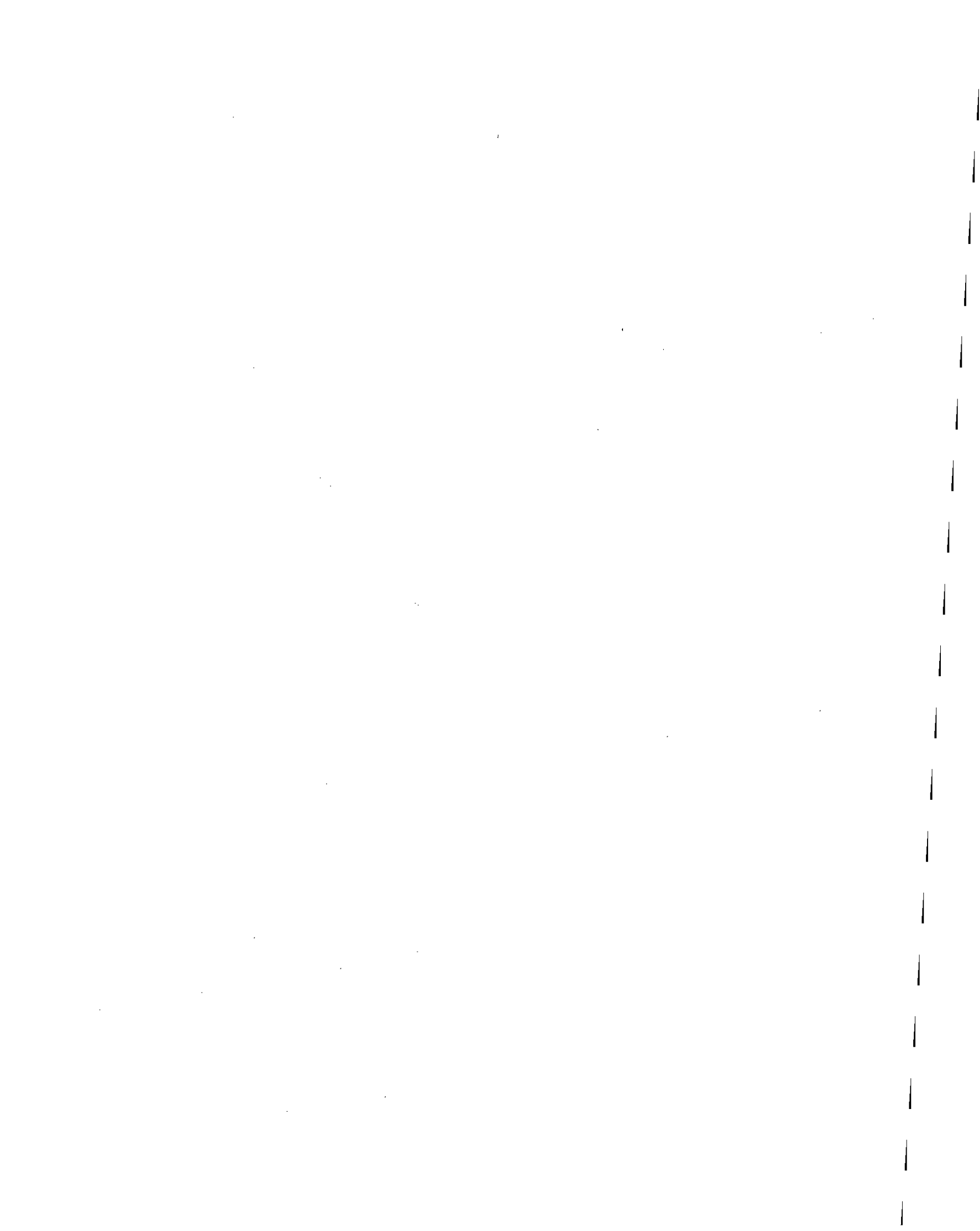
The foregoing does not include the expenditures of municipalities, counties and other political subdivisions.

FOOTNOTES

- (1) Pennsylvania Constitution, Article V, Section 1.
- (2) Pennsylvania Constitution, Article V, Section 3.
- (3) 1836, P. L. 784, Section 1.
- (4) 1937, P. L. 1982 as amended by 1939, P. L. 14.
- (5) 1895, P. L. 212, Section 1 et seq.
- (6) Pennsylvania Constitution, Schedule No. 1, Section 14.
- (7) Pennsylvania Constitution, Article V, Section 6.
- (8) 1937, P. L. 459.
- (9) Pennsylvania Constitution, Article V, Section 9.
- (10) Pennsylvania Constitution, Article V, Section 20.
- (11) Pennsylvania Constitution, Article V, Section 22.
- (12) 1913, P. L. 711.
- (13) 1913, P. L. 711, Section 16.
- (14) 1937, P. L. 1743.
- (15) 1927, P. L. 866.
- (16) 329, Pennsylvania, 26.
- (17) Pennsylvania Constitution, Article V, Section 12.
- (18) This Supervisory Power, however, was severely limited in Rutenberg v. Philadelphia supra.

PART II

DEPARTMENTS HEADED BY ELECTIVE OFFICERS



CHAPTER IV

DEPARTMENT OF THE AUDITOR GENERAL

A. FUNCTION

The Department of the Auditor General is, as the name indicates, the chief auditing agency of the Commonwealth. Although one of the oldest departments in the government, its position as auditing agency dates only from July 1, 1929, the effective date of the Fiscal Code. ⁽¹⁾ Its auditing functions prior to that date were those peculiar to the comptroller rather than the independent auditor.

The administrative head of the Department is the Auditor General, a constitutional officer, ⁽²⁾ who is elected by the people at a general election for a term of four years beginning the first Tuesday in May next succeeding his election. He is not eligible for a second consecutive term. ⁽³⁾

He is a member ex-officio of:

Board of Finance and Revenue
General State Authority
State Board of Public Assistance
Delaware River Joint Commission
Delaware River Joint Toll Bridge Commission
Joint Commission for the Acquisition of Bridges over the
Delaware River between Pennsylvania and New York
State Bridge and Tunnel Commission
Board of Commissioners of Public Grounds and Buildings
Board of Trustees to Invest Funds of the Pennsylvania
Historical Commission.

B. POWERS AND DUTIES

1. Constitutional

The Auditor General has but one constitutional duty, the approval or disapproval of certain types of contracts. ⁽⁴⁾ In keeping with this provision, he, with the Governor and the State Treasurer, must pass on all contracts for stationery, paper, fuel, repairs, furnishings and supplies pur-

chased through the Department of Property and Supplies.

2. Statutory

Under the Fiscal Code, the Auditor General is vested with powers and
(6)
duties as follows:

- a. To audit all accounts for taxes, or other money due to the Commonwealth, which have been settled by the Department of Revenue;
- b. To audit the accounts of city and county officers, insofar as may be necessary to determine whether such officers have reported and transmitted all moneys payable by them to the Commonwealth;
- c. To audit the accounts of magistrates, aldermen, justices of the peace, burgesses, mayors, and court clerks, for the purpose of ascertaining whether all fines and penalties collected by them and payable to the Commonwealth have been correctly reported and promptly transmitted;
- d. To audit the accounts and records of all agents of the Commonwealth charged with the duty of assessing, appraising, or collecting State taxes or license fees;
- e. To audit all other accounts between the Commonwealth, acting through any administrative agency thereof, and any person liable to pay money thereto for any purpose whatsoever;
- f. To make all audits, which may be necessary, in connection with the administration of the financial affairs of the government of the Commonwealth; (7)
- g. To audit the accounts and records of every person, association, corporation, and public agency, receiving an appropriation of money, payable out of any fund in the State Treasury, or entitled to receive any portion of any State tax for any purpose whatsoever, to satisfy the department that such money is being expended for the purpose intended;
- h. To audit and examine all requisitions calling upon the Auditor General to draw his warrant upon the State Treasurer for the payment of money out of the State Treasury (8), but such warrant may be drawn only after approval of the requisition by the State Treasurer or, in case of disagreement between the Auditor General and the State Treasurer (9), by the Governor.
- i. To examine and adjust, according to law and equity, the accounts of all persons, associations or corporations, having claims against the Commonwealth.(10)

- j. To appoint mercantile appraisers as now provided by law to approve or disapprove all expense accounts of and the number and compensation of clerks and assistants to such appraisers and to certify to the Department of Revenue the names, rates of pay and expenses for such appraisers and assistants.
- k. To appoint or approve the appointment, fix the compensation, and approve or disapprove the expense accounts of such clerks, appraisers, (12) etc., as may be necessary to enable the registers of wills to collect transfer inheritance taxes upon the estates of resident decedents and to certify to the Department of Revenue the names and compensation of persons appointed and the amount of the expense accounts approved.

3. General

For the proper performance of his duties in connection with the approval or disapproval of settlements and accounts of any nature whatsoever, the Auditor General has inquisitorial powers to examine all books and records, to issue subpoenas, and to compel attendance at hearings of those subpoenaed, as well as the production of all books and records subpoenaed.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, the Department is divided into the following bureaus, as shown in Chart IV-1, page 404:

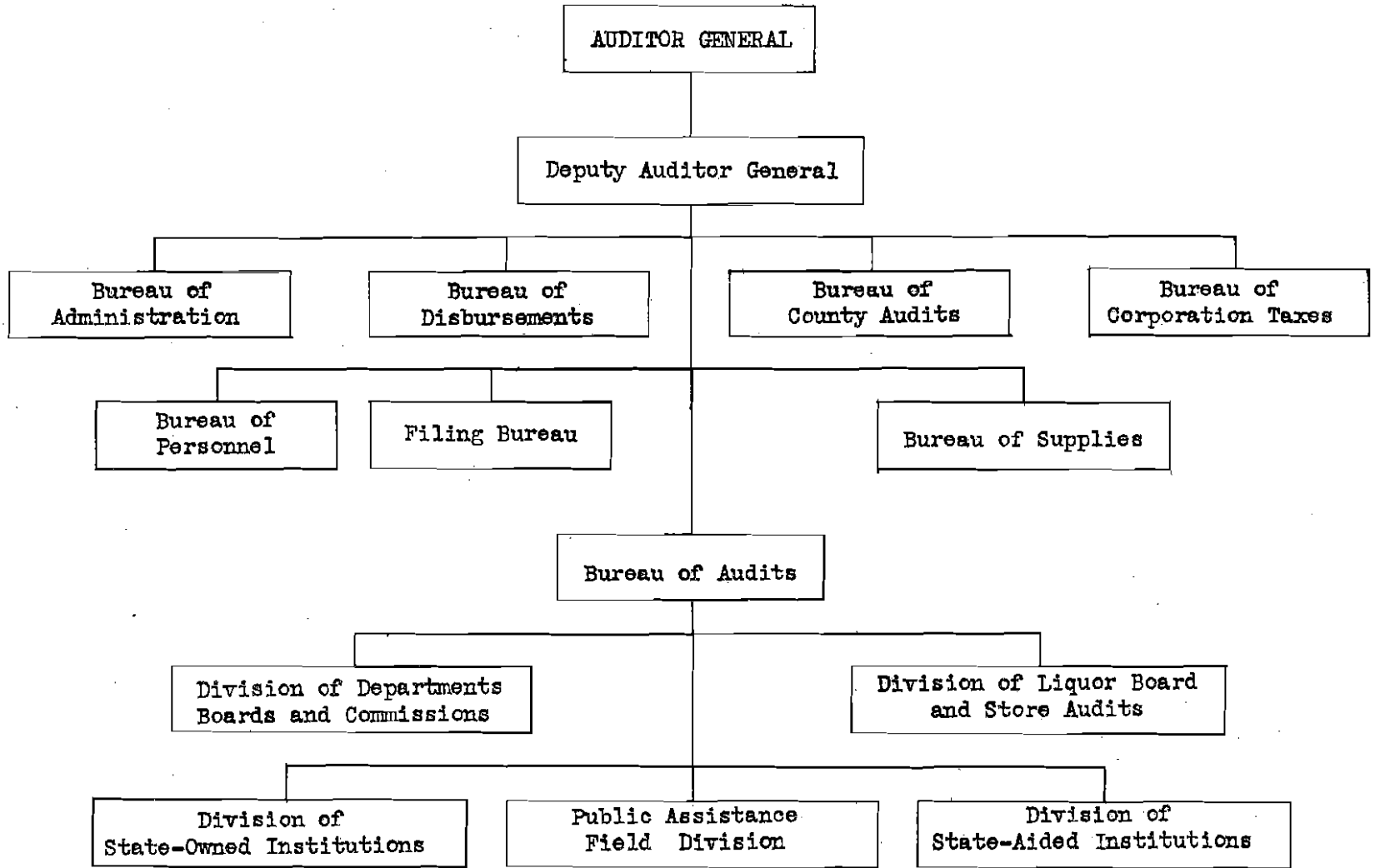
- Bureau of Administration
- Bureau of Disbursements
- Bureau of Audits
- Bureau of County Audits
- Bureau of Corporation Taxes
- Personnel Bureau
- Bureau of Supplies
- Filing Bureau

1. Bureau of Administration

This Bureau is in charge of the Administrative Director who also heads the Bureau of County Audits. The work relates to the Department itself, interviewing and placement of personnel, development of policies and the organization of the various tasks.

CHART IV-1

ORGANIZATION OF THE AUDITOR GENERAL'S DEPARTMENT



2. Bureau of Disbursements

This Bureau reviews and approves all requisitions calling for the disbursement of money from the State Treasury. Any agency receiving an appropriation other than from the State Workmen's Insurance Fund, the Unemployment Compensation Fund and the Administration Fund of Unemployment Compensation and wishing to make payment from it must submit a requisition, supported by properly itemized accounts or invoices, to the Auditor General requesting him to draw his warrant upon the State Treasurer. This requisition, if approved by the Auditor General, is submitted with all the supporting papers to the State Treasurer. If the latter approves the requisition it is returned to the Auditor General, who then draws his warrant for payment. If the Treasurer does not approve he returns the requisition with his reasons for disapproval in writing. Should the Auditor General and State Treasurer continue to disagree, the requisition with all correspondence relating thereto must be submitted to the Governor for his decision. If the Governor approves, the Auditor General draws his warrant which must be honored by the State Treasurer.

Prior to July 1, 1929, this Bureau performed the major auditing function of the Department, being in a position to control all expenditures. They continued to thus function until late in 1938, when the bulk of the detail examination of requisitions was transferred to the pre-audit units of the Bureau of Audits. Since that time, except for a few relatively minor agencies, the Bureau of Disbursements simply reviews the work of the Bureau of Audits and gives final approval to requisitions before sending them to the State Treasurer.

It may be of interest to note that a pre-audit unit has been operating at the Liquor Control Board since its inception in 1934. The work of this

unit furnished the experiential background for the present system.

To say that the old system was "extremely inefficient and illogical" and that the present system is without serious flaw is to overlook some important fundamentals. The old system provided for a detailed audit of requisitions as to accuracy and legality by a Bureau of Disbursements. (7) At the end of each year, the Bureau of Audits was required by law to audit the affairs of the various agencies which entailed an audit of requisitions. Thus, we had one bureau functioning as a comptroller with power to prevent expenditure, and another bureau functioning as an independent auditing agency examining the work of the departments and also of its own Disbursement Bureau. There is nothing archaic or illogical about such a setup which is almost identical to the system followed in modern industry. If the work of the Bureau of Disbursements was handled pretty much in a routine fashion without the proper knowledge and experience on the part of employees, it is a serious reflection on the personnel methods of the Commonwealth rather than on the system of auditing. If the Bureau of Audits failed because of inadequate or improperly trained personnel or poor organization to make the required annual audits, it may indicate the need for a remedy but not necessarily a change of system.

Admitting considerable weakness in the operation of the old system, the fact remains that no serious loss was ever incurred by the Commonwealth due to the system. The new system had not been in operation long enough to judge its merits fully.

The bookkeeping unit maintains the appropriation ledgers in which all charges against appropriations from general and special funds are entered. This unit also operates books covering daily disbursements, receipts and cash balances in the State Treasury.

3. Bureau of Audits

The tremendous task of auditing the fiscal affairs of the Commonwealth falls upon this Bureau. The work is carried on under five divisions, one for departments, boards and commissions, one for State-owned institutions, one for State-aided institutions, one for general assistance field audits, and one for Liquor Board and store audits.

Table IV-A shows the minimum annual audit load of this bureau.

TABLE IV-A
 NUMBER OF DEPARTMENTS, BOARDS AND INSTITUTIONS
 REQUIRED TO BE AUDITED ANNUALLY
 JUNE 1, 1940

Classification	Number
Departments	22
Boards	21
Commissions	5
State-owned Institutions:	
Teachers' Colleges	14
Medical & Surgical Hospitals	10
Mental Hospitals	9
Feeble-Minded and Epileptic	4
Penal and Correctional	5
Soldiers and Sailors Home	1
Prison Labor	1
Vocational and Schools for Deaf	3
State-aided Institutions:	
Hospitals and Homes	238
County Hospitals	13
Schools for Mental and Delinquents	3
Schools for Deaf and Blind	4
Universities, Colleges and Schools	11
Total	364

The requirement that collections of every department, board and commission (7) and of the 579 Liquor Stores (13) and the accounts of every State institution must be audited quarterly, adds still further to the work of

the Bureau.

a. Division of Departments, Boards and Commissions

This group has the job of auditing the administrative agencies. They perform in most cases the comptroller function formerly belonging to the Bureau of Disbursements in relation to requisitions but perform no independent audit function in this regard. They do, however, audit collections and the general financial activities of the agencies.

In computing the time elapsed between the end of the period covered by an audit and the delivery of the report, it must be remembered that the records of a department are never in shape for audit the day after the fiscal period closes. As a matter of fact, a delay of three to six months in closing the books is not unusual.

Table IV-B showing the status of audits of departments, boards and commissions at September 13, 1940, will be found on pages 410 and 411.

The improvement shown by this table in comparison with a similar table contained in the 1933 report of the Joint Legislative Committee on Finance, page 85, is unusual. All audits are practically current, with the Department aiming to complete all audits to May 31, 1940 by January 1, 1941.

It should be pointed out, however, that a comparison of audits completed on the basis of numbers only is likely to be misleading. During the period from 1929 to 1937, audits included the detailed examination of every requisition paid during the period under review, thus affording an independent audit of the approving agency, the Bureau of Disbursements. In addition, matters of organization were examined and studies of various activities were made. Example of such studies are: The Health Officer Organization in the Department of Health, The Bureau of Rehabilitation in the Department of Labor and Industry, and The Possibility of State Self-

Insurance on Surety and Fidelity Bonds of Employes, Department of Property and Supplies.

During the present Administration, audits have been largely in the nature of balance sheet or financial audits which accept the original approval of disbursements, by its own agency, as valid. It is obvious that audits of this type can be completed in considerably less time. A careful comparison of man hours would undoubtedly show that the former method required from two to four times as long as the present method.

The Auditor General is merely directed "to audit" and is left to decide which type of audit fulfills the requirements. Unless and until the type of audit is clearly defined by statute, differences of interpretation of the audit function will continue.

A more complete analysis of State auditing procedure has been submitted in a separate study by the Joint State Government Commission, which also covers the matter of duplication of audits.

b. Division of State-Owned Institutions

This division is one of the smallest in the Bureau but handles a large assignment. Four audits each of forty-seven institutions owned by the Commonwealth are completed annually by this unit.

c. Division of State-Aided Institutions

This division examines the records of all institutions receiving State aid to determine whether or not the amount of free service rendered entitles them to receive the reimbursement claimed by them. This group formerly operated under the Bureau of Disbursements.

d. Public Assistance Field Division

The Public Assistance Field Division conducts eligibility investigations of those receiving general assistance. Two methods are employed

TABLE IV-B

STATEMENT SHOWING STATUS OF DEPARTMENTAL AUDIT REPORTS
TRANSMITTED TO THE GOVERNOR AS OF SEPTEMBER 13, 1940

Department Boards and Commissions	Audit Completed To	Date of Last Report	Months Inter- vening	Date Transmitted To the Governor
Governor's Office.....	5-31-39	4-1-40	10	4-19-40
Agriculture	5-31-39	5-23-40	11 $\frac{1}{2}$ +	6- 7-40
Banking	5-31-39	6-1-40	12	6- 7-40
Fish Commission	5-31-39	5-14-40	11 $\frac{1}{2}$	5-24-40
Forests & Waters	5-31-38	5-31-39	12	6- 2-39
Game Commission	5-31-39	9-12-40	15 $\frac{1}{2}$	9-13-40
Health	5-31-38	4-27-39	11	5- 4-39
Highways	5-31-39	4-30-40	11	6- 5-40
Insurance	5-31-40	9-13-40	3 $\frac{3}{4}$	9-13-40
Internal Affairs	5-31-40	9-13-40	3 $\frac{3}{4}$	9-13-40
Justice	5-31-39	8-20-40	14 $\frac{3}{4}$ +	8-26-40
Labor & Industry.....	5-31-38	2-24-39	8 $\frac{1}{2}$ +	3- 7-39
Lieut.Governor's Off..	5-31-40	9- 4-40	3 +	9- 9-40
Military Affairs	5-31-39	4- 3-40	11	4-19-40
Milk Control	5-31-40	9-13-40	3 $\frac{3}{4}$	9-13-40
Mines	5-31-39	7-15-40	13 $\frac{3}{4}$	8- 8-40
Liquor Control	5-31-39	8-29-40	15 -	9-15-40
Motor Police	5-31-38	5-15-39	11 $\frac{1}{2}$	5-18-39
Public Utility	5-31-39	5-14-40	11 $\frac{1}{2}$	5-23-40
Property & Supplies ..	5-31-39	7-25-40	14 -	8- 1-40
Public Assistance	5-31-39	7-15-40	13 $\frac{1}{2}$	7-18-40
Public Instruction....	5-31-38	5-26-39	12 -	5-26-39
Pub.Schl.Emp.Ret.Bd...	6-30-38	5-29-39	11	6-26-39
Revenue	5-31-38	5-31-39	12	6-15-39
State	5-31-39	8-21-40	14 $\frac{3}{4}$ +	8-26-40
State Emp.Ret.Bd.....	5-31-39	9-15-39	3 $\frac{3}{4}$	9-15-39
Treasury-Cash Audit...	5-31-39	4- 4-40	10 +	4- 4-40
Treasury-Securities...	5-31-40	9-11-40	3 +	9-13-40
Welfare	5-31-39	8- 1-40	14	8-26-40

Note: In addition to the above, special and subsidiary audits have been made and reports filed since May 4, 1937, as stated below:

	Number of Reports	Period Covered	
Professional Examining Boards	34	6- 1-31	5-31-39
Anatomical Board	3	6- 1-36	5-31-39
State Athletic Commission	3	6-15-35	5-31-39
County Field Audits of General Assistance ..	17	3-11-39	2-12-40
State-Owned Institutions	91	5- 1-34	5-31-39

Months in Transmittal	Total Months Required To Deliver	Period for Which Audit Reports Have Been Delivered Since May 4, 1937		Years Since Completion Of Last Audit As Of September 13, 1940	
1	10 $\frac{1}{2}$	6- 1-36	5-31-39	1 Yr.	3 Mo.
0	12 +	6- 1-33	5-31-39	1	3
0	12	6- 1-35	5-31-39	1	3
0	12 -	6- 1-35	5-31-39	1	3
0	12	6- 1-36	5-31-38	2	3
0	15 $\frac{1}{2}$	6- 1-36	5-31-39	1	3
0	11 +	6- 1-34	5-31-38	2	3
1	12 +	6- 1-35	5-31-39	1	3
0	3 $\frac{1}{2}$	6- 1-34	5-31-40	-	3
0	3 $\frac{1}{2}$	6- 1-35	5-31-40	-	3
0	14 $\frac{1}{2}$	6- 1-33	5-31-39	1	3
0	9 +	6- 1-36	5-31-38	2	3
0	3 +	6- 1-36	5-31-40	-	3
0	11 $\frac{1}{2}$	6- 1-35	5-31-39	1	3
0	3 $\frac{1}{2}$	6- 1-35	5-31-40	-	3
0	14 +	6- 1-36	5-31-39	1	3
0	15 $\frac{1}{2}$	6- 1-36	5-31-39	1	3
0	11 $\frac{1}{2}$ +	6- 1-35	5-31-38	2	3
0	11 $\frac{1}{2}$ +	6- 1-35	5-31-39	1	3
0	14	6- 1-34	5-31-39	1	3
0	15 $\frac{1}{2}$	6- 1-37	5-31-39	1	3
0	12 -	6- 1-35	5-31-38	2	3
1	12	7- 1-31	6-30-38	2	3
0	12 $\frac{1}{2}$	6- 1-33	5-31-38	2	3
0	14 $\frac{1}{2}$ +	6- 1-36	5-31-39	1	3
0	3 $\frac{1}{2}$	6- 1-35	5-31-39	1	3
0	10 +	6- 1-35	5-31-39	1	3
0	3 +	11-5-37	5-31-40	-	3
1	15 -	6- 1-34	5-31-39	1	3

in these investigations. Under one plan, the Auditor General sends out notices to all persons receiving assistance in a given county to appear at a designated point to answer questions concerning their right to receive such assistance and receive their checks. On the basis of the information secured, recommendations are made that certain cases be removed, reduced in length or transferred to a different form of relief. The other method is to pick cases at random and thoroughly investigate them.

Between March 1939 and January 1940, fifteen counties were surveyed by the check delivery method. The following summary shows a cross section of the accomplishments:

<u>Disposition</u>	<u>Cases</u>
Satisfactory or did not call for checks	16,401
<u>Recommendations on Exceptions Taken</u>	
Discontinuance	722
Budget Reduction	851
Transfer to Special Assistance	450
Home Visit or Further Investigation	1,207
	<hr/>
Total Cases in Survey	19,631
	<hr/>

This work was discontinued for a period of about six months to September 1940, because of lack of funds.

e. Division of Liquor Board and Store Audits

The work of this division is varied to include the participation in purchases, especially the listing of new or substitute items, the audit of requisitions, an audit of the 579 liquor stores and an examination into the affairs of the Liquor Control Board.

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While the Liquor Control Act merely requires the approval of purchases by the Auditor General, this approval, if it is to be effective as a control, must involve a certain measure of control over the listing of items. This fact was strongly emphasized by the special report on the

Monopoly States Survey filed by the Auditor General under date of 1939. As a part of this survey a study of inventory turnover was made which showed conclusively the need for a reduction in the number of codes and in the amount of inventory carried. In an effort to further this desirable end, the Auditor General began to inquire into the factors back of the issuance of a purchase order for liquor. On February 1, 1939, an auditor was placed in the inventory section of the Board with the duty to determine the need for proposed purchases. A short time later the duty to sit in with the Board when passing on new listings and substitutions was added to this division. The addition of a new point of view and the wholehearted cooperation of the Board resulted in the lowest end-of-the-year inventory in the history of the Board.

As a further result of this survey and the recommendation of the Auditor General, the Legislature recently appropriated \$5,000,000 as a revolving fund to enable the Liquor Control Board to take one and one-half percent discount by the payment of its bills within thirty days. Prior to this appropriation, the Board lost a considerable discount due to lack of funds.

The field audit unit of this division was enlarged from 16 in 1937 to 55 in 1939, the method of auditing improved to establish better control and the number of audits per store increased from two to four per year to meet the legal requirement. Due to an effort to bring all work up to date, many employes of this division are now engaged in other work and the quarterly audit provision is not being met.

The duplication of the work of this division by the Field Accounting Division of the Liquor Board is discussed in a special report on State auditing practices referred to on page 408.

f. Legal Auditing Requirements

Only in the case of audits of governmental agencies does the
(7) statute place a definite requirement upon the Auditor General as to the number of audits of various kinds -- "at least one audit" each year for the executive agencies, except the State Workmen's Insurance Fund and quarterly audits of their collections and the accounts of the State institutions.

It is extremely doubtful if these requirements have been fully met since the law became effective. In some years, the requirements were not more than 50% fulfilled. As shown in Table IV-B, when the present Auditor General took office on May 4, 1937, one agency had not been audited for six years, three for four years, four for three years and twelve for two years.

The statute provides no remedy for the failure of the Auditor General to comply with its provisions. It does, however, permit the agency neglected the questionable privilege of spending its own money for such an audit. Naturally, no money is included in any departmental budget to provide for an audit should the Auditor General fail in his duty; therefore, the funds would have to be diverted from some previously planned use to pay for the audit. At its best, an audit disrupts the regular work to a certain extent in order that questioned transactions or operations may be explained and procedures justified. No department head is likely to ask for an audit which will interfere with current work and cost him a considerable amount not provided for in his budget. He knows that if he waits long enough, he will get his audit without cost.

If in the judgment of the Legislature some minimum audit program, either as to frequency or scope or both, is essential to the adequate pro-

tection of the Commonwealth, some better means of enforcing its will should be sought.

In viewing this matter, some thought must be given to the fact that the new Auditor General operates for his first biennium in a financial straight-jacket designed by his predecessor. By the time he takes office in May, the appropriation bill is in its last stages on the basis of a budget drawn by the incumbent.

Assume that the Auditor General shortly after becoming acquainted with the work of his department decides that he must have a detailed audit of the executive branches of the government and that he will, of course, carry out his legal responsibility as to the number of audits. He finds that in order to do this he must have 450 employes instead of the 360 of his predecessor in office. His budget, however, is drawn on the former basis, so he either curtails the amount of work on each audit or reduces the number of audits, opening himself to criticism either way. By the time his next appropriation comes around, less than two years remain of his term and he hesitates to ask the Legislature for a large increase in his appropriation.

Even if the Auditor General-elect could have a voice in forming the appropriation for his first two years, he would be subject to considerable suspicion and condemnation were he to ask for \$200,000 more than his predecessor. Yet that might be a modest sum for the additional safeguards that would be secured.

4. Bureau of County Audits

This Bureau audits the accounts of 383 county officers, including commissioners, registers of wills, recorders, prothonotaries and clerks of court, as well as 5838 peace officers such as justices of the peace, aldermen, burgesses and mayors. It approves the settlements of the county offi-

cers with the Department of Revenue covering mercantile and inheritance taxes and certain licenses issued by these officers. It determines whether the peace officer group have recorded and transmitted to the Commonwealth all fines collected to which the State has claim under the Acts of Assembly.

The 705 issuing agents through whom hunting and fishing licenses are issued are not audited by this Bureau. The audit of their accounts is included in the annual audit of the Department of Revenue conducted by the Bureau of Audits.

The necessity for auditing many of these peace officers more than once in two years is open to question. A careful analysis of this subject would probably disclose many cases where the cost of audit exceeded the amount which the officer had collected. The average income from fines is under \$600,000 per year, much of which is assessed by the various courts of record. It will be seen that the balance distributed among almost 6,000 officers would make a very low amount to be checked.

While the issuance of licenses by the county officers is no doubt a convenience to the public, there seems little justification for their position as a collector of certain taxes for the State. It adds to the amount of machinery involved but little to the efficiency of the collection system. It is, no doubt, a relic of the days when transportation was much more difficult than it is today. The Department of Revenue issues thousands of licenses from the Harrisburg office, but then they were never handled any other way.

In auditing the county offices the Auditor General is auditing to some extent the work of his own employes. He is responsible for the appointment of mercantile tax and inheritance tax appraisers and other employes, fixing salaries and approving their expenses. Except in Philadelphia where

the city treasurer joins in the appointment, the Auditor General may hire or fire at will without consultation with the Department of Revenue for whom the work is done. Table IV-C shows the picture of mercantile tax collections from 1933 to 1938.

TABLE IV-C

STATEMENT OF MERCANTILE TAX COLLECTIONS
AND COSTS OF COLLECTION 1933-1938

Year	Gross Collections	Cost of Collection	Percent Cost of Collection
1933	\$3,085,423.24	\$315,247.39	10.22
1934	3,099,701.53	379,274.65	12.24
1935	3,397,956.99	389,024.66	11.45
1936	3,475,455.82	382,057.36	10.99
1937	3,982,476.45	370,581.72	9.30
1938	4,009,807.29	398,050.27	9.92

There appears to be a considerable saving effected in the first two years of the present Administration. This does not, however, remove the objection to the system. If the mercantile tax appraiser is necessary, which is extremely doubtful, the appointment should rest with the agency charged with the collection of the tax.

While the above discussion deals with mercantile taxes, it applies with equal force to inheritance tax appraisers. Indeed, it would seem advisable to review the entire collection system, eliminating those practices which have no justification other than that it has always been done this way.

5. Bureau of Corporation Taxes

This Bureau approves the settlement of corporation taxes made by the

Department of Revenue. Under the Fiscal Code, tax settlements are made by the Department of Revenue and transmitted with all papers to the Auditor General, who is required to audit and return the settlement with his approval or disapproval in writing within 60 days. If any settlement is disapproved by the Auditor General, the specific reasons therefor must be set forth and the Department of Revenue must then reconsider it and confer with the Auditor General in an endeavor to reach an agreement.

After the settlement is revised, the Department of Revenue again submits it to the Auditor General. In the event that the two fail to agree within four months after the original submission of the settlement to the Auditor General, the settlement must be submitted by the Department of Revenue to the Board of Finance and Revenue.

The Bureau of Corporation Taxes is divided into two sections, auditing and bookkeeping. The former has to do with the approval of settlements as previously discussed, while the latter maintains ledger accounts with each taxable corporation in the State showing the assessments of the tax and the amount paid. A similar record is maintained in the Department of Revenue.

6. Personnel Bureau

This Bureau maintains an individual record of each salaried employe of the Commonwealth, showing the position occupied, the date of birth and voting residence of the employe, the date of entering the service of the Commonwealth, and a complete record of service to date including all positions held and salary rating of each. Before a name can be added to the payroll of any department, or any change in classification or pay made, a change sheet bearing all information necessary to start or complete the personnel record and signed by the head of the department, the Budget Sec-

retary and the Governor, must be sent to this Bureau.

Annually, every administrative department, board and commission is
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required to send to the Auditor General, on June 15th of each year, a list of the names of all persons entitled to receive compensation from the Commonwealth for services rendered in or to such administrative agency. These lists must contain information to enable the Auditor General to check his list.

For approximately a year, regular checks are made of the payrolls against the personnel records. This, however, is in the nature of a check on the payroll auditors who examine the payrolls currently. This examination is made by comparison of the new payroll with the latest paid. All differences in name, classification or amount must be supported by change sheets as previously described.

7. Bureau of Supplies

This Bureau, as the name implies, is charged with the duty of securing and carrying adequate supplies for the operation of the Department. It has no contact with any other agency of the Government.

8. Filing Bureau

This Bureau has in its files every original requisition with supporting papers that has been warranted by the Auditor General as well as the original cancelled checks covering payments from the State Treasury. All books covering transmittals and appropriations and copies of all audit reports are filed with this Bureau.

D. PERSONNEL

At June 1, 1940, the Department of the Auditor General had 360 employes drawing aggregate annual salaries of \$718,420. This compares very favorably with March 1, 1933, when there were 300 employes with total salaries of

\$686,680, the increase being 60 employes and \$31,740. Since March 1, 1933, the Liquor Control Board and the Department of Public Assistance have been created and 96 employes at \$172,800 have been assigned to those audits by the Auditor General.

Table IV-D presents a summary of personnel in the Auditor General's Department and annual salaries paid on June 1, 1940, while in Table IV-E is set forth a record of personnel by bureau and division, personnel title and annual salaries.

TABLE IV-D
SUMMARY OF EMPLOYES AND ANNUAL SALARIES
BY BUREAU AND DIVISION
JUNE 1, 1940

Bureau or Division	Number of Employes	Annual Salaries
Administration	11	\$37,420
Corporation Taxes	15	39,120
Personnel	9	12,420
Supplies	9	9,120
Filing	22	36,000
County Audits	68	145,900
Disbursements	26	49,640
<u>Audits:</u>		
Departments, etc.	81	164,880
Liquor Control Board	55	101,200
Public Assistance	41	70,980
<u>Institutions</u>		
State-Owned	16	35,500
State-Aided	7	16,240
Total	360	\$718,420

Table IV-E shows the number of officers and employes of the Department, classified according to the salary grades for the years 1933 to 1940 inclusive.

TABLE IV-E

DEPARTMENT OF THE AUDITOR GENERAL
STATEMENT SHOWING NUMBER OF EMPLOYEES BY PAYROLL CLASSIFICATION
AND ANNUAL SALARIES PAID - BY BUREAUS AND DIVISIONS
JUNE 1, 1940

Classification	Number of Employees	Annual Salaries
<u>Administrative</u>		
Auditor General	1	\$ 12,000
Deputy Auditor General	1	8,500
Research Analyst	1	3,000
Secretary	1	2,400
Secretary	1	2,100
Secretary	1	1,800
Clerk	1	2,100
Senior Stenographer	1	1,500
Senior Typist	1	1,500
Senior Typist	1	1,320
Senior Typist	1	1,200
Sub-total	11	\$37,420
<u>Corporation Tax Bureau</u>		
Tax Auditor	1	\$ 4,500
Tax Auditor	1	3,900
Tax Auditor	1	3,600
Tax Auditor	1	3,360
Tax Auditor	3	3,000
Tax Auditor	1	1,800
Senior Auditors	2	2,400
Auditor	1	1,980
Senior Typist	1	1,620
Senior Typist	1	1,500
Computer	1	1,680
Computer	1	1,380
Sub-total	15	\$39,120
<u>Personnel Bureau</u>		
Secretary	2	\$ 2,100
Stenographers	3	1,200
Senior Typists	3	1,200
Typist	1	1,020
Sub-total	9	\$12,420

TABLE IV-E (Continued)

Classification	Number of Employees	Annual Salaries
<u>Supplies Bureau</u>		
Supply Clerk.....	1	\$ 1,800
Stenographer.....	1	1,380
Messenger.....	1	1,320
Watchman.....	1	1,500
Janitress.....	1	720
Janitresses.....	4	600
Sub-total.....	9	\$ 9,120
<u>Filing Bureau</u>		
Director.....	1	\$ 2,400
File Clerks.....	2	1,860
File Clerks.....	5	1,800
File Clerks.....	2	1,620
File Clerks.....	2	1,680
File Clerks.....	7	1,500
File Clerk.....	1	1,380
File Clerk.....	1	1,200
Janitor.....	1	1,200
Sub-total.....	22	\$36,000
<u>County Bureau</u>		
Administrative Director.....	1	\$ 5,500
Supervising Auditors.....	3	5,000
Senior Auditor.....	1	3,000
Senior Auditor.....	1	2,520
Senior Auditors.....	5	2,400
Senior Auditors.....	3	2,280
Senior Auditors.....	10	2,100
Auditors.....	7	2,000
Auditors.....	2	1,980
Auditor.....	1	1,960
Auditors.....	6	1,920
Auditors.....	2	1,860
Auditors.....	9	1,800
Investigator.....	1	1,800
Clerk.....	1	1,440
Clerk.....	1	1,200
Secretary.....	1	3,600
Secretaries.....	2	3,000

TABLE IV-E (Continued)

Classification	Number of Employees	Annual Salaries
<u>County Bureau, (Continued)</u>		
Senior Stenographer.....	1	\$ 1,620
Senior Stenographers.....	3	1,500
Stenographer.....	1	1,380
Stenographers.....	5	1,200
Stenographer.....	1	1,140
Sub-total.....	68	\$145,900
<u>Bureau of Disbursements</u>		
Director.....	1	\$ 3,600
Assistant Director.....	1	3,300
Assistant Director.....	1	2,400
Legal Assistant.....	1	3,900
Supervising Auditor.....	1	3,500
Senior Auditor.....	1	2,880
Senior Auditor.....	1	2,700
Senior Auditors.....	2	2,100
Auditor.....	1	1,980
Auditor.....	1	1,920
Auditors	2	1,620
Clerk.....	1	1,620
Stenographer.....	1	1,320
Stenographer.....	1	1,200
Stenographer.....	1	1,020
Senior Typist.....	1	1,200
Typist.....	1	1,080
Machine Operator.....	1	1,620
Machine Operators.....	2	1,320
Machine Operator.....	1	1,080
Machine Operators.....	2	1,020
Messenger.....	1	1,200
Sub-total.....	26	\$49,640
<u>Bureau of Audits</u>		
Director.....	1	\$ 5,000
<u>Departmental Audits</u>		
Supervising Auditor.....	1	\$ 4,200
Supervising Auditor.....	1	3,600
Supervising Auditor.....	1	3,300

TABLE IV-E (Continued)

Classification	Number of Employees	Annual Salaries
<u>Departmental Audits (Continued)</u>		
Supervising Auditors.....	2	\$ 3,000
Senior Auditors.....	3	2,700
Senior Auditor.....	1	2,600
Senior Auditor.....	1	2,500
Senior Auditor.....	8	2,400
Senior Auditor.....	1	2,280
Senior Auditor.....	1	2,240
Senior Auditors.....	13	2,100
Auditor.....	1	2,000
Auditors.....	4	1,980
Auditors.....	2	1,920
Auditors.....	3	1,860
Auditors.....	13	1,800
Auditor.....	1	1,740
Auditors.....	4	1,680
Auditors.....	2	1,620
Secretaries.....	4	1,800
Sr. Stenographers.....	2	1,620
Sr. Stenographers.....	1	1,500
Stenographer.....	1	1,500
Stenographers.....	4	1,200
Senior Typist.....	1	1,320
Senior Typist.....	1	1,200
Clerk.....	1	1,200
Computers.....	2	1,080
Sub-Total.....	81	\$164,880
<u>Liquor Store Audits</u>		
Senior Auditors.....	2	\$ 2,700
Senior Auditors.....	2	2,400
Senior Auditor.....	1	2,280
Senior Auditors.....	5	2,100
Auditors.....	5	2,000
Auditors.....	3	1,980
Auditors.....	3	1,920
Auditors.....	2	1,860
Auditors.....	15	1,800
Auditor.....	1	1,740
Auditors.....	2	1,680
Auditors.....	6	1,620
Auditors.....	4	1,500
Sr. Stenographer.....	1	1,500
Stenographer.....	1	1,200
Computer.....	1	1,200
Computer.....	1	1,080
Sub-total.....	55	\$101,200

TABLE IV-E - CONTINUED

Classification	Number of Employees	Annual Salaries
General Assistance Audits		
Supervising Auditor	1	\$ 3,600
Supervising Auditor	1	3,120
Senior Auditors	2	2,400
Senior Auditors	2	2,100
Auditors	2	1,980
Auditors	2	1,860
Auditors	2	1,800
Auditor	1	1,680
Auditors	6	1,620
Auditor	1	1,500
Supervising Investigator	1	2,400
Supervising Investigator	1	2,100
Investigators	2	1,800
Investigators	3	1,620
Investigators	2	1,500
Investigators	1	1,200
Case Readers	3	1,500
Clerk	1	1,320
Clerk	1	1,080
Clerk	1	1,020
Messenger	1	1,520
Stenographer	1	1,580
Stenographer	1	1,200
Stenographer	1	1,080
Typist	1	1,020
Sub-total.....	41	\$70,980
State-Owned Institutions		
Supervising Auditors.....	1	\$ 3,420
Senior Auditors	4	2,700
Senior Auditor	1	2,400
Senior Auditor	1	2,200
Senior Auditors	2	2,100
Auditor	1	1,980
Auditor	1	1,920
Auditors	3	1,800
Auditor	1	1,680
Auditor	1	1,500
Sub-total	16	\$35,500

TABLE IV-E - CONTINUED

Classification	Number of Employees	Annual Salaries
<u>State-Aided Institutions</u>		
Director	1	\$ 4,000
Senior Auditor	1	2,400
Senior Auditor	3	2,100
Auditor	1	1,920
Auditor	1	1,620
Sub-total	7	\$16,240
Grand Total	360	\$718,420

E. FINANCES

During the biennium 1937-39 expenditures of the Auditor General's Department totaled \$1,429,552.74. A detailed presentation of these expenditures by object is set forth in the following table:

TABLE IV-F
DEPARTMENT OF THE AUDITOR GENERAL
OBJECT CLASSIFICATION OF EXPENDITURES
JUNE 1, 1937 TO MAY 31, 1939

Object Classification	Amount Expended
Salaries	\$ 1,180,449.29
Fees	2,516.50
Printing, Binding and Stationery	16,633.95
Food and Forage	843.33
Materials and Supplies	12,119.35
Traveling Expenses	126,167.66
Motor Vehicles, Supplies & Repairs	18,274.39
Freight, Express & Cartage	290.80
Postage	6,413.71
Telephone & Telegraph	5,833.10
Newspaper Advertisement & Notices	24.73
Light, Heat & Power	360.55
Contracted Repairs	1,272.50

TABLE IV-F
(Continued)

Object Classification	Amount Expended
Rent of Real Estate	\$ 6,420.39
Rent of Equipment	228.70
Insurance, Surety & Fidelity Bonds	4,615.60
Other Maintenance Services	2,198.71
Motor Vehicles	16,780.02
Equipment & Machinery	28,109.46
Total	\$1,429,552.74

FOOTNOTES

- (1) 1929, P. L. 343
- (2) Pennsylvania Constitution, Article IV, Section 1
- (3) Pennsylvania Constitution, Article IV, Section 21
- (4) Pennsylvania Constitution, Article III, Section 12
- (5) Administrative Code, Section 2409
- (6) Fiscal Code, Section 401
- (7) Fiscal Code, Section 402
- (8) Fiscal Code, Section 404
- (9) Fiscal Code, Section 1502
- (10) Fiscal Code, Section 405
- (11) Fiscal Code, Section 406
- (12) Fiscal Code, Section 407
- (13) 1933-34 S.S., P. L. 15, Section 306
- (14) 1937, P. L. 1762, Section 201
- (15) Fiscal Code, Section 802
- (16) Administrative Code, Section 603

CHAPTER V

DEPARTMENT OF INTERNAL AFFAIRS

The Department of Internal Affairs is one of the oldest in the State Government. It predates the present Constitution and is one of the three administrative departments headed by an elected constitutional officer. (1)

A. FUNCTION

The Department of Internal Affairs was originally considered as the Department to which all powers and functions in regard to the domestic business of the Commonwealth should be relegated. As a result, this Department was one of the most important in the early history of the State. However, as society grew, many minor functions administered by the Department of Internal Affairs acquired increased importance and new departments were created to undertake the administration of these now major functions. In time, most of the important powers of the Department of Internal Affairs were transferred to newly-created agencies. Today, the Department administers functions which have not been given to departments of a mere specific nature. Thus, it performs work of a rather diverse character.

B. POWERS AND DUTIES

The Department of Internal Affairs is one of the few State departments whose powers and duties are specifically mentioned in the Constitution, which states:

"The Secretary of Internal Affairs shall exercise all the powers and perform all the duties of the Surveyor General subject to such changes as shall be made by law. His Department shall embrace a Bureau of Industrial Statistics, and he

shall discharge such duties relating to corporations, charitable institutions, the agricultural, manufacturing, mining, mineral, timber, and other material or business interests of the State as may be prescribed by law. He shall annually and at such other times as may be required by law make a report to the General Assembly." (2)

Specifically, the Department is now vested with the powers and duties to:

1. Serve as the Land Office of the Commonwealth and the depository of the early land records, grants and conveyances.
2. Keep all title papers relating to property owned by the Commonwealth, and supply copies to interested parties.
3. Collect, compile and publish statistics concerning:
 - a. Labor
 - b. Industries
 - c. Public Utilities
 - d. Local Government Finances
 - e. Miscellaneous State Activities
4. Test and regulate standard weights and measures of all types, and supervise city and county sealers of weights and measures.
5. Classify, gather, and index information of value to the improvement of municipal government administration in Pennsylvania.
6. Check prospective bond issues of local governmental units to insure observance of the constitutional limits on borrowing power.
7. Assist in promoting city-planning of parks, playgrounds and public improvements.
8. Maintain a thorough and extended geology and topography survey of the Commonwealth.
9. Serve as the informational agency for questions directed to the State Government.

In addition, the Secretary of Internal Affairs possesses certain powers through his membership on several administrative boards.

C. ORGANIZATION AND OPERATIONS

For the performance of these powers and duties, the Department of Internal Affairs, as is shown in Chart V-1, page 504, is organized and operates as follows:

1. Bureau of Administration

The Secretary of Internal Affairs is the chief officer of the Department. In addition, he is a member of the General State Authority, the Board of Pardons, the Board of Property, the Pennsylvania Park and Harbor Commission of Erie and the Geographic Board.

Immediately under the Secretary of Internal Affairs is the Deputy Secretary, who assists the Secretary in the conduct, management and supervision of the Department, and in the absence of the Secretary is in charge of the Department. He is also constituted the Clerk of the Board of Property.

These two officials are a part of the Bureau of Administrative, which Bureau prepares the budget requests, directs and audits departmental expenditures, purchases departmental supplies, and in a general way superintends the activities of the entire Department. This section handles the usual headquarters duties with regard to management, correspondence, supplies, accounting, filing, etc.

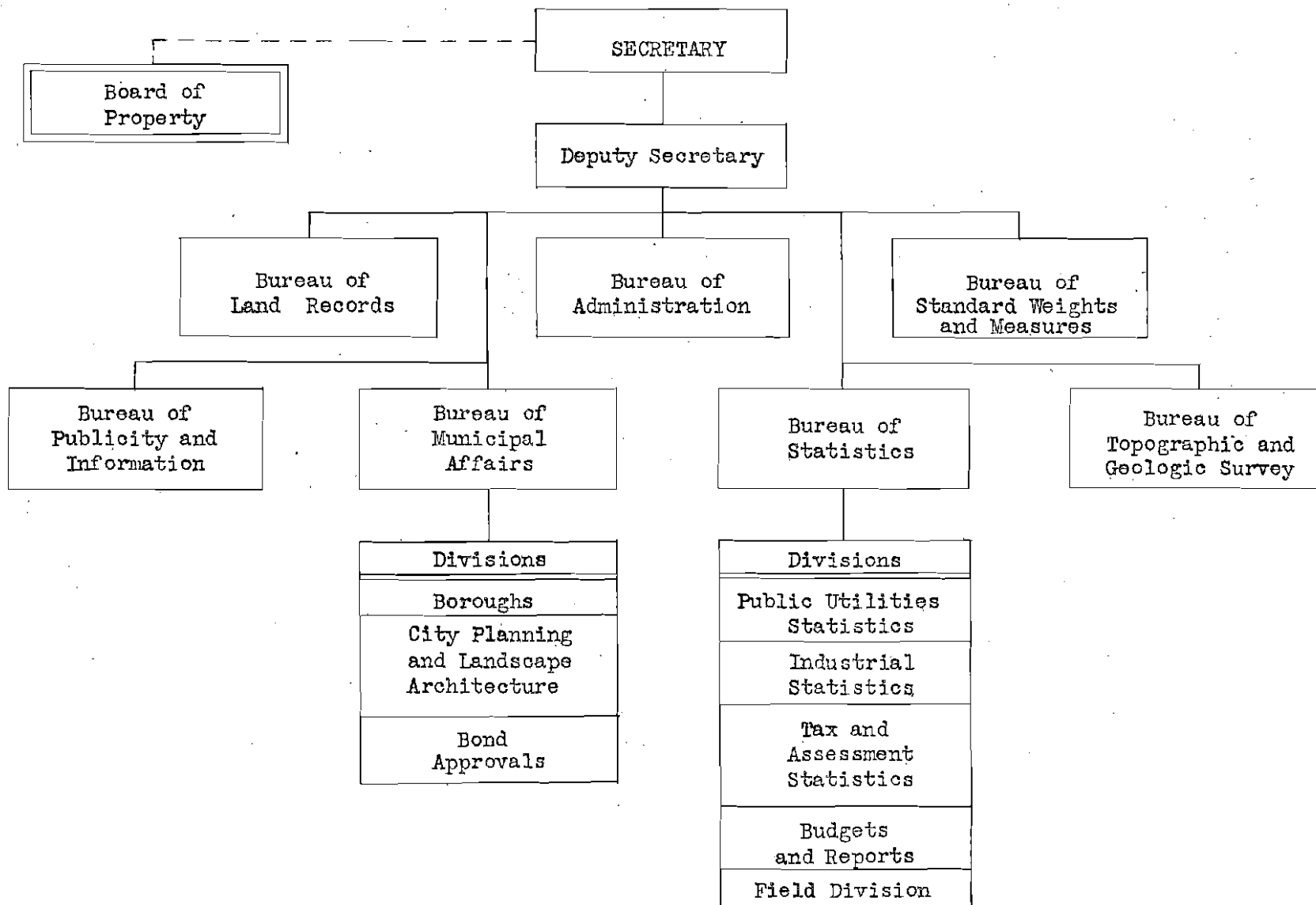
2. Bureau of Land Records

The Bureau of Land Records predates all of the Department's bureaus, having been in continuous existence since 1861. It is concerned with several types of records.

First, it serves as the depository of the original titles, conveyances and records of all land within the boundaries of the State. These records indicate the original owners and titles, many dating back to

CHART V-1

ORGANIZATION OF THE DEPARTMENT OF INTERNAL AFFAIRS



William Penn, and form the basis for all subsequent real estate records throughout the State. These papers are indexed and filed in special equipment.

Occasionally, a piece of unappropriated land is discovered. When such a discovery is reported, a thorough search is made of the records in the Bureau to determine if the land is really unappropriated. If no title can be found, a survey and appraisal of the land is made and a value placed thereon for sale purposes. Under a stipulated procedure, the Bureau of Land Records, acting for the Commonwealth, sells the land with the title thereto.

Secondly, the Bureau of Land Records maintains the records and reports of State boundary surveys. In this capacity it is responsible for the inspection and maintenance of the Commonwealth's boundary monuments. The Bureau also keeps records of county boundary lines and surveys thereof.

Thirdly, the Bureau is the custodian of all deeds, contracts, maps, surveys, title insurance policies, abstracts of titles and other documents or instruments relating to real estate owned or acquired by the Commonwealth. The papers are properly recorded and filed.

A fourth activity of the Bureau of Land Records is the preservation of miscellaneous maps and papers of early Pennsylvania history, records of the Pennsylvania Canal Commissioners, etc.

Beside preserving, filing and indexing these various types of records, the Bureau is also charged with furnishing copies of such records to interested parties. Various reproduction methods from handwriting to photography are utilized to make copies of the patents, deeds, warrants,

connected drafts, etc. Heads of State departments may obtain such copies without cost when needed for official business. Private persons must pay such fees as are stipulated by law. (3)

From June, 1938 to June, 1940, the Bureau of Land Records handled requests resulting from 4,570 personal calls and 2,500 letters. It also recorded 392 deeds for lands acquired by the Commonwealth. During this same period, the Bureau performed the following copying work for State departments:

Copies of Patents	12
Copies of Deeds	30
Drafts	7
Chart of House of Representatives	1
Description of Governor's Mansion	1
Warrantee Maps (containing 8585 tracts)	64

Also, over the past several years, the Bureau of Land Records has produced the following certified copies:

Certified Copies of Surveys and Patents	1391
Certified Copies of Applications and Warrants	356
Certified Copies of Miscellaneous Record	129
Corrected Drafts of Tracts of Land (containing 1597 tracts)	128

a. Board of Property

While the Board of Property is not under the control of the Bureau of Land Records, its work is closely related to that of the Bureau. It is a separate administrative board which hears and decides all controversies arising out of the operations of the Bureau of Land Records. This Board determines cases on imperfect titles, warrants to agree, rights of pre-emption, etc. Its decisions do not prevent any party from bringing action at common law. The Board meets only when there is a case before it.

3. Bureau of Standard Weights and Measures

The Bureau of Standard Weights and Measures has four major functions:

(1) maintain uniform standards of legal weights and measures, (2) test and approve commercial weighing and measuring devices, (3) assist in the enforcement of laws relating to weights and measures, and (4) license private weighmasters.

To carry out this first function the Bureau maintains standard weights and measures corresponding to the standards as adopted by the Congress of the United States and verified by the National Bureau of Standards. Upon presentation at the office of the Department, the Bureau compares, tests and regulates with the State standards the standards employed by the local city and county sealers in their testing.

Before a manufacturer of measuring and weighing devices may offer for sale any such device to be used in trade or commerce in Pennsylvania, he must submit the device to the Bureau of Standard Weights and Measures for testing. ⁽⁴⁾ This constitutes the second function of the Bureau. If the Bureau of Standard Weights and Measures is satisfied that a tested device will give accurate measure or weight it assigns to it a serial number and certifies it to the manufacturer. The manufacturer must thereafter place the serial number on all such devices that are sold for commercial use in Pennsylvania. When the Bureau disapproves a device, it gives the reasons for disapproval to the manufacturer, who is then accorded a hearing, if he so desires. If the decision resulting from such a hearing is still adverse, the manufacturer may appeal to the Secretary of Internal Affairs and from his decision to a county court of common pleas.

The third function of the Bureau is to aid in the enforcement of the laws relating to weights and measures. Every city and county maintains an agency for the inspection and regulation of weights and measures and up-

on these agencies falls the major portion of the burden of enforcing these laws. However, the Bureau of Weights and Measures assists and supervises these local agencies. The standards used by the local officials are tested and approved by the Bureau to insure that they agree with the State standards. The Bureau issues rules and regulations to be followed by the local sealers. The Bureau also cooperates with local sealers in investigating any complaints that are forwarded to it. In addition, each local sealer of weights and measures must make a monthly report of his activities to the Bureau. (5) As another means of supervising the enforcement of the laws, the Bureau holds numerous conferences with local enforcement officials.

However, the Bureau of Weights and Measures does not rely entirely upon local officials to enforce the laws. It has its own inspectors who test scales in commercial use and check the weights and measures of packaged and delivered commodities. When county and city inspectors of weights and measures file information against violators, the State inspectors frequently assist in the prosecutions and appear as witnesses. Where immediate action must be taken, State inspectors file information against the violators and prosecute at once. The Bureau tests the scales used by the Highway Department in enforcing truck load weight requirements. Occasionally the Bureau calls upon the State Police to cooperate with local enforcement officials.

The fourth and most recent function of the Bureau was added in 1935. (6) This was the duty to license weighmasters of solid fuels. When any fuel is not sold by liquid or metered measure, it must be accompanied by a certificate of weight. These certificates can be issued only by licensed

weighmasters employed by the company selling the fuel. Applicants for weighmasters must apply to the Secretary of Internal Affairs who, if satisfied with the applicant's moral character and his ability to weigh correctly, issues a license to the applicant upon payment of a fee of \$5.00. Licenses can not be issued for a period exceeding three years, but may be renewed by the Secretary upon payment of another fee. Licenses may be revoked by the Secretary for dishonesty, incompetency, inaccuracy or violation of the law, after proper hearing.

The Bureau recently instituted a campaign against short weights among coal truckers and against overloading coal trucks beyond the weight limits prescribed in the Motor Vehicle Code. Existing scales are regularly investigated and tested for accuracy. Persons found guilty of short weight are immediately prosecuted and fined. An inspector may stop a truck and ask the driver for his weight slip and request him to go to a scale and test the weight, but he cannot compel the driver to go to the scale. If the driver refuses to go to the scale, the inspector can only file an information against him, obtain an officer and arrest him. The same applies with respect to enforcement of the overloading provisions of the Motor Vehicle Code.

The following indicates the number of inspections made, the number of devices condemned, and the number adjusted by the Bureau of Weights and Measures during the past three bienniums and the first year of the current biennium:

TABLE V-A

VOLUME OF WORK PERFORMED BY BUREAU OF WEIGHTS AND MEASURES
1933 to 1940, INCLUSIVE

Biennium	Number Inspected	Number Approved	Number Condemned	Number Adjusted
1933-35....	3,323,437	3,023,755	260,096	39,586
1935-37....	4,990,348	4,567,929	370,956	51,463
1937-39....	4,932,956	4,694,658	189,585	48,713
1939-40....	2,844,514	2,751,027	77,146	16,341

4. Bureau of Municipal Affairs

The Bureau of Municipal Affairs, although reorganized by the Administrative Code of 1929, ⁽⁷⁾ can trace its history back to 1916 when a Division of Municipal Information and Statistics was created, although at that time it was under the Department of Labor and Industry.

According to the Administrative Code, ⁽⁸⁾ the functions of this Bureau are to collect and make available statistical and other information for municipalities, aid in installation of uniform systems of municipal accounting, and aid municipalities in physical planning of civic and recreational areas and institutions. Subsequent legislation ⁽⁹⁾ placed upon this Bureau the function of approving municipal bond issues and investigating municipal sinking funds.

The Bureau of Municipal Affairs is divided into a Division of Boroughs, Division of City Planning and Landscape Architecture, and a Division of Bond Approvals. In addition, the Bureau has a small administrative section.

a. Division of Boroughs

While the Division of Boroughs is listed as an official section of the Bureau of Municipal Affairs, it does not appear to be charged with any particular duties, nor perform any specific functions.

b. Division of Landscape Planning and City Architecture

The Division of Landscape Planning and City Architecture is charged with the responsibility of aiding public agencies in the physical planning

of their institutions or municipalities. This Division assists in the planning of transportation facilities, recreational areas and other municipal functions. It particularly assists in planning the landscaping of public buildings.

These services are only performed upon request of the public agency. The Division has no authority over municipalities to compel them to utilize its services or to force them to correct any undesirable conditions. The Division is not permitted to extend its services to private parties.

From June 1, 1938 to May 1, 1940, employes of this Division made 47 visits and 27 revisits, working with 10 schools, 28 municipalities, 24 State institutions and 2 county institutions. During this period they completed the drafting of 18 general plans, 7 grading and drainage plans, 21 planting plans, 6 detail and construction plans. The Division held 520 consultations, wrote 312 letters, prepared 21 articles for the Department's monthly bulletin, gave advice to 8 persons who called personally, compiled 16 reports, sent 337 blueprints, and its employes delivered 3 talks.

c. Division of Bond Approvals

While the Constitution of 1874 imposed limitations on borrowing by municipalities, (10) it was not until 1927 that any State agency was (11) authorized to enforce this provision. In that year an Act was passed giving the Department of Internal Affairs approval powers over municipal bond issues. To discharge this power a Division of Bond Approvals was created in the Bureau of Municipal Affairs.

Any political subdivision, except 1st and 2nd class cities and 1st class school districts, which now desires to issue bonds, prepares its

proceedings in accordance with the various governing statutes and files them in the Court of Quarter Sessions of the county in which the political subdivision is located. The proceedings are certified by the Clerk of the Court and then submitted in duplicate to the Division of Bond Approval. The Division examines the facts and proceedings and when it is determined that the proposed debt is within the limitations imposed by the Constitution and that the proceedings are in conformity with existing laws, they are approved and returned to the municipality. Where the proceedings are incorrect the solicitor of the municipality is requested to amend the proceedings. If it is determined that the anticipated loan is in excess of the constitutional limitations, the political unit is advised to withdraw the proceedings. Occasionally the solicitor involved is requested to come to the Division for an interview. The Division must certify its approval or disapproval within twenty days after receipt. Any interested party or any taxpayer who does not agree with the findings of the Department may take an appeal to the Court of Common Pleas of Dauphin County within thirty days after the date of approval or disapproval.

The authority of the Division does not extend to bonds which are not direct obligations of a municipality and which are self-supporting, such as bonds secured solely by the revenues of a municipal water company.

In 1939 the Division of Bond Approvals approved the issues shown in TABLE V-B.

In addition to the 246 noted, 16 housing authority loans totaling \$62,368,000, and 41 school district notes totaling \$1,835,552 were approved by the Secretary of Internal Affairs.

(11)

Also, under the same 1927 Act the Department of Internal Affairs

was vested with the authority to investigate the sinking funds of those municipalities having outstanding obligations. Where municipalities have failed to establish a sinking fund or properly maintain their existing funds, the Division is authorized to order the establishment of a fund or the proper maintenance of the existing fund. The Division of Bond Approvals is charged with this work, and is now dispatching it on a limited scale.

TABLE V-B
DEPARTMENT OF INTERNAL AFFAIRS
BOND ISSUES APPROVED BY
THE DIVISION OF BOND APPROVALS
1939

Unit of Government	Number of Issues	Amount
County	11	\$ 7,334,000.00
School District	101	6,469,600.00
Borough	85	2,689,600.00
City-Third Class	15	2,487,000.00
Township-First Class	14	832,000.00
Institution District	3	540,000.00
Poor District	3	297,000.00
Township-Second Class	14	149,081.25
Total	246	\$20,798,281.25

5. Bureau of Statistics

The Bureau of Statistics is the one bureau of the State Government which is specified in the Constitution, wherein it is stated "His (Secretary of Internal Affairs) department shall embrace a bureau of industrial statistics"⁽¹²⁾

The Bureau as now constituted is divided into five divisions, viz:

- (1) Division of Public Utilities Statistics; (2) Division of Industrial

Statistics; (3) Division of Tax and Assessment Statistics; (4) Division of Budgets and Reports, and (5) Field Division.

a. Division of Public Utilities Statistics

The beginning of the work of the Division of Public Utilities Statistics dates back to the period prior to the present Constitution, when railway and other corporations were required to report annually to the Auditor General's Department. The transfer of such reports from the Department of the Auditor General to that of Internal Affairs was authorized by the Constitution of 1874. (13) Numerous legislative acts passed both before and since the drafting of the present Constitution have amplified (14) the duties of this Division.

In 1940 the following utilities reported to the Division:

183 Steam Railroad Companies
116 Street Railways Companies
21 Taxicab Companies
90 Bus Companies
313 Truck Companies
906 Motor Vehicle Operators
194 Telephone Companies
4 Telegraph Companies
140 Natural Gas Companies
38 Manufactured Gas Companies
62 Private Electric, Light, Heat and Power Companies
45 Municipal Electric Plants
28 Steam Heat Companies
428 Private Water Plants
232 Municipal Water Plants
3 Canal Companies
19 Pipe-Line Companies

Statistical compilations covering both individual companies and groups of companies are prepared from these reports. The data selected for tabulation includes assets, liabilities, revenues, expenses, number of employes, compensation, capital invested, volume of business or sales, as well as physical measures of the utilities' operations.

Requests for information are received by mail or personal visits, by the utilities themselves, State departments, members of the Legislature, newspapers, students of transportation and others. This is conducted as a free service. Certain of these statistics were annually published with other statistics collected by the Bureau of Statistics in a book entitled "Report on Productive Industries, Public Utilities and Miscellaneous Statistics of the Commonwealth of Pennsylvania." This sold for \$2.00. However, no such volume has been published since 1937, at which time figures for 1935 were released.

Similar data are collected by the Public Utility Commission. However, their figures are not available to the public but are used by the Commission in connection with rate cases and other work.

b. Division of Industrial Statistics

The Division of Industrial Statistics collects and compiles financial, volume and other statistics for most of the State's industries, performing a task similar to that done by the Division of Public Utilities in the public utility field. The Division distributes forms throughout the State requesting desired data. In 1940 the Division received reports from 7,680 corporations, 2,737 partnerships and 6,731 individuals -- a total of 17,148 reports. Of these, 135 reports were received from anthracite coal companies and 439 from bituminous coal companies. Thirty-one statistical items, including the number of salaried and wage employes, wages and salaries, horsepower, capital invested and value of products, are tabulated. The data is broken down into 12 major classes of industry and, further, into 320 separate lines of industry. The data are prepared not only for the State as a whole, but also for each of the 67

counties and for 99 leading industrial centers. The actual compilation of these statistics is carried on with the help of electric tabulating and sorting equipment.

Special reports are occasionally prepared and the Division frequently releases for public information certain selected data and figures. This Division collaborates in furnishing the industrial data for the "Report on Productive Industries, Public Utilities and Miscellaneous Statistics" referred to above.

However, while much data is released, the individual reports received from companies are kept strictly confidential. Only compiled and tabulated figures, with no references to specific companies, are published.

In addition this Division prepares the "Pennsylvania Industrial Directory". This contains the name, plant location, office address and number of employes of every manufacturing establishment in Pennsylvania doing a business in excess of \$1,000 a year. This is published biennially and sells for \$2.00 a copy. The last issue was published in 1938.

c. Division of Tax and Assessment Statistics

The Division of Tax and Assessment Statistics has been collecting data on local assessments and taxes since 1873. It annually receives from the commissioners of each county a statement showing, by taxing districts, the assessed valuation of real and other property within the county. For submitting such reports the commissioners are paid a compensation in accordance with a schedule of payments approved by the Auditor General. Under a 1937 Act (15) each tax collector is also required to file a detailed report with the Division.

From these reports, statistics on some 25 items, including assessed valuation, millage rates, tax levies and collections, and the cost of

collections, are compiled not only for Pennsylvania as a whole, but for individual counties, institution districts, cities, boroughs, townships and school districts in the Commonwealth, aggregating over 5,000 units. These tabulations are reproduced and made available to members of the General Assembly, chambers of commerce, newspapers, universities, libraries, tax payers' organizations and others who may be interested.

d. Division of Budgets and Reports

The Division of Budgets and Reports was created to handle a new duty imposed upon the Department of Internal Affairs in 1935 and 1937.

(16)
In these two years laws were enacted requiring all local governmental units (except counties and cities of the 1st class, cities of the 2nd and 2nd-A classes, and all school districts) to use uniform budgeting and reporting forms and to file with the Department of Internal Affairs copies of their annual budgets and financial reports on these forms.

The Division of Budgets and Reports handles this work. It supplies these units with blank forms which call for detailed statements of receipts, expenditures, debt, assessment, tax collection, etc. (The forms were originally developed by the Division in cooperation with Committees of local officials.) The units fill out these forms and return them to the Division. Upon the return of these forms they are checked to see that they are properly filled out. If not, contact is made with the local officials to secure necessary corrections. The Division also assists officials in preparing budgets and reports.

These data are compiled and tabulated and made available to interested persons. Certain of the information is published or released. To date a complete annual report, as required by law, has not been published.

The Division possesses no regulatory power over the accounts or ac-

counting systems of local units. It does not attempt to approve or disapprove of any municipalities financial practices. This Division possesses only the power to require that municipal budgets and finances be reported upon a uniform basis. However, in conjunction with these activities the Division has made certain limited attempts to promote uniform accounting systems for municipalities, a duty entrusted to the Department by the Administrative Code.

e. Field Division

The Bureau of Statistics also has a Field Division. This is a convenient designation to cover a group of employes who reside throughout the State and whose function it is to collect delinquent reports for all divisions of the Bureau, instruct corporations, municipal officials and individuals in the proper preparation of reports, and, generally, to obtain statistical information that can best be secured by personal contact.

6. Bureau of Topographic and Geologic Survey

The work performed by the Bureau of Topographic and Geologic Survey has been handled by several different branches of the State Government since its inception in 1836. The work was intermittenly supervised by Geologic Surveys and a Topographic and Geologic Survey Commission. In 1919 a separate Bureau was set up in the Department of Internal Affairs to take over the work. ⁽¹⁷⁾ Between 1923 and 1927 the function was performed under the Department of Forests and Waters, and finally transferred back to the Department of Internal Affairs in this latter year.

The administrative code authorizes the Bureau to undertake, conduct and maintain a thorough and extensive topographic and geologic survey of the State, to collect geologic specimens, collect survey data of

other States and to arrange for cooperation with U. S. Geological Survey or national organizations engaged in the work. (18)

The topographic mapping of the State is not actually performed by the Division of Topographic and Geologic Survey. It is carried on entirely by the U. S. Geological Survey. However, the Division determines where the mapping is to be done, based on expressed or anticipated needs, and checks on the results, pointing out errors and aiding in securing data on political boundaries and cultural developments. The mapping of the State is over 90% completed, but many of the earlier maps, some of which were made more than forty years ago, are in need of revision.

As distinguished from topographic mapping the Division is also concerned with geologic mapping. A large part of such mapping is done entirely by the Division. For work in more difficult portions of the State, the Division and the U. S. Geological Survey each furnish one or more geologists who cooperate in the task.

Another phase of the geological work is that of obtaining information on mineral resources. In order to have information regarding the several mineral resources of the Commonwealth, special State-wide studies of individual mineral resources have been carried out. While the studies vary in detail they cover oil and gas fields, bituminous coal fields, clays and shales, lead and zinc ores, limestones, etc. Reconnaissance studies of the ground water resources of the State have been completed and published in six volumes.

(19)
Under a 1937 Act, records of certain deep oilwells must be filed with the Division. Gauging of wells scattered over the State has been in progress for over ten years.

In connection with this geologic and mineral work the Division of Topographic and Geologic Survey fulfills an important informational function. It serves as the reference bureau for various State departments in connection with geologic, water and mineral resources. The Division receives between 5,000 and 10,000 letters of inquiry throughout the course of a year, and averages 3 personal inquiries a day. The employes of the Division give between 50 and 75 public addresses a year, and write articles for the Department's monthly bulletin and other publications. One phase of this educational work has been the conducting, in cooperation with the Department of Public Instruction, of field excursions intended primarily for teachers. An outcome of these excursions has been a series of eight geologic guidebooks, each based on trips along one of the State highways.

A large portion of the Division's time is occupied with the preparation of reports, maps and drawings. This involves the maintenance of a Division library, as well as map filing, mounting and labeling of photographs, preparation of lecture lantern slides, the finished drafting of figures and maps, etc.

a. Cooperation with Other Agencies

In its work the Division of Topographic and Geologic Surveys cooperates with several other agencies. As was previously pointed out, the topographic mapping is performed in cooperation with the U. S. Geological Survey; most of the survey of water resources was conducted on the same basis. The Division has an agreement with the U. S. Bureau of Mines, which agency analyzes coal samples obtained by the Division. In a few instances the Division has cooperated with the U. S. Bureau of

Soils in making soil surveys. In studying anthracite coal and silt problems, the work was done in conjunction with the Sanitary Water Board and the U. S. Bureau of Mines.

The Division has also cooperated with industries -- the Survey doing the technical work, while the industry carried the cost of analyzing or testing any samples. The Survey has an agreement with the School of Mineral Industries at State College defining the fields of the two organizations -- the Survey retaining in the main the field studies, while the School follows a parallel laboratory study of the same problems.

Furthermore, the Division has cooperated with professors and graduate students of Pennsylvania universities and colleges. Many such men conduct studies on their own account and make the findings available to the Division. In some instances the Division has acted as a publishing agent. In other instances, the person has been made a per diem employe of the Division.

7. Bureau of Publicity and Information

The Bureau of Publicity and Information is the public contact section of the Department. It releases all the publicity and handles requests for information. It has charge of all the publicity of the bureaus in the Department, and furnishes to the newspapers and to the general public, statistics and other information gathered and compiled in the Department. Since the Department contains the statistical office of the Commonwealth, it receives, through this Bureau, approximately 5,000 letters a year from every state in the Union, and from foreign lands, relative to various information concerning the Commonwealth.

In addition, the Bureau of Publicity and Information has charge of all the printing work of the Department. It also does the Department's

duplicating work, including photo-copying, multigraphing, mimeographing, addressographing, etc. In addition to the work done for the Department, this Bureau does a considerable amount of photostating for other Departments.

D. PERSONNEL

To operate the above delineated organization, the Department of Internal Affairs, as of June 1, 1940, was staffed with the following personnel. (While the employees are assigned to specific bureaus, the Department follows a practice of shifting personnel as working conditions require).

1. Administrative Bureau

The office of the Secretary of Internal Affairs is provided for by the State Constitution. ⁽²⁰⁾ The Secretary is elected at large every four years. He receives a salary of \$10,000 per annum.

The Deputy Secretary of Internal Affairs is appointed by the Secretary, and receives \$6,000 a year.

Including these two officials, as of June 1, 1940, the Bureau was staffed with the following regular employees:

	1	Secretary	\$ 10,000	per annum
	1	Deputy Secretary	6,000	" "
	1	Administrative Assistant	3,600	" "
	1	Comptroller	2,400	" "
	1	Principal Clerk Stenographer ...	1,500	" "
	1	Principal Clerk Stenographer ...	1,380	" "
	1	Advanced Messenger	1,380	" "
	1	Senior Messenger	1,020	" "
	1	Senior Chauffeur-Mechanic	<u>1,380</u>	" "
Bureau				
Total	9	Total Annual Salaries	\$28,660	" "

2. Bureau of Land Records

As of June 1, 1940 the regular employees of the Bureau of Land Records

were:

	1	Director	\$ 3,000	per annum
	1	Junior Draftsman	1,380	" "
	1	Special Typist Clerk	1,380	" "
	1	Principal File Clerk	1,380	" "
	1	Principal Index Clerk	1,860	" "
	3	Advanced Copyists	1,620	" "
	3	Senior Copyists	1,380	" "
Bureau				
Total	11	Total Annual Salaries	\$18,000	" "

a. Board of Property

The Board of Property is composed of the Secretary of Internal Affairs, the Deputy Attorney General and the Secretary of the Commonwealth. The Deputy Secretary of Internal Affairs is Clerk to the Board.

3. Bureau of Standard Weights and Measures

As of June 1, 1940, the regular employes of the Bureau of Standard Weights and Measures were:

		<u>Administration</u>		
	1	Director	\$ 3,000	per annum
	1	Senior W. & M. Inspectors	1,860	" "
	1	Senior Stenographer Typist	1,140	" "
		<u>Inspection</u>		
	2	Principal W. & M. Inspectors ..	2,400	" "
	13	Senior W. & M. Inspectors	1,860	" "
	1	Advanced Truck Drivers	1,620	" "
Bureau				
Total	19	Total Annual Salaries	\$36,600	" "

The Weights and Measures Inspectors are assigned to specific districts throughout the State and are considered as based therein.

4. Bureau of Municipal Affairs

As of June 1, 1940, the regular employes of the Bureau of Municipal Affairs were:

		<u>Administration</u>		
	1	Administrative Assistant	\$ 3,000	per annum
	2	Senior Stenographer Clerks	1,140	" "

a. Division of Beroughs
No Employes

b. <u>Division of City Planning and Landscape Architecture</u>			
	1	Chief of City Planning & Landscape Architecture	\$ 2,400 per annum
	1	Junior Landscape Architect	1,620 " "
	1	Stenographer Secretary	1,380 " "
e. <u>Division of Bond Approvals</u>			
	1	Special Bond Clerk	2,100 per annum
	1	Advanced Examining Clerk	1,620 " "
	1	Senior Examiner	3,000 " "
	2	Municipal Examiners	2,400 " "
Bureau			
Total	11	Total Annual Salaries	\$22,200 " "

In addition, the Bureau employed on a per diem basis, one Acting Director @ \$16.15 per day. The Division of Bond Approvals also utilized the services of a Deputy Attorney General who was assigned to the Division by the Department of Justice.

5. Bureau of Statistics

As of June 1, 1940, the regular employes of the Bureau of Statistics were:

<u>Administration</u>			
	1	Director	\$ 6,000 per annum
	1	Stenographer Secretary	1,380 " "
a. <u>Division of Public Utility Statistics</u>			
	1	Chief of Public Utility Statistics	2,400 " "
	1	Advanced Report Clerk	1,620 " "
	1	Principal Typist Stenographer	1,380 " "
b. <u>Division of Industrial Statistics</u>			
	1	Chief of Industrial Statistics ...	2,400 " "
	1	Statistician	2,100 " "
	1	Senior Report Investigator	1,860 " "
	1	Advanced Computing Clerk	1,620 " "
	2	Report Investigators	1,620 " "
	1	Advanced Report Clerk	1,620 " "
	1	Senior Statistical Clerk	1,380 " "
	1	Senior Account Clerk	1,380 " "
	1	Head File Clerk	1,380 " "
	1	Principal Typist Stenographer	1,140 " "
	1	Supervising Tabulating Machine Operator	1,620 " "
	1	Senior Key Punch Operator	1,020 " "
	1	Principal Clerk Typist	1,140 " "

	<u>c. Division of Taxes & Assessments</u>			
	1	Chief of Taxes & Assessments	\$ 2,400	per annum
	1	Advanced Report Investigator	2,100	" "
	1	Statistician	2,100	" "
	1	Assistant Tabulating Accountant	1,860	" "
	1	Advanced Computing Clerk	1,620	" "
	<u>d. Division of Budgets and Reports</u>			
	1	Statistician	2,100	" "
	1	Advanced Report Investigator	2,100	" "
	1	Senior Report Investigator	1,860	" "
	2	Principal Typist Stenographers.....	1,140	" "
	1	Senior Typist	1,020	" "
	<u>e. Field Division</u>			
	1	Chief of Field Force	2,400	" "
	1	Advanced Report Investigator	2,100	" "
	2	Senior Report Investigators	1,860	" "
	4	Report Investigators	1,620	" "
Bureau				
Total	38	Total Annual Salaries	\$68,820	" "

In addition, the Division employed on a per diem basis 1 Principal Typist-Stenographer at \$4.39 per day.

The report investigators connected with the Field Division are assigned to specific districts throughout the State and are considered as based therein.

6. Bureau of Topographic and Geologic Survey

As of June 1, 1940, the regular employes of the Bureau of Topographic and Geologic Survey were:

	1	Chief Geologist	\$ 7,000	per annum
	1	Advanced Geologist	5,000	" "
	1	Senior Geologist	3,600	" "
	1	Junior Geologist	2,400	" "
	3	Junior Assistant Geologists	1,860	" "
	1	Advanced Draftsman	2,220	" "
	2	Senior Correspondence Stenographer	1,620	" "
	1	Stenographer Secretary	1,380	" "
Bureau				
Total	11	Total Annual Salaries	\$30,420	" "

In addition, the Division employed on a per diem basis:

4	Junior Assistant Geologists	@	\$ 5.00	per day
1	Assistant Geologist	@	7.50	" "
1	Assistant Geologist	@	7.15	" "
1	Geologist	@	10.00	" "
1	Geologist	@	13.85	" "

7. Bureau of Publicity and Information

As of June 1, 1940, the regular employes of the Bureau of Publicity and Information were:

	1	Principal Public Information Editor .	@	\$ 3,600	per annum
	1	Supervising Machine Operator	@	1,380	" "
	1	Senior Stenographer Clerk	@	1,320	" "
Bureau					
Total	3	Total Annual Salaries		\$ 6,300	" "

8. Personnel Summary

As of June 1, 1940, the Department of Internal Affairs was staffed with the following regular personnel:

TABLE V-C

SUMMARY OF SALARIED EMPLOYES,
DEPARTMENT OF INTERNAL AFFAIRS
JUNE 1, 1940

Section	Number of Employes	Total Annual Salaries
Administrative Bureau	9	\$ 28,660
Bureau of Land Records	11	18,000
Bureau of Standard Weights and Measures.	19	36,600
Bureau of Municipal Affairs	11	22,200
Bureau of Statistics	38	68,820
Bureau of Topographic and Geologic Survey	11	30,420
Bureau of Publicity and Information	3	6,300
Total	102	\$211,000

Also as of the same date, the Department of Internal Affairs had on

its payroll 10 per diem employes receiving a total daily compensation of \$64.04.

E. FINANCES

Despite the many public services rendered by the Department of Internal Affairs its income is very limited and considerably below its expense of operating. This is evident when the expenditures and receipts are considered by bureaus.

1. Bureau of Administration

The nature of the Bureau of Administration precludes its producing any income. As the executive office for the entire Department, its function is to administer the various other bureaus. In the 1937-39 biennium the Bureau expended \$39,303. As the Salaries for this Bureau aggregate approximately \$18,000 annually or \$36,000 a biennium, the major portion of the cost of the Bureau of Administration went for personal services.

Another item of expense, while not directly chargeable to the Bureau of Administration but which is none the less an administrative cost, is the salary of the Secretary of Internal Affairs. This is fixed by statutory enactment of \$10,000 a year. ⁽²¹⁾ Thus, it amounts to \$20,000 a biennium. Any traveling and other expenses incurred by the Secretary are paid out of the Bureau of Administration's appropriation.

2. Bureau of Land Records

The operations of the Bureau of Land Records produce revenue through the preparation of copies of records. While copies prepared for State departments and agencies are furnished without charge, there is a definite ⁽²²⁾ schedule of fees laid down by the law for copies prepared for private persons. In the 1937-39 biennium these fees aggregated \$2,054, of which \$1,957 went into the general fund and \$97 into a special account deposited

in a private bank in the Secretary's name. This latter sum was held for land patents pending. (The Secretary holds such sums until a grant is made, at which time the money is transferred to the General Fund.)

As has previously been described, when any land is discovered for which no owner exists the Bureau of Land Records surveys the land and proceeds to sell it. This source of revenue amounted to \$356 in the 1937-39 biennium.

Against these total receipts of \$2,410 the Bureau of Land Records incurred disbursements of \$44,532 for a net cost of \$42,000. Approximately 80% or \$36,000 of this amount went for the compensation of employes.

For the 1939-41 biennium it is estimated that \$2,000 will be received for land office fees and \$600 from sale of unappropriated land.

3. Bureau of Standard Weights and Measures

The numerous inspections and certifications made by the Bureau of Standard Weights and Measures are performed solely at the expense of the State. No charge is made to persons whose scales are inspected or to manufacturers whose scales are tested and approved. The only revenue produced by the weights and measures activities of the Department of Internal Affairs is the fee charged for licensing weighmasters. Each applicant for a weighmaster's license must pay a fee of \$5 and a similar fee for each renewal of the license. In the 1937-39 biennium these fees amounted to \$13,890.

The biennial payroll of the Bureau of Standard Weights and Measures aggregates over \$70,000. This accounts for the major portion of the \$100,054 the Bureau spent in the 1937-39 biennium. Taking into account the \$13,890 of weighmaster fees, the net cost of the weights and measures

functions of the Department of Internal Affairs for the two year period was approximately \$86,000.

If budget estimates are accurately realized this Bureau will receive \$27,775 of weighmaster fees in the 1939-41 biennium.

4. Bureau of Municipal Affairs

As was previously pointed out, the Bureau of Municipal Affairs is performing two functions: (1) aiding government bodies in landscape planning and city architecture, and (2) approving municipal bond issues. The first function is a service gratuitously performed upon the request of the governmental body. No fees are charged for the work. However, such is not true of the second function, as each municipality must pay a fee for the examination and approving of its bond issues by the Bureau of Municipal Affairs. In accordance with a 1933 Act ⁽²³⁾ the present fee is \$10.00 plus one-half of one mill on each dollar of the aggregate par value of the proposed issues. In the 1937-39 biennium the fees thus collected totaled \$39,669.

This amount was more than sufficient to place the bond approval work on a self-supporting basis, and defrayed a significant portion of the Bureau's total expenditures of \$52,887 during the same period. This earning of over 70% of its expenses for a net cost of approximately \$13,000, placed the Bureau of Municipal Affairs above all the bureaus of the Department of Internal Affairs in respect to the ratio of income to expenditures.

For 1939-41 it is estimated that this Bureau will receive \$38,000 in municipal indebtedness approval fees.

5. Bureau of Statistics

For the bulk of its statistical work, the Bureau of Statistics charges

no fees. The revenue produced by the work comes solely from the publication of the "Industrial Directory of Pennsylvania" and the "Report on Productive Industries, Public Utilities, and Miscellaneous Statistics of the Commonwealth of Pennsylvania." As previously noted, the data for these two books are prepared by the Bureau of Statistics. Both volumes sell for \$2.00 each, but the receipts from sales go directly to the Department of Property and Supplies and thus are actually not received by the Department of Internal Affairs. In the 1937-39 biennium, sales of the Industrial Directory produced \$1,078 and sales of the Productive Industries Report Produced \$27. The low receipts from the Productive Industries Report is accounted for by the fact that no new volume of this Report was published during the period and that the small receipts represent sales of previously issued volumes. The anticipated receipts from this source for the 1939-41 biennium are included in the budget of the Department of Property and Supplies.

The Bureau of Statistics spent more than any other Bureau in the Department disbursing \$192,104 during the 1937-39 biennium. Over \$135,000, or over 70% of this amount went for wages and salaries of employes.

6. Bureau of Topographic and Geologic Survey

In the matter of finances, the Bureau of Topographic and Geologic Survey occupies a unique position. It is the one section of the Department for which separate and specific budget allocations are made. Two appropriations are made for this Bureau -- one for the Survey itself and one for publishing the work of the Survey.

In 1937-39, publications of the survey were sold by the Department of Property and Supplies for a total of \$875.00. However, receipts from this source go to the Department of Property and Supplies and are included in that Department's budget estimates.

The Topographic and Geologic Survey produces some direct revenue in its recording of deep oil wells and other minor miscellaneous work. In the two years covered by the 1937-39 biennium, these special fees totaled \$881 and were deposited in a private bank in the Secretary's name pending the rendering of an opinion by the Attorney General as to the disposition of this money.

During the same period, the Bureau expended \$120,248 on the survey proper and incurred commitments of \$33,631 for publishing results. This produced a total cost of \$153,879 and a net cost of \$152,998 if the receipts of the Bureau are taken into account.

7. Bureau of Publicity and Information

The revenue producing efforts of the Bureau of Publicity and Information are reflected in the receipts of other Bureaus of the Department. That is due to the fact that the Bureau of Publicity and Information aids the other bureaus to publish their material. However, while the Bureau had no receipts in the 1937-39 biennium, certain very small and minor miscellaneous receipts are now being collected by it.

For 1937-39 the expenses of the Bureau amounted to \$26,483.00. The Bureau had the lowest ratio of salaries and wages to total cost of all the departments' bureaus, personal service expenses amounting to approximately 50% of the total expenditures.

8. Summary of Finances

In summary, the aforementioned expenditures of the Department totalled \$629,242 for the 1937-39 biennium, as shown in Table V-D. This was offset by receipts of \$56,850, which resulted in a net operating cost of \$572,392.

TABLE V-D

DEPARTMENT OF INTERNAL AFFAIRS
SUMMARY OF EXPENDITURES, RECEIPTS AND NET COST
1937-1939

Bureau	1937-39 Actual		
	Expenditures	Receipts ^(b)	Net Cost
Administrative	\$59,303 ^(a)	\$ --	\$ 59,303
Land Records	44,532	2,410	42,122
Standard Weights & Measures.	100,054	13,890	86,164
Municipal Affairs	52,887	39,669	13,218
Statistics	192,104	--	192,104
Publicity & Information	26,483	--	26,483
Topographic & Geologic Survey	153,879	881	152,998
Department Total	\$629,242	\$56,850	\$572,392

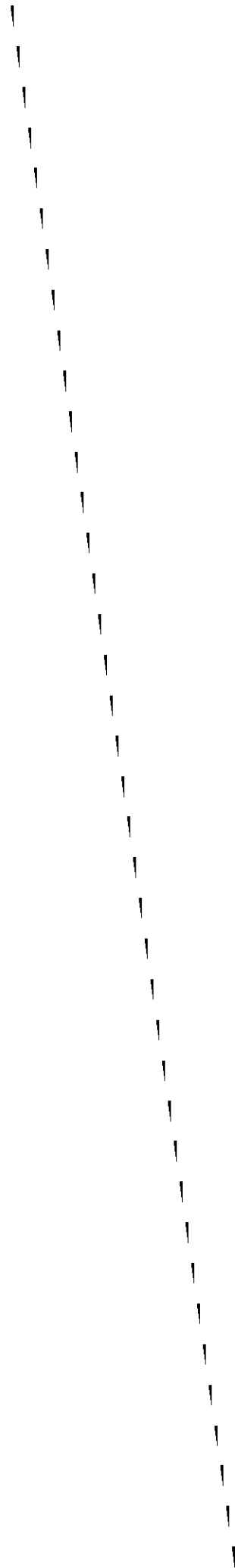
(a) Includes salary of Secretary of Internal Affairs.

(b) Receipts from publications included in budget of Department of Property and Supplies

Budget appropriations to the Department for the current biennium (1939-1941) amounted to \$575,750, while it is estimated that receipts comparable to those shown in the above table will total \$69,575.

FOOTNOTES

- (1) Article IV, Section 1.
- (2) Article IV, Section 19; also 1874, P. L. 135.
- (3) Administrative Code, Section 1203; also 1927, P. L. 207.
- (4) 1921, P. L. 389.
- (5) 1929, P. L. 1757.
- (6) 1935, P. L. 1356 as amended 1939, P. L. 865.
- (7) Section 1204.
- (8) Administrative Code, Section 1204.
- (9) 1927, P. L. 91.
- (10) Article IX, Sections 8 and 10.
- (11) 1929, P. L. 91
- (12) Article IV, Section 19.
- (13) Article XVII, Section 11.
- (14) Acts of April 9, 1870, May 11, 1874, May 13, 1889.
- (15) 1937, P. L. 2797.
- (16) 1935, P. L. 1190 and 1937, P. L. 1608.
- (17) 1919, P. L. 420.
- (18) Administrative Code, Section 1202.
- (19) 1937, P. L. 2772.
- (20) Article IV, Section 21.
- (21) Administrative Code, Section 209.
- (22) 1933, P. L. 100.
- (23) 1933, P. L. 97.



CHAPTER VI

THE TREASURY DEPARTMENT

A. FUNCTION

The Treasury Department is one of the oldest in the State Government, (1)
some of its powers dating back to 1811. Its administrative head, the
State Treasurer, is a constitutional officer, (2) elected for a term of four
years from the first Monday in May immediately following his election. He
may not serve for two consecutive terms. (3) The State Treasurer serves in
other capacities as follows:

Chairman, Board of Finance and Revenue
Member, School Employes' Retirement Board
Member, State Employes' Retirement Board
Member, State Workmen's Insurance Board
Member, General State Authority
Member, Pennsylvania-New Jersey-Delaware River Bridge Commission
Member, Pennsylvania-New York-Delaware River Bridge Commission

B. POWERS AND DUTIES

1. Constitutional

The State Treasurer, like the Auditor General, has but one duty im- (4)
posed upon him by the Constitution. All contracts for "stationery, print-
ing, paper and fuel for the Legislature and other departments of Government,
the printing, binding, and distributing of the laws, journals, and all other
printing and binding" and repairs and furnishing the halls and rooms for the
General Assembly, are subject to the approval of the Governor, the Auditor
General and the State Treasurer.

2. Other

Additional duties imposed upon the Treasury Department by the Fiscal (5)
Code include the following:

- a. To deposit all moneys of the Commonwealth received by it, including moneys not belonging to the Commonwealth but of which the Treasury Department or the State Treasurer is custodian, in State depositories approved by the Board of Finance and Revenue.

- b. To safely keep all securities to it or to the State Treasurer as custodian thereof, under authority of any act of Assembly.
- c. To collect dividends, interest or any other income accruing on such securities and credit the proceeds thereof to the proper fund.
- d. To surrender securities for redemption, in proper cases, and credit the proceeds thereof to the proper fund.
- e. To make delivery of any securities lawfully sold by the department, board or commission which deposited them, upon receipt of written authorization from such agency.
- f. To advise the Department of Revenue, and other agencies affected, of amounts credited to any fund as a result of collection or sale.
- g. To collect from all State depositories, interest on State deposits.
- h. To issue its receipt to the Department of Revenue for all money transmitted by that Department to the Treasury Department.
- i. To cooperate with the Department of the Auditor General in the examination and audit of requisitions for disbursements, and in the examination and adjustment of claims against the Commonwealth.
- j. To pay no money from any funds of the State Treasury, except upon warrant of the Auditor General, except moneys in the State Workmen's Insurance Fund, the Unemployment Compensation Trust Fund or the Unemployment Compensation Administration Fund, which may be disbursed by check of the State Treasurer upon requisition of the Secretary of Labor and Industry.

3. Board of Finance and Revenue

The Board of Finance and Revenue, a departmental administrative board

(6)

in the Treasury Department is vested with powers and duties as follows:

- a. To revise upon presentation to it of a petition for review any settlement made with any person, association, etc., by the Department of Revenue, the Department of the Auditor General and the Treasury Department.
- b. To hear and determine any petition for the refund of taxes, license fees, penalties, fines, bonus, or other moneys paid to the Commonwealth and to which the Commonwealth is not rightfully or equitably entitled.
- c. To hear and determine any petition for the remission of penalties imposed and paid for failure to file any tax or bonus report within the time specified by law.
- d. To hear and determine petitions for the remission of penalties imposed but not paid for failure to file any tax or bonus report within the time specified by law.

- d. To hear and determine petitions for the remission of penalties imposed but not paid for failure to file any tax or bonus report within the time specified by law.
- e. To hear and determine petitions for the refund of moneys escheated into the State Treasury by order of the court, or paid voluntarily under the provisions of any act of Assembly regarding escheatable funds.
- f. To select and designate, as depositories for State moneys, such banks, banking institutions, or trust companies, which are subject to national or State supervision and which comply otherwise with the provisions of the Code.
- g. To select as depositories for State funds, private banking institutions located and doing business in this Commonwealth which agree in writing to the same supervision and comply with the same requirements as other State depositories.
- h. To designate two banks or trust companies in each of Dauphin, Allegheny and Philadelphia counties and three banks or trust companies in any other part of the Commonwealth as active depositories in which shall be deposited sufficient daily receipts for the current needs of the Commonwealth. It may designate two additional banks or trust companies anywhere in the Commonwealth in the same capacity.
- i. To see that no bank, banking institution, etc., except those designated as active depositories, shall receive a deposit of State moneys in excess of 25% of its paid in capital and surplus, or have at anytime, an aggregate of deposits in excess of \$500,000; Provided, however, that in the case of any particular depository these restrictions may be waived to permit the deposit of not more than one million in any bank, etc., designated as an inactive depository.
- j. To see that the combined deposits in active depositories shall not exceed the total sum prescribed by resolution.
- k. To require the State Treasurer to reduce, change or wholly withdraw, within thirty days, any deposits held by a depository, in case the Board believes that the credit of such depository is impaired, the safety of the deposits imperiled or for any other reason.
- l. To invite the Secretary of Banking to sit with and advise the Board, whenever it is considering applications for State deposits.
- m. To supervise and direct the State Treasurer in receiving the incomes and revenues payable into the Sinking Fund, and in applying the same.
- n. To see that the State Treasurer, under its supervision and direction, shall open books in his department and keep separate and distinct accounts of all Sinking Fund moneys received and disbursed

under the Fiscal Code.

- o. To prepare a statement of the total amount of money in said fund, on the first business day of each month, which, having been verified by oath or affirmation, shall be published in two newspapers, in Harrisburg, for public information.
- p. To purchase bonds of the United States at the then market prices, if, in the opinion of the Board, the purchase or redemption of loans of the Commonwealth, cannot be made for the best interests of the Commonwealth.
- q. To report and certify to the Governor biennially, for the preceding two calendar years, the detail of all transactions within and the condition of the fund, together with a summary statement of receipts and disbursements, and a complete statement of the total amount of bonds and moneys remaining in said fund.
- r. To report thereto, within 10 days of the organization of the General Assembly, the amount of the public debt liquidated, the amount remaining due, the annual interest thereon, what increase or modification of the Sinking Fund may be made, and what increase or reduction of taxes may be required or made, in order that the Legislature may provide for such contingencies as may arise.

C. ORGANIZATION AND OPERATIONS

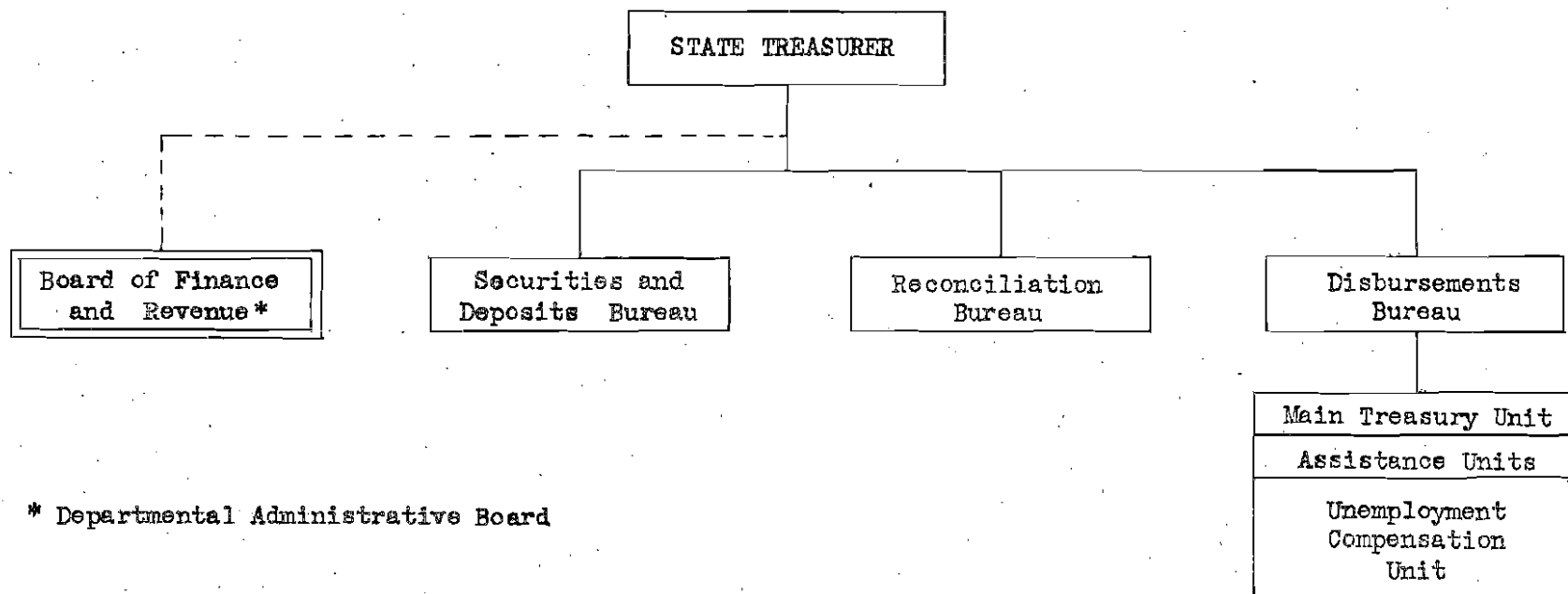
For purposes of administration, as is indicated in Chart VI-1, the Treasury Department is divided into the Bureau of Securities and Deposits, the Bureau of Reconciliation and the Bureau of Disbursements. It has one departmental administrative board, the Board of Finance and Revenue.

1. Bureau of Securities and Deposits

The Bureau of Securities and Deposits, acts as custodian of the moneys, receipts and securities deposited with the Treasury Department. All money received from the Department of Revenue or other sources passes through this Bureau to the various depositories, active or inactive, designated and approved by the Board of Finance and Revenue. It prepares a quarterly statement for the Auditor General giving in detail the different sums making up the total in the State Treasury as of the date of each report. This report includes the names of the banks and other depositories with the amount deposited in each, by fund. Such reports are open to public inspection.

CHART VI-1

ORGANIZATION OF THE STATE TREASURY DEPARTMENT



* Departmental Administrative Board

The Bureau receives, records and holds in safe custody all collateral and bonds, deposited with the Commonwealth for its protection including surety and fidelity bonds. All securities deposited with the State Treasurer representing investments of custodial funds such as the Sinking Fund or the State Employees' Retirement Fund are the direct charge of this Bureau which maintains records, clips coupons and credits the amount collected thereon to the proper fund or funds.

All interest due the Commonwealth on deposits of its own or custodial funds is collected by this Bureau and credited to the proper fund. The rate of interest is fixed by the Board of Finance and Revenue but may not be less than 1% on inactive accounts.

At one time interest was collected on both active and inactive deposits. With the money market pretty well glutted with funds, it has become increasingly difficult to get any return on funds for current use. This situation has been further complicated by a Federal Law prohibiting the payment of interest on demand deposits by any member of the Federal Reserve System or any institution insured under the Federal Deposit Insurance Corporation. An effort has been made to meet this latter difficulty by depositing funds on a 30 day notice basis. With the large number of special funds, each of which must be physically segregated as well as separately accounted for, it is extremely difficult to estimate the amount needed for each for a 30 day period. The additional amount necessary to draw in order to cover maximum probable demand in each fund represents a considerable loss in interest during each year. This loss will increase as the demand for money grows.

2. Bureau of Reconciliation

The Bureau of Reconciliation makes intra-departmental audits of the other bureaus of the Treasury Department acting as a check upon affairs and

expenditures of the bureaus. It is responsible to the State Treasurer to see that all acknowledgements of deposits made in the various State depositories are in agreement with the report of the deposit made by the Bureau of Securities and Deposits. Similarly, the Bureau verifies the fact that all the receipts of the Department go into the approved depositories. It makes a daily reconciliation of the balances at the State depositories, as submitted by the individual depository, with the records of the Department. It also verifies the cancelled checks issued by the Bureau of Disbursements against the records of disbursements shown by that Bureau.

3. Bureau of Disbursements

The Bureau of Disbursements is the auditing and check writing agency of the Treasury Department. All requisitions and accounts presented to the State for payment, except the State Workmen's Insurance Fund and the two Unemployment Compensation Funds, after being audited by the Auditor General are sent to the State Treasurer for his approval. After the approved requisition is returned, the Auditor General issues his warrant which is the authority for drawing the check. The State Treasurer draws on the three funds excepted above on requisition of the Secretary of Labor and Industry.

The Bureau of Disbursements is divided into the Main Treasury Section, the Public Assistance Section and the Unemployment Compensation Section.

a. Main Treasury Section

This section writes the checks and takes care of payroll and other requisitions for most of the State Departments and funds, with the exception of relief and social security payments. It also maintains

a personnel card record of every salaried employe of the Commonwealth which is a duplicate of the record maintained by the Auditor General. This Section spot checks all requisitions to establish fidelity and legality, duplicating to that extent the work of the Auditor General. Under the Fiscal Code, the auditing by the Treasury Department could be expanded almost indefinitely according to the State Treasurer's interpretation of his duty.

b. Public Assistance Section

The Public Assistance Section handles relief checks for the Department of Public Assistance. Until November 12, 1940, all general assistance checks, about 1,200,000 per month, were written and signed by the Treasury Department despite a statutory (7) provision requiring that the Department of Public Assistance take over the writing not later than August 5, 1939.

The procedure for handling relief checks is definitely stated in the amended Fiscal Code (7) which provides that the Treasury Department, upon requisition, shall furnish serially numbered checks to the Department of Public Assistance which enters thereupon the name, address, amount of payment and other necessary data. The latter Department is then directed to "prepare a requisition on the Auditor General in the total amount of such checks, and the auditor General shall issue his warrant on the Treasury Department in the same total amount. Upon receipt of this warrant the Treasury Department shall sign and mail the checks to the payees designated thereon."

Complaint is made by the Treasury Department that the new system has not resulted in either efficiency or economy. The difficulty lies chiefly in the interpretation placed upon the last sentence quoted above. The warrant is supported by a duplicate of the check in sheets of five. The

Treasurer feels that in order to adequately protect the Commonwealth the original check must be compared with the duplicate. This practice would disclose a fraud by an employe filling in the checks who might substitute a blank sheet for the checks, so that the duplicate would list the proper person, and then fill in the check to himself or some other person not entitled to relief. A much simpler form of fraud, inserting a fictitious name on both original and duplicate would escape detection under the present method of comparison.

There is no doubt that, lacking a judicial opinion or one by the Attorney General relieving him of responsibility, the State Treasurer has the right to determine for himself what constitutes a reasonable safeguard on any disbursement. In reaching a conclusion on such safeguard, however, several points should be considered, namely

- (1) The method by which requisitions are prepared and checked before presentation.
- (2) The procedure for writing checks by the Department of Public Assistance.
- (3) The opportunity for and possibility of fraud.

Requisitions are prepared and checks written in the four regional offices of the Department of Public Assistance: Philadelphia, Pittsburgh, Scranton and Harrisburg. The same general method of checking is used as has been in effect on payrolls for a great many years. Starting with a requisition which was checked in detail, each requisition is compared with the preceding one, all differences being set up on a reconciliation form each item of which, other than names dropped, is supported by a "ran." The "ran" is a form giving a summary of the case and reasons for change, if any. These "rans" are submitted to the central office where a new addressograph plate is prepared. This plate is proofread in the field be-

for it is used in writing checks.

The checks are written at present in sheets of five by an addressograph machine which carries the name and address of the person to whom relief is granted, the amount and type of relief, the case number and such other pertinent data as may be desired. The process is rapid and practically automatic in that the operator simply places a drawer of plates in the machine and feeds the checks. The same plate is used for posting to the ledger card and many other purposes. It would be entirely possible for the State Treasurer to have his representative present at the writing of all checks so that the method of mathematical proof could be used.

A constant control is maintained on the plates so that there would have to be considerable collusion before an unauthorized plate could be inserted. The method of writing checks is such that any interruption of the process or insertion of blank sheets would be noticed immediately. Not only does the average amount of the checks discourage fraud but the relief client would make immediate protest and start an investigation as soon as his check failed to arrive on time.

There is no question that any difficulties in administering the present method of handling checks can be solved by a little real cooperation among the departments involved.

c. Unemployment Compensation Section

The funds and expenditures for both personnel and beneficiaries receiving unemployment compensation are handled under the regulations of the Federal Social Security Board. Taxes under the unemployment compensation laws are collected by the Department of Labor and Industry and by them transmitted to the State Treasury. A check for the amount collected is deposited by the State Treasurer in a Federal Reserve Bank in Philadelphia to the credit of the Treasurer of the United States on the basis of

a requisition drawn by the Department of Labor and Industry.

As funds are needed for the payment of expenses and benefits, the Department of Labor and Industry draws a requisition on the Social Security Board through the Federal Reserve Bank for the sums needed. Usually about \$2,000,000, enough to last a week or ten days, is requisitioned at a time. These moneys are deposited in State depositories by the State Treasurer who draws checks upon them on requisitions.

The Commonwealth is responsible for the authenticity of each check issued. The Treasurer is not required to have a warrant drawn by the Auditor General in order to pay out the funds for unemployment compensation. He may issue checks on requisition of the Department of Labor and Industry. In view of the responsibility of the Commonwealth, it is interesting to note that there has been no audit of these funds by the Auditor General. The question as to his powers and duties in this regard was submitted to the Attorney General in August, 1940. Under date of December 19, 1940, the Attorney General has ruled that the Auditor General is required to make periodic audits of the affairs of the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund. This work is now in process.

4. Board of Finance and Revenue

a. Organization and Powers

The Board of Finance and Revenue, a departmental administrative Board in the Treasury Department, (8) consists of the State Treasurer, who is statutory chairman, (9) the Attorney General, Secretary of the Commonwealth, the Auditor General, and the Secretary of Revenue. Three members constitute a quorum. The Board elects its secretary, who need not be a

member and such other officers and employes as may be necessary for the proper conduct of its work. It has broad powers in relation to the handling of State funds, (6) the settlement of taxes on petition, and the refund of taxes or other money paid to the Commonwealth due to a mistake in fact or at law.

b. Procedure on Petition for Review

Within 90 days of the date of any settlement, (10) the party with whom the settlement was made may file a petition for resettlement with the department which made the settlement. -

Within 30 days (11) after notice of action on a petition for resettlement, the party with whom the settlement was made, may, by petition, request the Board of Finance and Revenue to review such action. The petition must state specifically the reasons upon which the petitioner relies and must be supported by an affidavit that it is not made for the purpose of delay and that the facts set forth therein are true. Unless the Board acts upon a petition within 90 days, the resettlement is considered sustained. The Board, however, has never failed to act on a petition within the allotted time. The petitioner may appeal to the Dauphin County (12) Court of Common Pleas from the decision of the Board.

c. Petition by Department

Within one year from the date of settlement (13) or resettlement, except such as have been appealed from, the department which made the settlement may, by petition request the Board to authorize a resettlement thereof on the ground that from evidence on hand, the settlement or resettlement was erroneously or illegally made. If the request is granted, the Department must resettle the account according to law and credit or charge the amount resulting from such resettlement on the current account of the party with whom it is made.

If the original settlement was made by the Department of Revenue, the resettlement is subject to the approval of the Auditor General and in case of a disagreement between the two departments must be referred to the Board of Finance and Revenue as in the case of original settlements.

Where settlements have been made jointly by the Auditor General and State Treasurer, either may petition for authority to make a resettlement. If authority is granted, the resettlement must be by joint action as in the original settlement.

A credit or charge, arising from resettlement on petition by the Department, affecting a corporation which leases or operates, or is leased and operated by another corporation, or which owns or is owned by another corporation, in whole or part, may, with the consent of both corporations be transferred, to either corporation. (14) Such charge or credit is also subject to assignment (15) and, when properly assigned, shall be applied to the account of the assignee if the assignor shall first have paid all taxes whatsoever owed to the Commonwealth.

d. Effect of Payment upon Appeals

Payment of an account on which a settlement has been made in favor of the Commonwealth (16) may be made without prejudice to the right of petition for resettlement by the Department of Revenue or review by the Board of Finance and Revenue or of appeal to the Dauphin County court, provided,

- (1) That the payment be accompanied by a protest that all or part of the payment is not legally due, and
- (2) That the payment include, interest due on the principal sum to date of payment and other charges fixed by law.

Payment of an account prior to settlement will in no way prejudice the rights of petition and appeal of the person, association or corporation making payment.

(17)

e. Importance of Board

Table VI-A shows the volume and nature of matters considered by the Board for three bienniums and the latest fiscal year.

The work of the Board has shown a steady increase in volume and, as a consequence, in importance. In view of the fact that it functions with regard to refunds, the interest on bonds, and supervision of the sinking fund, it is responsible for the handling of some \$16-18 millions in State appropriations.

It has become increasingly difficult for the heads of the important fiscal departments of the State to render, as ex-officio members of the Board, the kind of service the importance of the work deserves. The work of the Board requires more time than they can afford to give. As a result, the heads of the departments can do little more than ratify the recommendations and decisions previously made by them as individuals or by the experts associated with the Board. In spite of the difficulties involved, the Board performs an important and necessary service.

D. PERSONNEL

In Table VI-B, page 616, is presented a summary statement of Treasury Department personnel and annual salaries as of June 1, 1940.

Table VI-C, Page 616, shows a detailed statement of personnel by job classification and annual salaries at June 1, 1940.

TABLE VI-A

TREASURY DEPARTMENT
VOLUME AND NATURE OF MATTERS CONSIDERED BY
BOARD OF FINANCE AND REVENUE
JUNE 1, 1933 to MAY 31, 1940

Matters Considered	Bienniums			Fiscal Yr. Ended May 31, 1940
	1933-35	1935-37	1937-39	
Petitions for Review.....	885	589	1,928	904
Petitions by Department of Revenue under Section 1105 - Fiscal Code...	2,650	1,334	1,514	491
Petitions for Refund of Taxes.....	2,442	1,827	7,506	3,596
Petitions for Remission of Penalties.	490	277	451	140
Claims for Refunds.....	5,473	8,610	7,925	8,859
Approvals of Tax Refunds not included above.....	1,163	1,653	1,459	1,050
Payments for Publishing Monthly Money Statements.....	168	168	97	75
Releases, Approvals, and Substitu- tions of Bonds and Collateral for State Deposits.....	1,667	826	638	346
Total.....	14,938	15,284	21,318	15,461

TABLE VI-B

TREASURY DEPARTMENT
SUMMARY STATEMENT OF PERSONNEL AND ANNUAL SALARIES
JUNE 1, 1940

Bureau	Number of Employees	Annual Salaries
Administrative.....	12	\$ 55,000
Bureau of Securities and Deposits.....	19	43,620
Bureau of Reconciliation.....	30	43,500
Board of Finance and Revenue.....	16	32,600
Bureau of Disbursements:		
Main Treasury.....	107	170,490
Assistance Section.....	292	410,670
Unemployment Compensation Section.....	81	123,960
Total.....	557	\$879,840

TABLE VI-C

TREASURY DEPARTMENT
STATEMENT SHOWING NUMBER OF EMPLOYEES BY PAYROLL CLASSIFICATION
AND ANNUAL SALARIES PAID - BY BUREAUS AND DIVISIONS
JUNE 1, 1940

Classification	Number of Employees	Annual Salaries
<u>ADMINISTRATIVE</u>		
State Treasurer.....	1	\$ 12,000
Deputy State Treasurer.....	1	7,500
Executive Assistant.....	1	7,500
Administrative Assistant.....	1	6,000
Legal Assistant.....	1	5,000
Special Agent.....	1	5,000
Director Public Information.....	1	3,300
Secretary.....	1	2,400
Stenographer-Secretaries.....	2	1,800
Stenographer.....	1	1,380
Clerk-Typist.....	1	1,320
Total.....	12	\$ 55,000
<u>SECURITIES & DEPOSITS BUREAU</u>		
Chief.....	1	7,500
Assistant Chief.....	1	3,600
Bond & Surety Clerk.....	1	3,300
Interest Clerk.....	1	2,100
Assistant Interest Clerk.....	1	1,620

TABLE VI-C (Continued)

Classification		Annual Salaries
<u>SECURITIES & DEPOSITS BUREAU (Continued)</u>		
Senior Bookkeeper.....	1	\$ 2,400
Senior Bookkeeper.....	1	2,100
Senior Teller.....	1	2,520
Senior Teller.....	1	2,400
Senior Teller.....	1	2,100
Senior Teller.....	1	1,800
Junior Tellers.....	2	1,800
Stenographer Secretary.....	1	1,800
Stenographer.....	1	1,620
Stenographer.....	1	1,380
Senior Typists.....	3	1,260
Total.....	<u>19</u>	<u>\$43,620</u>
<u>BUREAU OF RECONCILIATION</u>		
Assistant Chief.....	1	\$ 2,400
Secretary Stenographer.....	1	1,560
Clerk Typist.....	1	1,380
Clerk Typist.....	1	1,320
Stenographer.....	1	1,200
Senior Reconcilers.....	3	1,920
Senior Reconcilers.....	2	1,800
Junior Reconcilers.....	2	1,500
Junior Reconciler.....	1	1,440
Supervisor-Check Sorters.....	1	1,800
Senior Check Sorter.....	1	1,680
Senior Check Sorters.....	2	1,500
Senior Check Sorter.....	1	1,200
Junior Check Sorters.....	7	1,140
Senior Tabulators.....	4	1,260
Junior Tabulator.....	1	1,140
Total.....	<u>30</u>	<u>\$43,500</u>
<u>BOARD OF FINANCE & REVENUE</u>		
Acting Secretary.....	1	\$ 5,000
Clerk.....	1	2,400
Law Clerk.....	1	3,600
Law Clerk.....	1	3,000
Docket Clerk.....	1	1,800
Transcriber.....	1	1,800
Secretary.....	1	1,500
Stenographers.....	9	1,500
Total.....	<u>16</u>	<u>\$32,600</u>

TABLE IV-C (Continued)

Classification	Number of Employees	Annual Salaries
BUREAU OF DISBURSEMENTS		
Main Treasury Section		
Chief.....	1	\$ 5,000
Assistant Chief.....	1	2,400
Assistant Disbursing Officer.....	1	3,600
Supervisor-Check Signers.....	1	2,400
Supervisor-Senior Bookkeepers.....	1	2,100
Supervisor-Verification.....	1	2,100
Supervisor.....	1	1,860
Assistant Supervisor.....	1	1,920
Assistant Supervisor.....	1	1,620
Senior Accountant Bookkeeper.....	1	2,500
Senior Bookkeeper.....	1	2,100
Senior Bookkeepers.....	4	1,920
Senior Bookkeepers.....	2	1,860
Junior Bookkeeper.....	1	1,620
Stenographer-Secretary.....	1	1,560
Clerk-Typists.....	2	1,320
Senior Typists.....	11	1,260
Junior Typists.....	12	1,140
Special Auditors.....	2	3,600
Senior Auditors.....	2	2,100
Senior Auditor.....	1	1,920
Senior Auditors.....	5	1,800
Senior Payroll Auditor.....	1	1,860
Junior Payroll Auditors.....	2	1,500
Junior Check Signer.....	1	1,620
Warrant Clerk.....	1	1,320
Warrant Clerk.....	1	1,440
Warrant Clerk.....	1	1,140
Senior Clerk.....	1	1,200
Senior Verifier.....	1	1,920
Junior Verifier.....	1	1,800
Junior Verifier.....	1	1,620
Junior Verifier.....	1	1,500
Junior Verifier.....	1	1,400
Junior Verifier.....	1	1,380
Junior Verifier.....	1	1,320
Junior Verifier.....	1	1,140
Photostat Operator.....	1	1,860
Clerk-Mechanic.....	1	1,620
Senior Addressograph Clerk.....	1	1,380
Senior Addressograph Clerk.....	1	1,320
Senior Bookkeeper.....	1	1,800
Total.....	75	\$126,320

TABLE VI-C (Continued)

Classification	Number of Employees	Annual Salaries
<u>BUREAU OF DISBURSEMENTS (Continued)</u>		
<u>Investigation</u>		
Chief.....	1	\$ 4,000
Special Investigator.....	1	2,400
Special Investigator.....	1	2,100
Senior Clerk.....	1	1,620
Junior Clerk.....	1	1,140
Total.....	<u>5</u>	<u>\$11,260</u>
<u>Personnel</u>		
Junior Typists.....	3	\$ 1,140
Total.....	<u>3</u>	<u>\$ 3,420</u>
<u>Filing & Storeroom</u>		
Supervisor.....	1	\$ 1,920
Senior Clerk.....	1	1,620
Junior Clerk.....	1	1,200
Chauffeur-Clerk.....	1	1,500
Total.....	<u>4</u>	<u>\$ 6,240</u>
<u>Miscellaneous</u>		
Chauffeur-Clerk.....	1	\$ 2,100
Receptionist.....	1	1,620
Messenger-Clerk.....	2	1,680
Messenger-Clerk.....	1	1,200
Messenger-Clerk.....	1	1,140
Junior Clerk.....	1	1,140
Senior Watchman.....	1	1,380
Senior Watchman.....	1	1,320
Watchman.....	2	1,200
Watchman-Janitor.....	1	1,200
Supervisor-Janitresses.....	1	1,500
Janitresses.....	2	720
Janitresses.....	4	690
Janitor.....	1	690
Total.....	<u>20</u>	<u>\$23,250</u>
Grand Total-Main Treasury Section...	<u>107</u>	<u>\$170,490</u>

TABLE VI-C (Continued)

Classification	Number of Employees	Annual Salaries
<u>BUREAU OF DISBURSEMENTS (Continued)</u>		
<u>Assistance Section</u>		
Bureau Chief.....	1	\$ 5,400
Assistant Chief.....	1	3,300
Senior Disbursing Officers.....	2	3,600
Senior Disbursing Officers.....	2	3,000
Assistant Disbursing Officers.....	1	2,400
Assistant Disbursing Officers.....	3	2,100
Assistant Disbursing Officer-Department Head.....	1	2,400
Assistant Disbursing Officer-Clerical Supervisor.....	1	2,100
Assistant Disbursing Officer-Clerical Supervisor.....	1	1,800
Secretary.....	1	1,800
Secretary.....	1	1,560
Stenographer-Secretary.....	1	1,620
Stenographer-Secretary.....	1	1,500
Stenographer-Secretary.....	1	1,380
Stenographer-Secretary.....	1	1,320
Stenographer.....	1	1,500
Stenographers.....	5	1,320
Supervisor.....	1	2,340
Supervisors	3	2,100
Supervisor.....	1	1,680
Supervisor.....	1	1,620
Supervisor.....	1	1,500
Supervisor.....	1	1,440
Clerical Supervisor.....	1	1,800
Assistant Supervisor.....	1	1,680
Investigator.....	1	2,100
Investigator.....	1	1,800
Senior Investigator.....	1	2,400
Senior Investigator.....	1	2,040
Senior Investigator.....	1	2,160
Senior Investigator.....	1	2,100
Junior Investigator.....	1	1,860
Junior Investigators.....	15	1,620
Junior Investigator.....	1	1,560
Senior Investigator.....	1	1,800
Accountant.....	1	1,920
Accountant.....	1	1,500
Senior Accountant.....	1	1,680
Senior Accountants.....	3	1,620
Junior Accountants.....	7	1,560

TABLE VI-C (Continued)

Classification	Number of Employees	Annual Salaries
<u>BUREAU OF DISBURSEMENTS (Continued)</u>		
<u>Assistance Section (Continued)</u>		
Accounting Clerk.....	1	\$ 1,560
Accounting Clerks.....	36	1,440
Senior Auditors.....	3	1,800
Junior Auditor.....	1	1,620
Junior Auditors.....	3	1,560
Junior Auditors.....	5	1,440
Senior Reconciler.....	1	1,920
Senior Reconciler.....	1	1,800
Junior Reconciler.....	1	1,620
Senior Re-Deposit Clerks.....	2	1,560
Re-Deposit Clerk.....	1	1,320
Head Records & Supplies.....	1	1,440
Verification Clerks.....	6	1,320
Junior Verifier.....	1	1,440
Junior Verifiers.....	19	1,140
Senior Verifier.....	1	1,320
Senior Addressograph-Clerk.....	1	1,380
Senior Addressograph-Clerk.....	1	1,200
Junior Addressograph-Clerk.....	1	1,260
Addressograph Operator.....	1	1,140
Senior Tabulators.....	2	1,320
Junior Tabulators.....	13	1,140
Senior Warrant Clerks.....	3	1,320
Junior Warrant Clerks.....	2	1,140
Check Clerk.....	1	1,140
Senior Clerk.....	1	1,560
Senior Clerk.....	1	1,500
Senior Clerk.....	1	1,380
Senior Clerk.....	1	1,260
Senior Clerks.....	7	1,320
Junior Clerks.....	40	1,140
Telephone Clerks.....	2	1,140
Senior Typist.....	1	1,260
Junior Typists.....	17	1,140
Junior Check Sorters.....	24	1,140
Mail Clerk Heads.....	2	1,320
Mail Clerk.....	1	1,140
Inventory Clerk Head.....	1	1,320
Chauffeur-Clerk.....	1	1,620
Messengers.....	5	1,140
Watchmen.....	2	1,140
Janitor.....	1	1,140
Janitor.....	1	720
Janitresses.....	3	690
Total.....	<u>292</u>	<u>\$410,670</u>

TABLE VI-C (Continued)

Classification	Number of Employees	Annual Salaries
<u>BUREAU OF DISBURSEMENTS (Continued)</u>		
<u>Unemployment Compensation Section</u>		
Bureau Chief.....	1	\$ 4,500
Senior Disbursing Officer Deputy Chief....	1	3,300
Assistant Disbursing Officer.....	1	2,400
Auditors.....	2	2,100
Assistant Auditors.....	7	1,620
Junior Accountants.....	2	2,100
Assistant Accountant.....	1	1,860
Junior Assistant Accountants.....	4	1,620
Verification Clerks.....	6	1,380
Advanced Clerk.....	1	1,620
Advanced Record Clerk.....	1	1,860
Accounting Clerks.....	16	1,440
File Clerks.....	3	1,140
Check File Clerks.....	10	1,140
Assistant Chief Investigator.....	1	2,400
Senior Investigators.....	3	2,100
Investigators.....	4	1,620
Senior Stenographer-Secretaries.....	2	1,620
Stenographer-Secretary.....	1	1,380
Stenographers.....	3	1,320
Senior Typists.....	6	1,140
Machine Operators.....	2	1,140
Messenger.....	1	1,140
Watchmen.....	2	1,020
Total.....	<u>81</u>	<u>\$123,960</u>
Grand Total - Bureau of Disbursements.....	<u>480</u>	<u>\$705,120</u>

E. FINANCES

1. Expenditures

During the 1937-39 biennium, the Treasury Department expended \$137,204,795.41. As is shown in Table VI-D, a comparatively small portion of these expenditures were incurred for operation of the Department itself.

TABLE VI-D

TREASURY DEPARTMENT
SUMMARY STATEMENT OF EXPENDITURES
1937-1939.

Purpose	Amount
Salary of State Treasurer.....	\$ 24,000.00
Salaries and Expenses, Main Office.....	632,120.99
Salaries and Expenses, Board of Finance and Revenue...	66,116.35
Salaries and Expenses, State Employes' Retirement Board	71,644.27
Subsidies, Grants and Bounties.....	<u>134,809,841.85</u>
Expenditures from Appropriations.....	\$135,603,723.46
Allocations to Bureau of Assistance.....	1,601,071.95
Total Expenditures from Appropriations and Allocations	\$137,204,795.41

Table VI-E, page 624, shows a functional breakdown of departmental expenditures by object for the 1937-39 biennium. This breakdown, however, does not follow the organizational set-up of the Department in effect at the present time. For example, the Bureau of Assistance is now a subdivision of the Bureau of Disbursement, while the State Employes' Retirement Board was transferred to the Department of State on June 1, 1939.

Table VI-F, page 625, shows an analysis of expenditures for Subsidies, Grants and Bounties as shown on Table VI-E, page 624.

TABLE VI-E

TREASURY DEPARTMENT
FUNCTIONAL EXPENDITURES BY OBJECT CLASSIFICATION
JUNE 1, 1937 to MAY 31, 1939

Object	Main Office	Board of Finance and Revenue	State Employees' Retirement Bd.	Bureau of Assistance ^{a/}	Total
Salary of State Treasurer.....	\$ 24,000.00	\$ --	\$ --	\$ --	\$ 24,000.00
Salaries.....	465,517.03	55,031.98	57,080.98	762,560.67	1,340,190.66
Fees.....	50.00	--	235.88	908.38	1,194.26
Printing, Binding & Stationery..	36,567.24	2,636.45	1,519.96	80,033.79	120,757.44
Food and Forage.....	611.04	--	12.40	14.75	638.19
Materials and Supplies.....	38,602.37	4,279.51	2,488.58	52,546.34	97,916.80
Traveling Expenses.....	8,226.48	1,607.58	969.75	26,543.73	37,347.54
Motor Vehicle Supplies & Repairs	3,752.83	20.56	--	2,240.05	6,013.44
Freight, Express & Cartage.....	1,338.37	--	2.80	2,093.26	3,434.43
Postage.....	36,526.21	--	1,310.00	597,119.97	634,956.18
Telephone & Telegraph.....	3,162.63	399.19	354.85	4,796.21	8,712.88
Light, Heat, Power, Water, Sewage & Fuel.....	173.16	--	--	4,095.80	4,268.96
Contracted Repairs.....	496.70	559.00	39.94	16,637.13	17,732.77
Rent of Real Estate.....	405.63	--	--	13,510.12	13,915.75
Rent of Equipment.....	395.35	--	--	2,332.05	2,727.40
Insurance, Surety & Fidelity Bonds.....	11,673.74	40.85	386.05	1,849.07	13,949.71
Other Maintenance Services & Expenses.....	650.29	--	578.15	291.66	1,520.10
Motor Vehicles.....	5,671.58	--	--	877.09	6,548.67
Equipment & Machinery.....	18,300.34	1,541.23	6,664.93	32,621.88	59,128.38
Subsidies, Grants & Bounties....	750.00	134,162,241.85	646,850.00	--	134,809,841.85
Total.....	\$656,870.99	\$134,228,358.20	\$718,494.27	\$1,601,071.95	\$137,204,795.41

^{a/} Disbursements made from funds allocated from appropriations made to the Department of Public Assistance.

TABLE VI-F

TREASURY DEPARTMENT
ANALYSIS OF SUBSIDIES, GRANTS AND BOUNTIES
JUNE 1, 1937 to MAY 31, 1939

Purpose	Amount
<u>MAIN OFFICE</u>	
Painting Portrait of State Treasurer.....	\$ 750.00
<u>BOARD OF FINANCE AND REVENUE</u>	
Refunding Inheritance Taxes - Resident.....	102,475.42
Refunding Inheritance Taxes - Non-Resident.....	494.94
Refunding Inheritance Taxes - Resident (Special).....	774,173.89
Refunding Fees of Examining Boards.....	1,592.00
Refunding Notary Public Fees.....	375.00
Refunding Moneys Subject to Escheat.....	26,375.40
Refunding Overpayments into State Treasury.....	2,824.49
Refunding Institutional Payments.....	17,573.98
Refunding Overpayments by Retired County Officers....	582.37
Refunding on Stock Transfer Stamps.....	1,142.02
Refunding Securities Fees.....	180.00
Refunding Liquor Taxes.....	1,478.92
Refunding Documentary Stamp Taxes.....	15,872.50
Refunding Amusement Taxes.....	360.58
Refunding Liquid Fuels Tax.....	3,064.07
Payment of Claims Against Commonwealth.....	3,065.25
Interest & Sinking Fund, Veterans Compensation Bonds.	5,425,439.29
Interest & Sinking Fund, General Expense Bonds.....	5,890,625.00
Interest on Tax Anticipation Notes, Series "CT".....	900,000.00
Sinking Fund on Series "CT" Tax Anticipation Notes...	60,000,000.00
Expenses Issuing Tax Anticipation Notes Series "BT"..	3,000.00
Expenses Issuing Tax Anti. Notes Series "CT" & "DT"..	18,696.02
Compensation of Loan and Transfer Agent.....	19,687.50
Interest on Tax Anticipation Notes, Series "DT".....	899,929.33
Interest Obligations to Pennsylvania State College...	12,500.00
Expense of Publishing Monthly Statements.....	40,733.88
Sinking Fund on Series "DT" Tax Anticipation Notes...	60,000,000.00
Total - Board of Finance and Revenue.....	<u>\$134,162,241.85</u>
<u>STATE EMPLOYEES' RETIREMENT BOARD</u>	
Annuity Reserve Account Number Two.....	\$ 397,900.00
Contingent Reserve Account.....	198,950.00
Motor Police Retirement System.....	50,000.00
Total - State Employees Retirement Board...	<u>\$ 646,850.00</u>
Grand Total.....	<u>\$134,809,841.85</u>

2. Interest on Deposits

As the result of the condition of the money market for the past several years, the State Treasurer has found increasing difficulty in finding banks willing to meet the collateral deposit requirements to become a State depository. This situation was made still more difficult when, in 1937, a Federal law was passed prohibiting members of the Federal Deposit Insurance Corporation or the Federal Reserve System from paying interest on demand deposits.

The Legislature, in 1939 ⁽¹⁸⁾ broadened the class of acceptable collateral to include "any bonds or notes which the United States fully guarantees both as to principal and interest," bonds of the Pennsylvania Turnpike Commission or the General State Authority, or bonds or tax anticipation notes of the Commonwealth or of any municipal sub-division, institution district or school district. It also permitted the collateral to be deposited "with the Federal Reserve Bank of Philadelphia or Pittsburgh" as well as with the State Treasurer.

An attempt has been made to meet the situation created by the Federal Act by depositing funds in accounts requiring 30 days notice prior to withdrawal. Between \$30,000,000.00 and \$35,000,000.00 are now carrying 1 per cent interest to the Commonwealth under this system. In order to do this it is necessary to estimate the needs of some 20 to 30 separate funds for 30 days in advance. It is necessary to estimate the maximum possible demand for each fund since the identity of each is maintained in each depository. Were it possible to carry all funds under one account title, controlling the fund identity by book record, \$15,000,000.00 to \$20,000,000.00 additional could be placed on interest according to the Treasury Department.

⁽¹⁹⁾
The statute does not specifically require that each fund must be maintained physically separate according to present practice. It simply

provides that "The moneys paid into the State Treasury, and the moneys of which the State Treasurer is custodian, shall be credited by the Treasury Department to the following funds.....," listing twenty funds by name. This list has increased, without amendment to the Fiscal Code, until the Auditor General in his report for the 1937-39 biennium lists 15 operating and 26 custodial funds.

The deposit of all funds in one account with a bookkeeping or ledger control over each fund would in no way affect nor impair the sanctity of any fund. The law provides ⁽²⁰⁾ that, "No money shall be paid out of any fund of the State Treasury, except the State Workmen's Insurance Fund, until a requisition therefor shall have been presented to or prepared by the Auditor General."

Payments may be made from the State Workmen's Insurance Fund, ⁽²¹⁾ and, by ruling of the Attorney General, from the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund, on requisition of the Department of Labor and Industry. The statutory requirement ⁽²²⁾ as to the two last named is that payment be made "under such systems of requisitioning and accounting as the Governor, the State Treasurer, and Secretary shall determine."

With the individual funds credited with each deposit thereto and charged with each requisition drawn thereon, the actual money being lumped without attempt to maintain identity, the system would be identical with modern banking practice.

3. Tax Anticipation Notes

The State has been issuing tax anticipation notes each biennium since 1935 to meet the expenses of Government during the periods when revenue collections are low. These notes are secured by the revenue of the biennium

for which they are issued and carry an interest rate of less than $1\frac{1}{2}\%$. The outstanding weakness in the plan of financing current operations by tax anticipation notes is that they do not pledge the full faith and credit of the Commonwealth. Due to this failure, which could be corrected only by constitutional amendment, the Commonwealth is in a position where (1) It must pay a higher rate of interest, and (2) It is on the same basis as an individual in dealing with Federal Reserve Banks.

It is estimated by Treasury Department officials that even at the present low rate of interest a saving of more than \$500,000 a year could be effected on full faith and credit obligations. Considerably larger savings would result if the condition of the money market would change so as to increase the interest rates. This estimate is based on the fact that large cities such as New York and Boston have sold full faith and credit bonds at interest rates far below that of the tax anticipation notes.

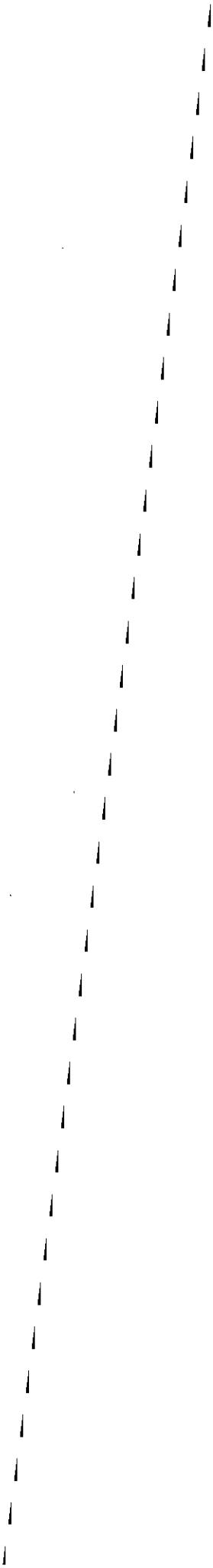
Under a ruling by the Comptroller General of the United States, Pennsylvania Tax Anticipation Notes may not be purchased by any Federal Reserve Bank in an amount greater than 10% of its capital stock. This is the same limit placed on these banks as to commercial borrowers. This ruling, necessitates a wider spread of the notes and increases the expenses of issuing them. The expense of issuance has ranged between \$30,000 and \$40,000 per biennium.

FOOTNOTES

- (1) 1811 P. L. 145
- (2) Pennsylvania Constitution, Article IV, Section 1
- (3) Pennsylvania Constitution, Article IV, Section 21
- (4) Pennsylvania Constitution, Article III, Section 12
- (5) Fiscal Code, Sections 301-307
- (6) Fiscal Code, Sections 502-506
- (7) 1939 P. L., 261, Section 1503
- (8) Administrative Code, Section 202
- (9) Administrative Code, Section 405
- (10) Fiscal Code, Section 1102
- (11) Fiscal Code, Section 1103
- (12) Fiscal Code, Section 1104
- (13) Fiscal Code, Section 1105
- (14) Fiscal Code, Section 1106
- (15) Fiscal Code, Section 1107
- (16) Fiscal Code, Section 1108
- (17) Fiscal Code, Section 1109
- (18) 1939 P. L. 261
- (19) Fiscal Code, Section 302
- (20) Fiscal Code, Section 307
- (21) Fiscal Code, Section 307
- (22) 1937 P. L. 2897

PART III

DEPARTMENTS HEADED BY OFFICERS
APPOINTED BY THE GOVERNOR



CHAPTER VII

DEPARTMENT OF AGRICULTURE

The importance of agriculture in Pennsylvania's economy was evidenced by the early interest of the Commonwealth in the subject. In 1876 a State Board of Agriculture was established and in 1889 the first animal indemnity act was passed. In 1895 the Livestock Sanitary Board was created and paralleled the Department of Agriculture until 1919, in which year the Board's duties were transferred to a Bureau of Animal Industry in the Department of Agriculture.

A. FUNCTION

The Department of Agriculture, as its name indicates, is that branch of the State Government concerned with the agricultural industry. Its functions to promote, protect and regulate the agricultural interests of the Commonwealth. All phases of agriculture, including animals, plants, markets, seeds, fertilizers, etc., come within the jurisdiction of the Department. In addition, the Department of Agriculture is charged with certain functions with regard to foods and also with regard to dogs. The Department is the enforcement agency for numerous laws relating to the fields with which it is concerned, and is responsible for coordinating the State's agricultural activities with those of the Federal Government.

B. POWERS AND DUTIES

To fulfill its function, the Department of Agriculture is charged with the following powers and duties:

1. To promote the animal industry of the Commonwealth by:
 - a. Preventing, suppressing, controlling and eradicating any dangerous transmissible animal diseases by examining and testing animals, establishing and enforcing necessary animal quarantines, assisting private veterinarians in their diagnoses and treatment, and cooperating with the Federal Government's program in the field.

- b. Providing for licensing of breeding animals kept for public service.
 - c. Regulating manufacture, sale and use of animal biologics.
2. To promote the plant industry of the Commonwealth by:
- a. Preventing, suppressing, controlling and eradicating any plant infection produced by harmful insects or plant diseases, by inspecting plants, establishing and enforcing plant and pest quarantines, promoting proper treatments, and cooperating with the Federal Government's program in the field.
 - b. Inspecting and certifying nurseries.
 - c. Regulating the manufacture and sale of seeds, fertilizers, insecticides, and fungicides.
3. To promote the marketing of the Commonwealth's agricultural products by:
- a. Gathering and diffusing market information.
 - b. Establishing and enforcing standards for the grading and classification of farm products.
 - c. Promoting and assisting in the organization and conduct of public markets, cooperatives and other marketing associations.
 - d. Encouraging and aiding through contests and performance records, increased egg productivity and quality.
 - e. Licensing and bonding dealers of domestic agricultural products.
4. To protect the healthfulness of the food supply of the Commonwealth by:
- a. Inspecting and analyzing foods offered for sale throughout the Commonwealth.
 - b. Licensing certain types of food establishments and handlers.
 - c. Inspecting certain types of food establishments and handlers.
5. To perform such miscellaneous activities related to agriculture as:
- a. Collecting and diffusing agricultural statistics of all types.
 - b. Inspecting and certifying apiaries.

6. To plan, arrange and manage the State Farm Show.
7. To supervise and administer the State's Soil Conservation Laws.
8. To enforce the Dog Laws of the Commonwealth.

C. ORGANIZATION AND OPERATIONS

To carry out its powers and duties, the Department of Agriculture is divided into five bureaus. As is indicated by Chart VII-1, these bureaus are further sub-divided into a total of twenty-four divisions.

1. Executive Office

The first of the Department's five bureaus is the Executive Office. This office is the general administrative agency of the Department, and is composed of two divisions, namely, the Administrative Division and the Statistics and Information Division.

a. Administrative Division

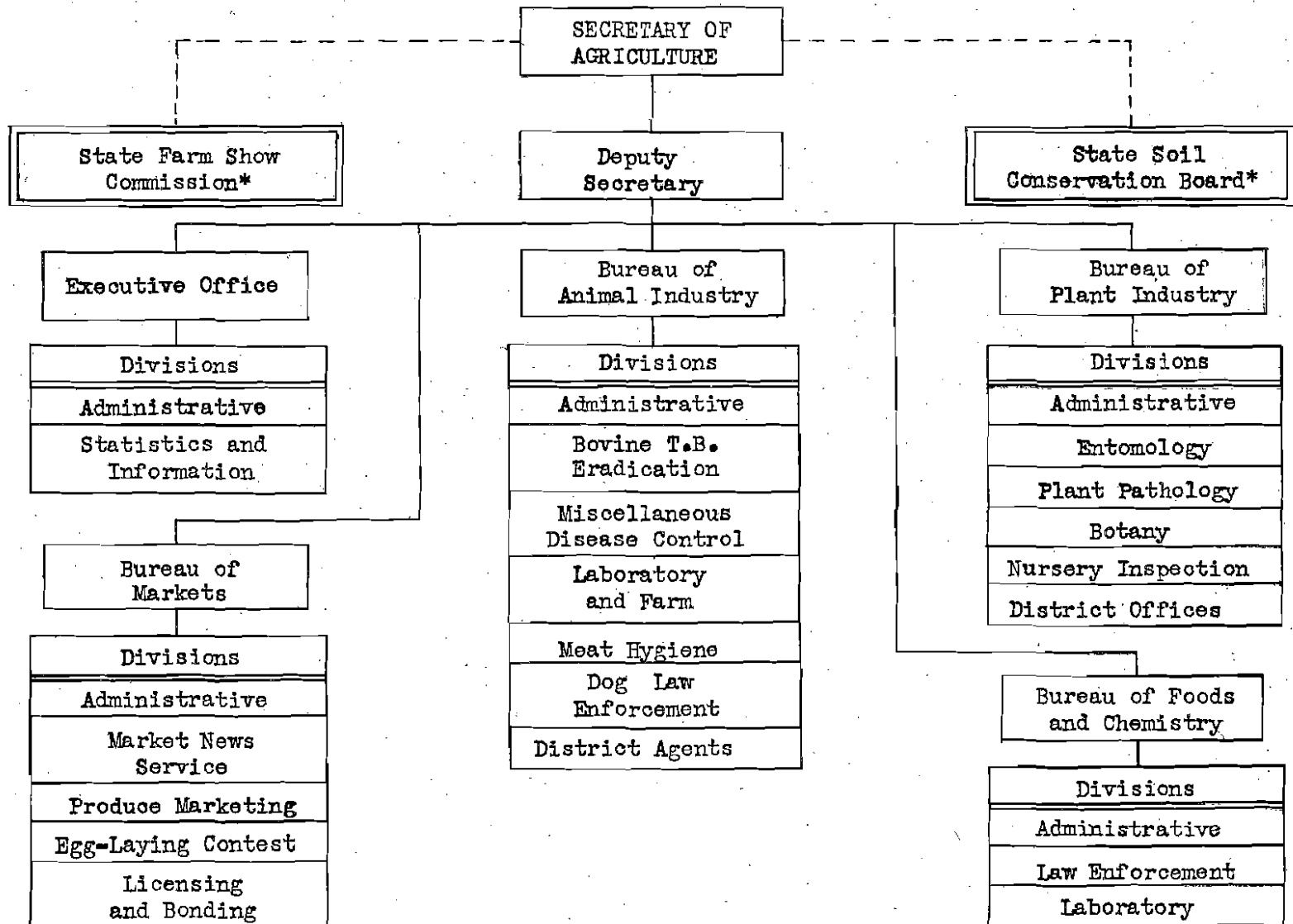
The Administrative Division of the Executive Office is charged with the general administration of the entire Department. It handles the general correspondence and files. In addition, the Division keeps the accounts for the Department and handles its expenditures and receipts. The Department's purchasing is done by the Administrative Division, which also formulates and prepares budgets requests.

Other functions of this Division are reproduction, mailing and messenger services. The Division operates mimeograph, duplicating, photostatic and photographic equipment for the entire Department. When time permits, similar work is performed for other Departments. The Administrative Division's mailing section handles all the mail of the Department's Harrisburg offices and provides messenger service for all the offices with the exception of the laboratories.

The volume of duplicating and mailing work performed by the Adminis-

CHART VII-1

ORGANIZATION OF THE DEPARTMENT OF AGRICULTURE



-704-

* Departmental Administrative Board or Commission

trative Division is indicated by the following figures for the fiscal year June 1, 1939 to May 31, 1940:

Envelopes addressed	512,674
Copies folded	471,929
Mimeograph copies	612,613
Multilith copies	1,071,460
Multigraph copies	251,385
Bulletin requests	8,257

b. Statistics and Information Division

The Division of Statistics and Information collects and publishes data on the agricultural industry of the Commonwealth. It also performs certain specialized duties.

Primary among this Division's operations is crop and livestock reporting. Pennsylvania is part of a nation-wide system, coordinated by the Agriculture Marketing Service of the United States Department of Agriculture, whereby farmers are enlisted to report their activities with regard to crop prospects, livestock trends, farm prices, intentions to plant, etc. In Pennsylvania there are 10,000 farmers gratuitously cooperating in this work. The Division of Statistics and Information collects this information from the farmers by means of questionnaires and interviews and then compiles and publishes it along with other data as to conditions in competing states, farm real estate conditions, etc. Reports, of which 75 to 100 are issued annually, go to cooperating farmers, schools, county farm agents, interested organizations, government agencies and newspapers.

This Division also prepares copy for the Department's printing, annually setting up and editing six to ten general bulletins, and approximately 400 miscellaneous printing jobs for the entire Department, as well as the Egg-Laying Contest and Farm Show. The Division of Statistics and Information also prepares a weekly news bulletin and special releases to keep the public

informed of the provisions of laws enforced by the Department and to stress the importance of the agricultural industry in Pennsylvania. The Division aids in the preparation of the Department's annual reports and designs posters and writes advertisements for the Farm Show.

Finally, the Division of Statistics and Information yearly handles from 10,000 to 12,000 inquiries from the public, predominantly from farm taxpayers. Some of these inquiries require research in order to be answered.

2. Bureau of Animal Industry

The Bureau of Animal Industry is charged with the performance of the Department's duties with regard to the livestock and poultry aspects of the agriculture industry.

a. Administrative Division

The Administrative Division is responsible for the general administration, direction and coordination of the various office, field and laboratory activities of the Bureau of Animal Industry. This Division formulates the Bureau's policies, plans and procedures; aids in the preparation of budgets; authorizes expenditures and verifies accounts and vouchers; prepares the Bureau's payrolls and personnel records; purchases and distributes supplies and equipment; and performs the general correspondence and filing work of the Bureau.

This Division also receives certain miscellaneous revenues which it transmits to the Department of Revenue. These revenues include recovered Dog Law damages, receipts from sale of surplus products, license fees from domestic animal dealers, meat hygiene fines and miscellaneous fines.

Another duty of the Administrative Division of the Bureau of Animal Industry is to carry out the provisions of the law relating to virus and biological products. (1) These provide that before any virus or biological

may be injected into an animal intended for human consumption, the permission of the Department of Agriculture must be secured. Sales of or tests with tuberculin or mallein must be reported to the Department, and before any animal biologic which has not been approved by the United States Bureau of Animal Industry may be manufactured or sold in Pennsylvania, the permission of the Department must be secured. The Administrative Division keeps the records which result from these acts and issues the permits to manufacture or sell.

b. Bovine Tuberculosis Eradication Division

The Bovine Tuberculosis Eradication Division is charged with the duty of guarding the public health and promoting the livestock industry by administering and applying approved methods and measures to prevent, suppress, control and eradicate bovine tuberculosis, in accordance with the laws relating to the subject.

(2)

This object is achieved through a combination of inspectional and quarantine activities. There is a nation-wide scheme of bovine tuberculosis control sponsored by the Federal authorities and in which the Pennsylvania Department of Agriculture cooperates, through the Division of Bovine Tuberculosis Eradication. This scheme embraces certifying herds through one of two plans.

Under the Individual Accredited Herd Plan, any owner of cattle may engage at his own expense an accredited, practicing veterinarian to inspect his herd for tuberculosis. If the herd is found to be free of the disease, the veterinarian certifies the fact to the Division and the owner is issued a Tuberculosis Free Accredited Herd Certificate. The second plan is called the Modified Accredited Area Plan. Under this plan all the herds in a designated area -- in Pennsylvania a county constitutes such an area -- are

tested and where conditions are satisfactory the entire area is accredited as being tuberculosis free. Such inspections are made upon request of the farmer to the Department of Agriculture. Under this plan the herd owners or county commissioners must agree to furnish the funds to pay the cost of identification tags, disinfectant and transportation of the inspecting veterinarians, but the veterinarians are furnished by the Federal or State Bureaus.

Through 1938 approximately 168,000 herds, comprising 1,400,000 cattle, were tested under these plans. In December of 1936 the entire State was recognized by the United States Department of Agriculture as a Modified Tuberculosis Free Accredited State. Retests are conducted by the Federal and State authorities and practicing veterinarians so that all cattle are tested for tuberculosis every three years. Sixty-day and six-month retests are conducted on infected herds.

In addition to these activities, the Division of Bovine Tuberculosis Eradication also utilizes its quarantine powers. ⁽³⁾ The Division may establish and enforce quarantines of any infected, exposed, suspected or susceptible animals on, in, for or against any premises, area or locality. Quarantines may be imposed against the importation of cattle into the State from any suspected out-of-State areas. Quarantines may be enforced to prevent the shipping of cattle out of any particular area in the State. The Accredited Plans aid in the quarantine work by indicating those herds or areas which are known to be free of tuberculosis.

The Division of Bovine Tuberculosis Eradication employs veterinarians whose major function is the inspection of cattle for tuberculosis. These bovine tuberculosis veterinarians do the examining and certifying required under the Modified Accredited Area Plan. They also make such periodic re-inspections as are necessary. These inspectors examine cattle shipped into

the State, and test cattle at stockyards. Wherever it is deemed necessary to prevent the spread or continuance of tuberculosis, the bovine tuberculosis inspectors may order the destruction of any animal. In such cases there is a method specified in the law ⁽⁴⁾ for indemnifying the owner for his loss.

Another phase of the bovine tuberculosis eradication work is the testing of stocker and feeder bulls at stockyards. While most cattle must be tuberculin tested before entry into the Commonwealth, stocker and feeder bulls consigned through the Pittsburgh and Lancaster stockyards need not be, but are inspected at such yards. If necessary, a tuberculin test is conducted by an agent of the Department at the stockyards.

c. Miscellaneous Disease Control Division

As the Bovine Tuberculosis Eradication Division is only concerned with the disease of tuberculosis, the Bureau of Animal Industry has another division concerned with other diseases in animals. This is known as the Miscellaneous Disease Control Division.

In general, this Division operates in a manner similar to that of the Bovine Tuberculosis Eradication Division, both being possessed of the same inspection and quarantine powers. This similarity in many subjects is due to the fact that the same laws govern both fields of endeavor. ⁽⁵⁾ However, the Miscellaneous Disease Control Division is concerned with poultry, pig, and other animal diseases, as well as with those in cattle. The Division acts in cooperation with the practicing veterinarian after he reports the appearance of a disease, gives assistance to these veterinarians in diagnosing and correcting breeding difficulties, and assists in diagnosing conditions caused by poisonous plants.

For the discharge of its duties, the Division employs veterinarians as

animal inspectors. These employes are not the same inspectors as inspect for bovine tuberculosis.

Some of the Division's activities are of such significance as to be discussed separately.

(1) Bang's Disease

The activities of the Division with reference to Bang's Disease closely parallel the tuberculosis work. The Individual Accredited Herd and Modified Accredited Area Plans are employed in the same manner, and in cooperation with the Federal Government. Herds are diagnosed by agglutination blood tests, infected animals are removed, premises disinfected, and the herd then managed under sanitary principles.

Inspections for this disease have been made in connection with 62,593 herds, comprising approximately 536,000 cattle. Over 51,000 cattle with positive reactions were discovered between June 1, 1937 and November 1, 1940. However, 773 herds, comprising 12,100 cattle are awaiting initial tests under the Individual Herd Plan, while 227 townships with 204,165 cattle are awaiting initial tests under the Modified Accredited Area Plan.

(2) Hog Cholera

Another important disease of concern to the Division of Miscellaneous Disease Control of the Bureau of Animal Industry is Hog Cholera. The Division attempts to control the disease by promoting vaccination, disinfection and sanitation and by regulating the use of anti-Hog Cholera serum and Hog Cholera virus. Upon complaint, the Division's inspectors investigate outbreaks of Hog Cholera, and where necessary establish and enforce quarantines. The Division also gives advisory service to practicing veterinarians. Where the Division's agents see fit, they vaccinate the hogs, the cost of the biologics being paid by the owner. In 1938 approximately

68,000 hogs were so vaccinated.

(3) All Other Diseases

Other diseases which break out and concern the Division of Miscellaneous Disease Control are Anthrax, Blackleg, Hemorrhagic Septicemia, Glanders, Rabies, Fowl Cholera, Scabies in sheep, Mange in horses and cattle, and Johne's Disease. The Division's inspectors are constantly on the lookout for these diseases, investigating all complaints brought to their attention. The inspectors assist veterinarians in diagnosis and advise as to the proper means of control and eradication. Where necessary, quarantines are established and enforced. In certain diseases, such as Glanders, indemnities are paid to owners whose livestock is ordered destroyed by State agents. The Division also regulates the movement of sheep, goats and swine into the State, and imposes quarantines against importations where the situation requires such action.

(4) Stallion Enrollment

Before any stallion or jack may stand for service and be offered for breeding upon a commercial basis, he must be licensed by the Bureau of Animal Industry. ⁽⁶⁾ The Division of Miscellaneous Disease Control has charge of this service, issuing, recording, and transferring such licenses, upon presentation of the proper credentials. Licenses must be renewed each year. In 1939 this Division licensed 447 stallions and jacks.

(5) State Institutions

The Division of Miscellaneous Disease Control cooperates with State-owned institutions and the local practicing veterinarians employed by these institutions, and supervises the work of preventing, controlling and eradicating the transmissible diseases of animals and poultry maintained by the institutions. Livestock at State institutions is periodically inspected.

Also, all animals and poultry purchased by the institutions are examined by employes of the Division. The health status of all such animals must be approved before delivery.

d. Laboratory and Farm Division

As an essential tool in its work, the Bureau of Animal Industry maintains a laboratory and farm at Somerdale. The farm covers approximately 60 acres and contains an experimental herd of cattle. This laboratory performs diagnostic and research work.

(1) Diagnostic Work

The laboratory receives specimens from the Department and private veterinarians for analysis as to the presence of any disease. Reports as to findings are sent to those who have submitted the specimens and treatment is administered accordingly. There is no charge for this service. Between January 1 and October 1, 1939, 596,470 such specimens were examined. Approximately 50% of these specimens were from poultry.

(2) Research Work

The laboratory conducts regulatory research in transmissible diseases and parasites in animals and poultry to determine effective and economical control methods. The laboratory also cooperates in research with private veterinarians. It observes the results of biologic and medicinal agents. In 1939 the laboratory supervised the drawing of approximately 600,000 specimens of poultry blood for examination for pullorum disease. The results of such research work are published for the information of the veterinary profession and livestock and poultry raisers.

e. Meat Hygiene Division

There are in effect in the Commonwealth laws prohibiting the manufacture, packaging, sale, etc., of meats unfit for human consumption. (7)

Three levels of government aid in the enforcement of meat laws and in the

achievement of the public health purpose. The Federal Government inspects meat which enters into interstate commerce. The larger municipalities, through their health departments, inspect slaughter houses within their own limits. These municipal inspectors, as well as the Federal inspectors, are certified as agents of the Commonwealth and their inspection accepted by the State. The Meat Hygiene Division of the Bureau of Animal Industry deals chiefly with the uncovered portion of the field -- the inspection of markets and slaughter houses in rural areas and small municipalities. This is done through State meat inspectors who are assigned to cover specific districts. The State's inspectors hold Federal certificates and their inspections are accepted by the Federal authorities.

Meat that is acceptable is so stamped. Unwholesome meat is destroyed to prevent use. The State supervises 2,000 slaughter houses and 31 abatoirs. In the period January 1 to October 1, 1939, 309,838 carcasses and 23,486,388 pounds of meat and meat products were examined.

The Division of Meat Hygiene is charged with the performance of three special functions.

(1) Livestock Dealer's License

The laws of the Commonwealth provide that before any person may deal in livestock he must secure a license. The Division of Meat Inspection is the agency for the issuance of such licenses. Applications are made to the Division by applicants for dealer's or broker's licenses. The Division checks the applicants for moral and financial responsibility and, when they appear satisfactory, issues licenses to principals and their agents. Licenses must be renewed each year. A record is kept of all licenses and any violations by such licensees.

As of October 1, 1939, the Division had licensed 910 dealers and 268 agents.

(2) Legal Investigations

The Division of Meat Hygiene also investigates alleged violations of livestock laws and quarantines. Where such violations can be substantiated the Division institutes prosecutions and conducts hearings and trials in cooperation with the Department of Justice.

(3) Community Sales

A section of the Division of Meat Hygiene inspects livestock at community sales. It supervises the dipping of sheep and goats. It makes proper disposition of all sick or diseased livestock offered at such sales and also imposes quarantines where the situation requires.

Field agents inspect approximately 50 community sales per month, and during the same period average 20,000 anti-mortem examinations.

f. Dog Law Enforcement Division

Some phases of the enforcement of the Commonwealth's Dog Laws (8) fall within the province of the Department of Agriculture. To carry out this work a Dog Law Enforcement Division is established in the Bureau of Animal Industry.

The Division cooperates with the Department of Revenue in the licensing and relicensing of dogs. The Division employs a staff of investigators who operate in assigned districts and are equipped with special trucks. These inspectors investigate and locate unlicensed dogs and either dispose of them or bring proceedings against owners. Where livestock or poultry is killed or damaged by dogs, the owner complains to one of the Department's investigators, who investigates the complaint and then holds a hearing. If satisfied that the death or damage was caused by a dog, the investigator appraises the amount of damage suffered. The owner of the dog is liable for this damage, although he may request that a disinterested person appraise the damage. If

the owner of the dog is unknown, the Department of Agriculture reimburses the owner of the livestock. The Department has a right of recovery from the dog owner should he subsequently be discovered.

The Division of Dog Law Enforcement also supervises the payment by the State of the fee of \$1.00 for the killing by deputized local officials of each unlicensed dog, the Secretary of Agriculture being required to approve all vouchers for the payment of such fees. The Division also assists in the adjudication of cases of licensed dogs unlawfully killed, and investigates complaints of stealing or poisoning of dogs.

The Division possesses the power to quarantine areas where there is an excessive amount of damage by dogs. Such a quarantine is imposed upon receipt of a petition signed by residents of the area and after an investigation of the condition has been made by a Dog Law inspector. The inspectors also supervise the general enforcement of the Dog Law by local police officers.

Approximately 1,000,000 dogs are licensed and relicensed annually. In the nine month period January 1 to October 1, 1939, 1,002 damage claims were adjusted by means of which owners of livestock and poultry received \$16,639.

g. District Agents Division

The activities of the Bureau are discharged from ten district offices located in Montrose, Meadville, Hollidaysburg, Sunbury, Wellsboro, Harrisburg, Lancaster, Allentown, Pittsburgh and Philadelphia. Wherever possible the activities of the Bureau's divisions in any particular area are operated out of the same district office. These offices carry out investigations, diagnosis, prevention, control and eradication of transmissible diseases of animals and poultry owners in the district and cooperate with livestock and

poultry owners and practicing veterinarians. Supervision of the general enforcement of the livestock dealers, dog, meat, hygiene and stallion enrollment laws is conducted out of these offices. They issue permits, enforce quarantines, discuss with and explain to local delegations of livestock owners plans and procedures of the Bureau. Field agents in these offices attend meetings and conferences in the district. These offices generally perform the local field work for the Bureau of Animal Industry.

3. Bureau of Plant Industry

The Bureau of Plant Industry is concerned with the plant aspects of the agricultural industry. The work of the Bureau is performed by five divisions.

a. Administrative Division

The Administrative Division has general supervision over the activities of the Bureau. It handles the general correspondence and filing. It receives moneys collected by the Bureau and keeps accounts of all funds received and transmitted to the Department of Revenue.

It is also the information source of the Bureau, receiving and answering requests for information as to insect pests, plant diseases, seed analysis, identification of plants, formulation of quarantines, etc. The Administrative Division prepares exhibits for the Farm Show, vocational schools and State agencies.

This Division coordinates the Bureau's activities with similar activities of the Federal Department of Agriculture.

b. Entomology Division

The Bureau's work with regard to insects is centered on the Division of Entomology. Not only does this Division deal with those insects that are pests, but also with those which are beneficial to the farmer.

(1) Apiary Inspection

The Division of Entomology is the agency which performs the duties placed upon the Department of Agriculture by the Apiary Inspection Act. (9) Under this Act the Division annually inspects every queen apiary in the State, granting certificates, good for one year, to those apiaries which are free of disease. A statement of this certification must accompany any bees shipped from such apiaries. If a queen apiary is diseased no bees may be shipped therefrom until the disease is destroyed and the apiary approved by an agent of the Division.

During the 1940 season, the Division of Entomology inspected some nine thousand general apiaries, containing some fifty-two thousand colonies of bees. This is done by a staff of apiary inspectors, each of whom is assigned to a particular district. These inspectors inspect upon request, according to a planned procedure. If an inspector finds any disease he notifies the owner and also indicates if the disease may be successfully treated. If the disease can be successfully treated, such treatment must be administered within fourteen days or else the apiary is subject to destruction, as is the case with all apiaries being affected with diseases which can not be successfully treated. All the apiaries in a particular county are inspected and when found to be healthy the county is designated as a clean area. The present facilities of the Division permit State-wide coverage about once in five years.

(2) Japanese Beetle Control

In controlling the Japanese Beetle the Division of Entomology cooperates very closely with the United States Department of Agriculture, coordinating its inspections and certifications with Federal quarantine regulations. The Division is empowered to quarantine individual nurseries,

entire areas and even the entire State when it finds conditions warrant

(10)

such an action. It may also impose a quarantine against shipments into Pennsylvania from any State which it believes to be infected in regard to the particular commodity being shipped. The Federal Government also imposes similar quarantines on interstate shipping. The Division of Entomology fits into the picture by having its special Japanese Beetle Inspectors, most of whom are stationed in specific districts, inspect and certify for shipment to points outside the State, various fruits, vegetables and other products restricted by Federal and State quarantines.

In addition, the Division disseminates general advice on how to control Japanese Beetles through spraying, soil treatment, parasites, etc., and assists in the application of such treatments.

The Division annually certifies for shipment approximately 1,000 packages of farm products, 8,000,000 plants, and 2,000 cars of sand, soil and manure.

(3) Gypsy Moth Eradication

Another insect which is harmful to agriculture is the Gypsy Moth. While this pest has been practically eliminated in most Pennsylvania counties, it still exists in an area embracing parts of Lackawanna, Luzerne, Carbon and Monroe Counties. This is the only important infestation of this pest west of the New England area. Because of this fact, the Federal Department of Agriculture is actively cooperating with the Division of Entomology in its work against this pest.

The Division has special agents who cover assigned districts in which eradication projects are operating. These inspectors scout to locate infestations, clean up forest debris which harbors the insect, inspect certain products moving out of the area, supervise spraying, etc. Both Federal and State regular and emergency funds have been used in this work.

(4) Fruit Moth Control

The Fruit Moth is an insect destructive to fruit crops. While the damage caused by the Fruit Moth is most serious in the north-western counties, it is found generally throughout the State, as Pennsylvania is part of the larger region in which this pest causes injury. This has produced the active cooperation of the Federal Government.

The Division of Entomology's task is to make surveys to determine the extent and degree of injury. It also rears and distributes to growers those parasites which combat the Fruit Moth.

(5) Miscellaneous Insect Control

In addition to the three above enumerated insect pests, the Division of Entomology utilizes its inspection, quarantine, and general powers to control other insects harmful to the agricultural industry. The Division identifies and classifies approximately seven to eight thousand insects per year, collected by its own agents or sent in by farmers or growers. A corollary of this identification work is the recommending of methods for controlling the identified insect. Where necessary, regulatory procedures are instituted. At present, particular attention is being directed at the European Corn Borer, Blueberry Maggot and Tomato Pin Worm.

(6) Insect Surveys

An essential part of the work of the Division of Entomology is the making of insect surveys. Such surveys, made by regular employes of the Division, determine the extent and intensity of insect conditions. Outbreaks of pests are investigated and insect cases involving shipments from outside points are checked. Some of this work is performed in cooperation with the Federal Department of Agriculture because many of the problems are regional rather than confined solely to Pennsylvania.

The results of the surveys form the basis for action and the imposing of quarantines. The results are also publicized along with recommendations for control. Recent surveys have been made of the European Corn Borer, Tomato Pin Worm, Chinch Bug, Peach Moth, Army Worm, and Blueberry Maggot.

(7) Testing Insecticides and Fungicides

(11)

The law provides that any domestic manufacturer of insecticides or fungicides, or any person who imports such materials for resale within the State, must register each brand with the Department of Agriculture, which possesses the power to refuse registration if the material does not comply with the law.

The Division of Entomology fulfills a portion of the Department's duties in this field. It subjects the products to field and laboratory tests to determine their value and effectiveness. Also, as a means of apprehending fraud, it maintains a check on the sale of new products. Some of this work is carried on in conjunction with seed inspection.

c. Plant Pathology Division

Another important section of the Bureau of Plant Industry is the Division of Plant Pathology. This Division is concerned with agricultural damage caused by plant diseases, as distinct from damage caused by insect pests. The Division possesses the same inspectional, quarantine, and correctional powers as the Division of Entomology.

It has inspectors who, under the direction of the Harrisburg office, inspect orchards and fields to discover diseased plants. Where such are found, the inspectors may order their treatment or, if they can not be treated, may order their destruction. The Division inspects the shipping of plants or plant products and may impose quarantines thereon when the situation requires.

Specific plant diseases with which the Division is concerned include Peach Yellows. To combat this disease, the Division's agents annually inspect some 300 orchards containing approximately 400,000 trees. Diseased trees are ordered destroyed. Another disease is Cedar Rust which affects apple trees. The Division's activities in this regard follow the usual inspection procedure and the ordering of the removal of red cedar trees, which action is the only remedy for this disease.

The Division of Plant Pathology actively cooperates with the Federal Government in controlling Black Stem Rust, which affects cereal crops. The cure for this lies in removing the common barberry, and at the end of 1938 a total of 9,307,275 bushes had been removed from 5,493 properties in 16 counties. Potato Wart Control is also another activity of this Division. Most of this infection in the United States lies within scattered areas in thirteen Pennsylvania counties. To prevent the spread of this disease the Federal authorities actively cooperate with the Division of Plant Pathology in enforcing quarantine regulations and furthering eradication through soil treatment. Because disease is a serious limiting factor in the production of small fruit crops, the Division is interested in the brambles plants upon which such crops grow. It inspects all plantings of brambles from which plants are sold to State growers. This involves inspecting several hundred thousand domestic plants annually, as well as plants shipped into the State.

In the case of Dutch Elm Disease, which has apparently spread from New York and New Jersey to those Pennsylvania counties bordering on the Delaware River, the Division of Plant Pathology cooperates with the Federal authorities in surveys and scouting and by so doing gives legal status to the work in this State. Pennsylvania's tobacco growing industry suffers

from a disease termed Tobacco Wildfire. The Division is cooperating with Pennsylvania State College in furthering a program of controlling this serious disease.

These few examples of specific diseases indicate the variety of problems confronting the Division of Plant Pathology and its methods of operation. In a general way the Division makes surveys, identifies plant diseases and makes recommendation for their control, cooperating with the United States Department of Agriculture on regional problems. In addition, the Division prepares exhibits for the Farm Show and other displays.

d. Botany Division

A fourth Division of the Bureau of Plant Industry is the Division of Botany. The function of this Division is to enforce the Seed Law. This Law requires the manufacturers and sellers of seeds to observe certain standards of purity and germination, and to properly label their packages. The Division has seed inspectors who check on seeds offered for sale and take samples which are analyzed at the seed laboratory in Harrisburg. The Botany Division supervises some 2,500 dealers, annually makes 1,500 to 2,000 inspections, and analyzes 2,000 to 3,000 samples.

Another function of the Division of Botany is to certify domestic seeds to encourage development of a supply of home-grown stocks of superior quality. Growers of such seeds apply to the Division of Botany for certification of their seeds. The Division analyzes such seeds and when they meet certain prescribed standards they are designated as "certified". The annual seed production of the State approximates 200,000 bushels of seed potatoes, 30,000 to 40,000 bushels of wheat, 6,000 to 7,000 bushels of barley, and 12,000 pounds of tomato seed.

e. Nursery Inspection Division

A fifth function of the Bureau of Plant Industry is inspecting

plant nurseries. In accordance with the Plant Pest Act, the Division of Nursery Inspection annually inspects, upon request, nurseries and dealers in nursery stock and their agents. Where no plant pests or diseased stock is found the nursery is certified. Where unsatisfactory conditions are discovered, either no certificate is issued or a qualified certificate is granted. Out-of-State nurserymen shipping to Pennsylvania must possess and produce a certificate from their resident State. Approximately 1,000 resident nurseries are inspected each year by the Division, as well as 450 resident dealers and from 3,000 to 4,000 resident agents.

The Division cooperates through correspondence and conferences with officials of other States to facilitate the free movement of plant materials between the States. As do most other Divisions, the Division of Nursery Inspection prepares exhibits for the Farm Show and for other purposes.

f. District Offices

In addition to its Harrisburg office, the Bureau of Plant Industry has four district offices whose location and functions are:

Hazleton	-	Potato Wart control and eradication, and seed inspection.
Wilkes-Barre	-	Gypsy Moth eradication and nursery inspection.
Hollidaysburg	-	Certification, seed and Potato Wart inspection.
Norristown	-	Nursery and seed inspection.

The Division also maintains close contact with Federal offices at:

Philadelphia	-	Japanese Beetle quarantine and inspection.
Pittsburgh	-	Japanese Beetle quarantine and inspection.

4. Bureau of Markets

The previously described bureaus in the Department of Agriculture are chiefly concerned with assisting the farmer in improving his production. However, after the products have been raised there is the task of profitably disposing of them. The Department of Agriculture contains a section which

deals with this phase of the problem. This section is the Bureau of Markets, a Bureau which is charged with promoting the merchandising of the State's agricultural products and helping the farmer realize the maximum amount for his investment and labor. Most of the work of the Bureau is regulatory. This Bureau operates through six Divisions.

a. Administrative Division

The Administrative Division supervises the general activities of the Bureau. It handles the general correspondence and filing, keeps account of funds received and transmitted, helps in the gathering and diffusion of market news, and publicizes transportation conditions and freight rates. It promulgates such rules and regulations as the Department is permitted to establish or authorized to enforce. This includes rules and regulations for the grading of farm products and the licensing of dealers.

b. Market News Service Division

The Division of Market News Service keeps the public and farmers apprised of market conditions. It issues daily reports on livestock market conditions from Pittsburgh and Lancaster. Daily reports on fruit, vegetable, poultry, egg and butter markets are issued at Philadelphia and Pittsburgh. These reports are publicized by newspapers and radio. Special reports are issued from time to time. Much of the work is performed in cooperation with the United States Department of Agriculture, the data being collected by joint State-Federal employes.

The Division also assists by conferences and inspections, in the organization and conduct of public markets, cooperatives and other associations. Representatives of its Division attend meetings of such organizations and confer on management or finances with their officers.

The Division of Market News is also charged with collecting and maintaining the annual financial reports which each agricultural cooperative is required to file with the Department of Agriculture. (14)

c. Fruit and Vegetable Marketing Division

The Bureau of Markets contains a Division of Fruit and Vegetable Marketing. This Division's work is fourfold.

Primary is the establishment and enforcement of official standards for fruits and vegetables. The Department is empowered to establish grades for fruit and vegetables, such grades to conform, where possible, to the standard grades of the Federal Government. (15) The Division promulgates the requirements for such grades. Any packer, grower or shipper may either term his products as unclassified or use the classification established. However, if a classification is used, the products must conform to the standards established by the Division.

Grades have been established by the Division for over 20 commodities. Most commodities are graded by persons licensed by the Bureau of Markets and the United States Department of Agriculture. These licensees grade the fruits and vegetables at shipping points, canning plants, warehouses, cold storages, packing houses, etc. These licensees are either compensated by the company for whom they do the grading or by the various growers' organizations.

Occasionally employes of the Division may do grading, in which cases fees are charged. However, the primary activity of the Division is to establish grade regulations and then inspect to insure that these regulations are being followed by the licensed graders. Inspections may be made at terminal markets, shipping points, stores, etc. Bulk raw products are inspected at canneries before processing. This grading inspection is a

cooperative State and Federal activity and is financed on a joint basis through a Federal-State Inspection Fund.

The Division of Fruit and Vegetable Marketing also performs certain miscellaneous operations. It conducts meetings, grading demonstrations, exhibits, etc., relative to fruit and vegetable marketing. It prepares and disseminates market information. It also collects and tests spray residue samples of fruit to insure that protective sprays used in growing are not injurious to the public.

d. Poultry and Egg Marketing Division

The Division of Poultry and Egg Marketing carries out the Bureau of Markets' functions with regard to eggs and poultry. In doing this it performs several types of operations.

One operation is standardizing poultry flocks by the selection of birds in poultry flocks according to a standardization program. This aids purchasers of poultry stock in that they may obtain flocks of high standard types. Over 600,000 birds on 500 farms in 43 counties were handled in the 1937-39 biennium in this standardization work. During the same period 1200 reinspections of flocks and hatcheries were made. The Division has refused additional work of this character, feeling it could not be handled.

The Division of Poultry and Egg Marketing also helps promote the maintenance of records on poultry performance. Selected chickens on individual farms are trapnested to determine the number of eggs that they produce. Employees of the Division supervise this work by making inspection trips to determine that it is being carried on properly. In the 1937-39 biennium 216 two-day inspections were made on 19 different farms in 16 different counties. A total of nearly 14,000 birds were entered in the work during

the two-year period.

To aid the marketing process, the Division established official standards for grading eggs in 1931. Eggs are graded at the markets by inspectors, who are employes of the markets. These inspectors apply to the Department of Agriculture which, through the Division of Poultry and Egg Marketing, examines and licenses them. Twenty to twenty-five inspectors are licensed annually. Each inspector must train for 3 to 6 weeks with the chief candler under whom he will work and who will be responsible for his classifications. The Division's agents periodically inspect the six cooperatives and two private markets where eggs are sold in the State, in order to enforce grading practices and retain uniformity. Periodic market summaries are published on comparative results of sales.

The Division of Poultry and Egg Marketing is the agent of the Department of Agriculture for enforcing the Fresh Egg Law. ⁽¹⁶⁾ This law requires that eggs being sold as "fresh eggs" conform to certain specifications. Up to October, 1938, nearly 4,000 inspections of retail and wholesale outlets were made by agents of the Division. Notices of warning were sent to over 400 first violators and second violators were prosecuted and fined. These inspections were completed mainly in metropolitan areas throughout the State. Most of this work is now being done by the Bureau of Foods and Chemistry.

Finally, the Division of Poultry and Egg Marketing has its employes in attendance at 30 to 50 marketing meetings each year. It prepares numerous radio broadcasts, as well as publicity articles on egg and poultry marketing, and develops exhibits for the Farm Show and other purposes.

e. Egg-Laying Contest Division

To determine and demonstrate improved methods for increasing the

egg production of poultry, and to afford farmers and poultry raisers official accreditation for the egg laying capacity of their poultry, the Department of Agriculture conducts an annual egg-laying contest through a division established specifically for that purpose in the Bureau of Markets. The contest is conducted in a special building adjoining the Farm Show Building. (17)

Any poultryman may enter a flock of 13 birds in the contest, of which there is a pullet and a hen division. These chickens are fed by the State and a record kept of each bird's egg production over a year's period and prizes awarded to the winners. The eggs produced are candled, graded, packed, and sold by the Division. The public and contestants are periodically informed of the progress of the contest.

The contest has 1250 birds entered, who annually produce some 18,500 dozen eggs. Fifty percent of the hens are from Pennsylvania. There has been a waiting list of breeders for the last three years.

f. Licensing and Bonding Division

Before any dealer in agricultural products may do business in Pennsylvania he must secure a license from the Department of Agriculture. (18) To secure such a license the dealer must have an approved character and financial record, and post with the Department a security bond to insure the faithful accounting for and payment to producers of the proceeds of all farm produce handled or sold by the dealer. A Division of Licensing and Bonding of the Bureau of Markets is theoretically the section which handles this function. About 400 dealers are now licensed and bonded.

This Division also devotes part of its efforts to cooperatives, aiding them in preparing reports and in organization work, and working with dealers. Many disputes between producers and dealers regarding failure to pay or collection on bonds are adjusted by the Division, and settled without recourse to legal action.

5. Bureau of Foods and Chemistry

In addition to its work with respect to agricultural production and marketing, the Department of Agriculture is also charged with certain duties pertaining to foods and chemistry. This is a function important to all citizens of the State and constitutes a sizeable portion of the Department's work. To handle it, a Bureau of Foods and Chemistry exists, containing three divisions. It has two district offices -- Philadelphia and Pittsburgh -- which are utilized in enforcing the food laws.

a. Administrative Division

The Administrative Division of the Bureau of Foods and Chemistry performs the general duties common to administrative divisions. It handles the Bureau's general correspondence and filing, and keeps the Bureau's records. It issues such licenses as are required by law and receives license fees and fines and transmits them to the Department of Revenue, maintaining records of the transactions. The Division sponsors conferences with representatives of the food and agricultural products industries. This Division supervises the cooperation of the Bureau with the Federal Food and Drug Administration and with similar agencies in other States.

b. Law Enforcement Division

The Law Enforcement Division of the Bureau of Foods and Chemistry (19) is charged with enforcing the numerous food laws of the Commonwealth. The purpose of these laws is to prevent the manufacture or sale of adulterated, misbranded, filthy, putrid, decomposed and unwholesome food products.

Among the primary operations in this respect is the licensing of the manufacture of certain food stuffs. Among the products for which a license must be secured to manufacture or pack are oleomargarine, carbonated beverages, and ice cream. All bakers must secure licenses, as must egg-opening

plants, cold storage plants, etc. These licenses are issued by the Law Enforcement Division. The Division inspects these plants and in case a violation of the law is discovered may suspend the license until the condition is corrected. There are special inspectors for carbonated beverage inspection.

The Law requires that brands of bakery and ice cream products, carbonated beverage and still drinks be registered with the Department of Agriculture. It is the function of the Division of Law Enforcement to so register these products upon application.

The major portion of the Division of Law Enforcement's task is its inspectional work. Its food agents, who are assigned to specific districts of which there are fourteen, make routine territorial inspections as frequently as possible, of any place where food is manufactured, transported, stored or sold, to see that all conditions and foodstuffs comply with the laws. This power extends to stores, restaurants, packing plants, warehouses, bakeries, etc. Where illegal conditions are found, the agent recommends corrective action and, where he deems it necessary, may institute proceedings against the responsible persons.

In 1938 the Division's agents made 63,000 investigations and inspections and instituted over 1,800 prosecutions for violations of the Pure Food Laws. In so doing, it collected and analyzed thousands of food samples.

In 1938, the Division licensed 4,200 oleomargarine dealers, 22 egg opening plants, 44 cold storage warehouses, 3,630 bakeries, 1,542 ice cream plants, and 960 manufacturers of carbonated beverages and still drinks. The Bureau once possessed certain duties with regard to milk, but these duties were transferred to the Milk Control Commission upon its creation.

In addition to the work of the Division of Law Enforcement with regard

to the food laws, it performs similar work as required by the agricultural laws. There are eight agricultural laws covering poultry and animal feeds, lime and lime products, insecticides and fungicides, caustic poisons, linseed oil, bones and paint, putty and naval stores. (20)

Just as with the food laws, the Division has licensing, registration and inspection duties with regard to the agricultural laws. Manufacturers of feeding stuffs, fertilizers and lime products must obtain licenses from the Division. All brands of insecticides and fungicides are registered by the Division, although tested by the Bureau of Plant Industry. The Division's agents secure samples of the various products for analysis. The agents may institute prosecutions for violations where the situation requires that this be done.

The Division in 1938 issued 1410 licenses to 1,086 registered manufacturers of 5,832 brands of feeding stuffs. It issued 177 licenses to 116 manufacturers of 1,033 brands of fertilizers. It also issued 147 licenses to 145 manufacturers of 267 brands of lime products.

In addition to its specific functions with regard to the food and agricultural laws, the Law Enforcement Division also carries on educational and advisory work by answering specific requests for information and furnishing such information upon application of the various industries involved.

c. Laboratory and Consulting Chemist Division

An integral tool to the enforcement work of the Bureau of Foods and Chemistry is the Division of Laboratory and Consulting Chemists. This Division operates a chemical laboratory in Harrisburg to which most of the food agents send for analysis the food samples which they collect. A report of the analyses is sent to the agent.

The Laboratory also performs chemical and microscopic analyses for the

Bureau of Animal Industry and for the Department of Internal Affairs. It aids the Pennsylvania Motor Police in arson and poison cases. No fees are charged other State agencies for cooperative analytical work.

In addition to the Laboratory, the Bureau of Foods and Chemistry also employs several private chemists on a fee basis. Food agents in areas removed from Harrisburg, primarily Philadelphia and Pittsburgh, send food samples to these chemists for analysis rather than to the laboratory at Harrisburg. Occasionally certain of these chemists are called to Harrisburg to advise on special technical subjects. These consulting chemists are commonly referred to as the "Board of Chemists".

6. Departmental Administrative Boards

In addition to the above discussed bureaus and divisions, the Department of Agriculture also contains two administrative boards.

a. State Farm Show Commission

The State Farm Show Commission has the task of planning, arranging, and managing the State Farm Show. This show is held annually and is the largest indoor farm show in the United States. It includes exhibits of agricultural, industrial and artistic products, with displays of manufacturing, industrial and domestic art.

The show is held in the State-owned Farm Show Building, which possesses 10 acres of exhibit space and an arena seating 13,000 persons. In 1939 the show was attended by 278,000 persons, had 8,672 entries in competitive departments, included 300 commercial exhibits, and was the center of 35 concurrent agricultural conventions.

The Farm Show Building is under the management of the Commission, which possesses the power to lease its space to State departments, boards, and commissions, as well as to private exhibitors. At any time the Commission

may lease the building to private agencies who use its facilities for approved purposes. Included among the purposes for which the building has been privately leased are dog shows, builders' shows, conventions, horse and cattle sales, dairy shows, auto races, State Police Rodeos, etc.

The Farm Show Commission is also authorized to sponsor meetings for the promotion of agriculture.

b. State Soil Conservation Board

(21) In 1937 the Legislature passed the Soil Conservation Districts Law for the purpose of conserving soil resources and preventing soil erosion. This Act established in the Department of Agriculture an administrative board called the State Soil Conservation Board to supervise the operations of the Act. The Act provided that upon petition and vote of approval of occupiers of land, soil conservation districts be established and administered by two supervisors appointed by the Board and three elected by the occupiers. The supervisors are empowered to conduct surveys and investigations, operate demonstration products, and carry on prevention and control measures.

The Soil Conservation Board is granted certain supervisory powers over these districts and charged with the duty of assisting such districts, keeping them and the public informed, coordinating district programs and securing the help of the Federal Government.

The Board, out of its appropriation, is authorized to allocate moneys to the individual soil districts to enable them to carry out their work.

As of the end of 1940, four Soil Conservation Districts had been organized in the State. The Soil Conservation Board had held five public hearings, made several surveys and conducted three referenda.

D. PERSONNEL

To perform its many varied activities, the Department of Agriculture possesses a large and diversified staff. Much of the work is of such a specialized nature as to require trained and technical personnel.

1. Executive Office

The chief executive of the Department is the Secretary of Agriculture appointed by the Governor to serve at his pleasure, and receiving a salary set by the Administrative Code ⁽²²⁾ at \$10,000 per year.

The Executive Office of the Department of Agriculture, being of a general administrative character, is staffed with predominantly clerical employees. These include stenographers, typists, bookkeepers, duplicating machine operator, messenger, etc. Also in this office is the deputy-secretary and a comptroller. As of June 1, 1940 there were 23 such employees in the Office, receiving annual salaries totaling \$37,220. Occasionally, temporary employees are hired on an hourly or per diem wage basis.

2. Bureau of Animal Industry

The Bureau of Animal Industry is one of the sections of the Department of Agriculture which employs a large proportion of specialists and technically trained workers. These are supplemented by the usual complement of stenographers, typists, clerks, etc.

a. Administrative Division

Heading the Bureau of Animal Industry is a Director of Animal Industry. Constituting the remainder of the Administrative Division are a group of clerical employees. As of June 1, 1940, the Administrative Division had an annual payroll of \$10,980, this being the total annual compensation of 5 employees, including the Director.

b. Bovine Tuberculosis Eradication Division

The Bovine Tuberculosis Eradication Division is headed by a Chief of Bovine Tuberculosis Eradication. Under this Chief is an assistant chief and a staff of field veterinarians and trained workers. The Division also possesses an office manager who generally directs, subject to the supervision of the Chief, a number of clerical employes. The veterinarians, while not assigned to specific districts, work out of private offices.

As of June 1, 1940, the staff of the Division of Bovine Tuberculosis Eradication numbered 52, receiving salaries aggregating \$84,210 per year. In addition, this Division follows the practice of employing certain personnel, particularly veterinarians, on a per diem basis, as needed.

c. Miscellaneous Disease Control Division

The work of the Miscellaneous Disease Control Division is primarily performed by veterinarians and trained technical workers. These employes, plus the usual clerical workers, are under the direction of a Chief of Miscellaneous Disease.

The payroll of the Division, as of June 1, 1940, contained 46 employes whose annual salaries totaled \$57,990. This Division also has a policy of employing veterinarians and other employes on a per diem basis, as needed.

d. Laboratory And Farm Division

The Laboratory and Farm Division is another place where technical and trained employes are essential. On the staff of the Division are technicians, pathologist, clerical and general workers, etc. As of June 1, 1940, there were 21 such employes of the Division of Laboratory and Farm. The annual salaries of these employes totaled \$35,880.

e. Meat Hygiene Division

The bulk of employes assigned to the Division of Meat Hygiene are

veterinarians who inspect meats, slaughter houses, community sales, etc., which are not covered by Federal or city inspectors. These State inspectors are granted Federal certificates and the Federal authorities accept their inspections. The veterinarians and the clerical help of the Division are under the control of the Chief of Meat Hygiene.

As of June 1, 1940, the Division was staffed with 9 employes, drawing annual salaries aggregating \$20,860.

f. Dog Law Enforcement Division

The work of the Dog Law Enforcement Division requires a staff of investigators in the field, constantly on the alert to enforce the laws. Such investigators compose the majority of the Division's staff. They are assigned to specific districts and provided with special State cars. The Division has the usual complement of clerical employes.

As of June 1, 1940, the Division's employes numbered 34 and their annual salaries totaled \$52,320.

g. District Office Division

The District Offices located throughout the State are primarily staffed with veterinarians and such clerical and other employes as are needed. The number of such employes as of June 1, 1940, totaled 18, drawing salaries totaling \$39,540 per year.

h. Summary of Bureau of Animal Industry Personnel

As of June 1, 1940, the seven divisions of the Bureau of Animal Industry were staffed with 185 regular employes, receiving total annual salaries of \$301,780. At that time, in accordance with the general practice of the Department, there were also certain temporary employes, being compensated on a wage basis. A large number of these temporary employes were veterinarians, generally averaging about 17 working days per month.

3. Bureau of Plant Industry

The Bureau of Plant Industry is another Bureau whose many functions require the services of technically trained personnel. As with all bureaus, this technical personnel is supplemented by clerical and other employes, performing the routine non-technical work.

a. Administrative Division

In the Administrative Division, and heading it as well as the rest of the Bureau, is a Director of Plant Industry. Others on the staff of the Division include stenographers, typists and file clerk. These employes numbered 7 as of June 1, 1940, and their annual salaries at that time amounted to \$11,840.

b. Entomology Division

The Division of Entomology is administered by a head entomologist, who directs a staff of entomologists, plus a clerical assistant. As of June 1, 1940, there were 4 employes in this Division, and their annual salaries totaled \$11,520.

This Division makes extensive use of temporary employes compensated on an hourly wage basis. The number and character of such employes is dependent upon the season of the year. When Gypsy Moth, Japanese Beetle, or some other plant pest is prevalent, the Division hires temporary help to assist in the work at hand.

c. Plant Pathology Division

The work of the Plant Pathology Division is technical in nature, requiring the services of persons educated and experienced in plant diseases. For this reason the staff of the Division consists of plant pathologists, a potato wart inspector, and a stenographer-clerk for clerical duties. The staff is headed by a principal plant pathologist.

The total employes of the Division as of June 1, 1940, was 7. They received salaries amounting to \$18,060 a year. The Division of Plant Pathology also seasonally expands its staff to handle any special problems that arise. An example of this is the increasing of the Potato Wart force in the fall of the year.

d. Botany Division

The principal function of the Botany Division is the analysis and certification of seeds. For this reason the Division is staffed with seed analysts and a head botanist. As of June 1, 1940, the Division had 3 employes, with an annual payroll of \$5,100.

e. Nursery Inspection Division

The Division of Nursery Inspection has nursery inspectors who travel throughout the State inspecting and certifying nurseries and nursery stock. As of June 1, 1940, this work was being done by 3 employes, receiving salaries amounting to \$6,060 a year.

f. Summary for Bureau of Plant Industry Personnel

As of June 1, 1940, the five divisions of the Bureau of Plant Industry employed a total of 24 employes whose annual salaries totaled \$52,580. Some of these employes were located in the district offices of the Bureau and worked out of these offices.

In addition to its regular employes the Division follows the practice of hiring temporary employes on a wage basis to handle seasonal work as it arises.

4. Bureau of Markets

The Bureau of Markets does not perform the type of work which requires the technical training that is necessary in other bureaus of the Department. Its work is of a more general character, which accounts for the large proportion of clerical employes therein.

a. Administrative Division

The Administrative Division of the Bureau of Markets had 3 employes as of June 1, 1940. The annual salaries of these employes totaled \$3,660.

b. Market News Service Division

The Market News Service Division requires the services of a market analyst and market reporters who secure the desired information from the various markets. There were 4 employes doing this work as of June 1, 1940. Their annual salaries aggregated \$7,660.

c. Fruit and Vegetable Marketing Division

As of June 1, 1940, the regular staff of the Fruit and Vegetable Marketing Division consisted of an advanced fruit and vegetable inspector, receiving an annual salary of \$3,000. However, this is another division which seasonally supplements its regular staff with temporary employes compensated on a per diem basis.

d. Poultry and Egg Marketing Division

The Division of Poultry and Egg Marketing is staffed with poultry inspectors, supervised by a Chief of Poultry. The staff of this Division as of June 1, 1940, was composed of 4 employes. The annual salaries of these employes totaled \$8,580. Temporary employes are engaged from time to time as needed.

e. Egg-Laying Contest Division

Like many of the Divisions in the Department of Agriculture, the personnel of the Egg-Laying Contest Division is dependent upon the seasonal character of the Division's work. As of June 1, 1940, the regular salaried staff handling the Contest consisted of one poultry husbandman receiving \$1,140 per year. At peak periods this salaried staff is supplemented by additional employes of this type, plus some clerical assistance. The Contest

usually has at least one laborer hired on an hourly basis.

f. Licensing and Bonding Division

The work of the Licensing and Bonding Division is performed by the personnel of the Administrative Division.

g. Summary for Bureau of Markets Personnel

The salaried personnel of the Bureau of Markets is variable, depending upon the season of the year. As of June 1, 1940, the staff of the Bureau consisted of 13 employes drawing annual salaries aggregating \$24,040. This Bureau follows a practice in vogue throughout the Department of hiring temporary employes on a wage basis as the work requires.

5. Bureau of Foods and Chemistry

The personnel positions in the Bureau of Foods and Chemistry are dependent upon the particular Division of the Bureau to which they are assigned.

a. Administrative Division

Employes in the Administrative Division of the Bureau of Foods and Chemistry are chiefly of a clerical and stenographic type. Also a part of the Administrative Division is the Director of Foods and Chemistry.

Including the Director, the staff of the Administrative Division on June 1, 1940, comprised 11 employes, receiving annual salaries aggregating \$17,580.

b. Law Enforcement Division

The Law Enforcement Division of the Bureau of Foods and Chemistry has food agents who are stationed in specific districts, of which there are fourteen, and who are constantly circulating throughout their districts enforcing the Food Laws. There are special agents for the enforcement of the beverage laws as distinct from those enforcing the food and agricultural products laws.

There were 17 food agents and 4 beverage agents employed by the Division

of Law Enforcement as of June 1, 1940. These 21 employes were compensated at rates of pay which totaled \$39,900 a year.

c. Laboratory and Consulting Chemists Division

The very nature of laboratory work requires training and experience. For this reason the Division of Laboratory and Consulting Chemists is staffed with chemists. The Laboratory itself is under the direction of a head chemist. As of June 1, 1940, the Laboratory was operated by 9 employes, whose annual salaries amounted to \$20,340.

In addition, the Division has a group of consulting chemists who advise with the employes of the Division. These consulting chemists receive a fee of \$10 a day and expenses whenever they are called in for consultation.

Occasionally the seasonal burden of work may require hiring other chemists on a temporary basis. For instance, during the apple harvesting season an experienced chemist was employed on a per diem basis to test spray residues at a branch laboratory in Arendtsville.

d. Summary for Bureau of Food and Chemistry Personnel

The Bureau of Foods and Chemistry on June 1, 1940, had 41 salaried employes on its payroll, at annual rates of pay totaling \$77,820. At required times, temporary employes are hired on a wage basis.

6. Administrative Boards

The personnel of the Administrative Boards may be broken down into two categories: (1) the personnel of the Boards themselves and (2) the personnel under the supervision and control of the Boards.

a. State Farm Products Show Commission

The State Farm Products Show Commission consists of the Governor, the Secretary of Agriculture, another officer of the Secretary of Agriculture designated by the Secretary, an officer of the Department of Public Instruc-

tion, designated by the Superintendent of Public Instruction, the Dean of the School of Agriculture, and the Director of Agricultural Extension of the Pennsylvania State College, and three other persons appointed by the Governor for a term of four years. These three persons must be selected by the Governor from a list of at least six candidates nominated by the State Farm Products Show Committee from among its members. The State Farm Products Show Committee is an organization composed of representatives from the various State agricultural associations which participate in the Show. However, if the Committee does not submit a list to the Governor, he may appoint any citizen of the State.

(23)

The Secretary of Agriculture is Chairman of the Commission. All members serve without compensation, although they are reimbursed for all expenses incurred in the discharge of their duties.

Aside from the personnel of the Commission, there are the employes of the Commission. While the Farm Show is held for only one week each year, preparations for the Show constitute a year-round task for which personnel is required. In addition, there must be a maintenance crew on duty at the State Farm Show Building throughout the year. Thus, the Commission has a clerical staff, plus such employes as an electrician, heating plant operator, laborer, watchman, etc.

On June 1, 1940, there were 11 such employes on the staff of the Commission. Their annual salaries totaled \$14,220.

During the holding of the Farm Show and when the show building is rented for other purposes, the staff is supplemented by as many temporary employes as are needed. These are generally compensated on an hourly basis.

b. State Soil Conservation Board

The State Soil Conservation Board is composed of the Secretary of Forests and Waters, Secretary of Highways, Director of the State College

Experimental Station, Chief Engineer of the Water and Power Resources Board, and the Secretary of Agriculture, ex officio. The Board may invite the Secretary of Agriculture of the United States to appoint one person to serve on the Board. (24) All members serve without compensation, other than reimbursement for expenses incurred.

The limited appropriation allowed the Board in the 1937-39 budget does not permit hiring any permanent employes; consequently, the Board is without any regular salaried staff. Such employes as are needed to attend to the Board's hearings and other activities are hired on a temporary basis.

7. Summary for Department of Agriculture Personnel

As of June 1, 1940, the Department of Agriculture was staffed with regular salaried personnel as shown in Table VII-A. As of this date there were also several vacancies in positions that were in the process of being filled. This regular salaried staff is supplemented by temporary employes hired on an hourly, per diem, or a fee basis when needed. Some of this temporary personnel is periodically hired to handle work that is regularly required. The employment of other temporary personnel is occasioned by the seasonal character of the Department's work, which results in large additions to various Divisions during the peak seasons for their work.

TABLE VII-A

DEPARTMENT OF AGRICULTURE
SUMMARY STATEMENT OF EMPLOYES AND TOTAL ANNUAL SALARIES
JUNE 1, 1940

Bureau and Division	Number of Employes	Total Annual Salaries
<u>Executive Office:</u>		
Division of Administration	13	\$ 31,080
Division of Accounts and Purchases	8	11,760
Duplicating and Mailing Section Total ...	<u>3</u>	<u>4,380</u>
Total	<u>24</u>	<u>\$ 47,220</u>

TABLE VII-A
(Continued)

Bureau and Division	Number of Employees	Total Annual Salaries
<u>Bureau of Animal Industry:</u>		
Division of Administration	5	\$ 10,980
Division of Tuberculosis Eradication	52	84,210
Division of Miscellaneous Diseases	46	57,990
Division of Laboratories	21	35,880
Division of Meat Hygiene	9	20,860
Division of District Offices	18	39,540
Division of Dog Law Enforcement	<u>34</u>	<u>52,320</u>
Total	<u>185</u>	<u>\$301,780</u>
<u>Bureau of Plant Industry:</u>		
Division of Administration	7	\$ 11,840
Division of Entomology	4	11,520
Division of Plant Pathology	7	18,060
Division of Botany	3	5,100
Division of Nursery Inspection	<u>3</u>	<u>6,060</u>
Total	<u>24</u>	<u>\$ 52,580</u>
<u>Bureau of Markets:</u>		
Division of Administration	3	\$ 3,660
Division of Marketing Reporting	4	7,660
Division of Fruit & Vegetable Marketing.	1	3,000
Division of Poultry Marketing	4	8,580
Division of Egg Laying Contest	<u>1</u>	<u>1,140</u>
Total	<u>13</u>	<u>\$ 24,040</u>
<u>Bureau of Foods & Chemistry:</u>		
Division of Administration	11	\$ 17,580
Division of Law Enforcement	21	39,900
Division of Laboratory and Consulting Chemists	<u>9</u>	<u>20,340</u>
Total	<u>41</u>	<u>\$ 77,820</u>
State Farm Products Show Commission	11	\$ 14,220
<u>GRAND TOTAL</u>	<u>298</u>	<u>\$517,660</u>

E. FINANCES

While the many activities of the Department of Agriculture entail sizeable expenditures, they also produce significant revenues. These revenues are primarily composed of license fees, inspection charges, violation of law fines, and earnings from shows and contests sponsored by the Department.

In the following discussion of finances, the various expenditures and revenues of the Department are considered as far as possible by the Bureau to which they apply. Expenditure figures have been furnished by the Department, while revenue figures have been taken from the Report of the Auditor General for the biennium 1937-39.

1. Executive Office

In the two years of the 1937-39 biennium, the Executive Office of the Department of Agriculture expended \$116,802. Of this amount, the Administrative Division disbursed \$75,405 for salaries and expenses, plus \$887 from a stores account. The Division of Crop Reporting and Information accounted for the remainder of \$40,510.

Another item to be added to the administrative cost is the salary of the Secretary of Agriculture, which amounted to \$19,987 for the biennium. This amount, together with the other disbursements of the Executive Office, brings the total expenses of the Office to \$136,789.

The activities of the Executive Office produce no direct revenue.

2. Bureau of Animal Industry

The activities of the Bureau of Animal Industry make it one of the major Bureaus of the Department. Certainly this is true from a financial viewpoint, as the Bureau is responsible for the expenditure of more money than any other in the Department.

a. Expenditures

In the 1937-39 biennium, the expenditures for the actual work of bovine tuberculosis eradication, miscellaneous disease control, meat hygiene inspection, and the operation of the Bureau's laboratory and farm totaled \$749,688. The Dog Law Enforcement activities of the Bureau necessitated the expenditure of \$244,187. Thus, the Bureau of Animal Industry disbursed for salaries, wages, traveling expenses, supplies, rentals, etc., the sum of \$993,875.

(1) Animal Indemnities

However, the activities of the Bureau of Animal Industry provoke an item of expense which amounts to more than the cost of operating the Bureau. This additional item is for animal indemnities. When an agent of the Bureau, in connection with bovine tuberculosis eradication or miscellaneous disease control work, discovers any diseased animals he may order their destruction to prevent the spread of the disease. For livestock raisers the compulsory destruction of a portion of their herd is a serious economic blow. However, to compensate owners for their losses, which are incurred to benefit the public health, the Federal and State Governments have developed a plan for indemnifying owners of animals destroyed to prevent the spread of disease.

When an agent of the Bureau of Animal Industry orders the slaughtering of an animal, the agent proceeds to appraise the animal to determine its fair market value. (Dead or dying animals are not appraised). The appraised value must be agreed to by the owner. If the owner does not agree to the value, three appraisers are appointed -- one by the agent, one by the owner, and one by both -- to appraise the animal. The value set by the appraisers is the value used in determining the indemnity.

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State law provides that the amount of compensation paid by the Commonwealth, together with any salvage or other return the owner may receive, shall not exceed 90% of the appraised value. However, the State is not permitted to pay more than \$60.00 for a horse, jack or mule, \$32.50 for a non-registered bovine animal, \$50.00 for a pure-bred registered bovine animal, \$10.00 for a non-registered sheep, goat or pig, or \$25.00 for a pure-bred registered sheep, goat or pig.

The Federal Government contributes to the indemnity paid. It has a schedule of indemnities which determine its contributions. In actual prac-

tice the animal is slaughtered and the owner sells what he can from salvage. He then renders a statement to the Department of Agriculture of what he has received for salvage. This amount is subtracted from 90% of the appraised value. From the resulting figure the Federal indemnity is subtracted. The remainder constitutes the State's contribution, provided it is not in excess of the maximum legally payable by the State. If it does exceed the legal limit, only the maximum is paid and the owner receives less than 90% of the value of the animal.

The amount of indemnities paid depends upon the number of animals condemned and the general market prices for animals. Indemnities constitute the largest single item of expenditure of the Department. During the 1937-39 biennium animal indemnities paid by the State amounted to \$1,181,967. This amount, added to the operating expenditures of the Bureau, produced total expenses of \$2,175,842 occasioned by the work of the Bureau of Animal Industry.

b. Receipts

The Bureau of Animal Industry has several sources of revenue. One source is the licensing of domestic livestock dealers. Each dealer or broker must annually pay \$5 for a license, plus \$1 for a license for each agent of the broker or dealer. In the 1937-39 biennium these license fees produced a total of \$8,422.

A minor source of revenue to the Bureau of Animal Industry is the fining of violators of the meat and meat hygiene laws. In the 1937-39 biennium these fees brought in \$67. Another source of income is really not a revenue but a refund. The State compensates owners of livestock which is damaged by dogs, but retains the right to proceed against the dog owner for reimbursement, where the owner is determinable. Damages so recovered by the

Bureau amounted to \$4,858 during the 1937-39 biennium. In addition, the Bureau recovered \$13,865 from the sale of surplus products. Thus, total receipts of the Bureau totaled \$27,212.

The Department of Agriculture, through its Division of Dog Law Enforcement, is charged with certain duties with regard to licensing of dogs and the prosecution of violators of the law. However, the revenue from this source does not clear through the Department. These funds are received by the Department of Revenue and in 1937-39 the dog license fees produced \$1,358,468, while Dog Law fines brought in \$14,450.

3. Bureau of Plant Industry

The Bureau of Plant Industry had in addition to its regular salary and expense appropriation several earmarked appropriations to control. The receipts of the Bureau are small.

a. Expenditures

For the 1937-39 biennium the expenditures of the Bureau out of its regular salary and expense appropriation amounted to \$356,278. Of this amount, \$48,389 was spent for Japanese Beetle control and \$101,283 for Gypsy Moth eradication. The remainder of \$206,606 financed the other general activities of the Bureau.

In addition to these expenditures, the Bureau of Plant Industry directs several earmarked appropriations. Out of a special appropriation for the purpose the Bureau expended \$7,955 for experiments on tobacco and the control of Tobacco Wildfire. The Plant Pest Act of 1937 (26) provided that if the Department required the destruction of any red cedar trees in its program of Apple Rust control, it could compensate owners up to 70% of the value of the destroyed plants. A special appropriation (27) was made for this purpose and during the 1937-39 biennium \$417 was expended for plant indemnities.

b. Receipts

The Bureau of Plant Industry has few receipts. The Botany Division's work of testing and certifying is done upon a fee basis. These fees amounted to \$1,118 for the two fiscal years of the 1937-39 biennium.

Other receipts of the Bureau come from fines imposed under the Plant Pest Acts, and from reimbursements for work performed under these laws. During the biennium these two sources produced \$969 and \$556, respectively, bringing the total receipts of the Bureau of Plant Industry up to \$2,643.

4. Bureau of Markets

The finances of the Bureau of Markets can be broken down into two classifications, namely, the finances of the Bureau proper, and the finances of the Egg-Laying Contest Division.

a. Expenditures

During the 1937-39 biennium, the general salary and expense disbursements of the Bureau proper amounted to \$130,759. There is another item of expense which should properly be considered in the Bureau of Markets. This is the expense of promoting the potato interests. In the 1937-39 biennium, this work was actually done in the Executive Office. Now, however, it is being done by the Bureau of Markets and future expenditures for the purpose will be administered by this Bureau. Out of a special appropriation (28) for this purpose in the 1937-39 biennium, \$17,640 was spent.

The Egg-Laying Contest has expenses for labor, feed, supplies, etc. For the contests covered in the 1937-39 biennium, these expenses aggregated \$20,999.

If these three items of expense are added together, a total figure of \$16,398 is produced. This represents the 1937-39 cost of performing the work now handled by the Bureau of Markets.

b. Receipts

Offsetting the expenditures of the Bureau of Markets are the fees produced by its activities. To examine and license egg inspectors who grade the eggs in the individual markets, the Bureau charges fees, which in the 1937-39 biennium amounted to \$156. The Bureau also collects fees for inspecting farm products. The schedule of fees is established by the Department. In the 1937-39 biennium these fees totaled \$27,725.

A third source of revenue for the Bureau of Markets is the licensing of farm products dealers. Dealers must pay an annual license fee of \$10 (29) for each place of business in which they desire to conduct business. The Bureau of Markets collected \$4,900 in the 1937-39 biennium from such fees.

The Egg-Laying Contest is also a revenue producer. Each poultryman who enters a flock in the Contest must pay an entrance fee of \$20. For the 1937-39 biennium these entrance fees totaled \$3,855.

5. Bureau of Foods and Chemistry

The nature of the work of the Bureau of Foods and Chemistry incurs considerable expense. However, the revenues produced by the work of the Bureau, both from fees and fines, are several times the expenditures. This is the one Bureau of the Department which is self-sufficient according to the present allocation of receipts and expenditures.

a. Expenditures

The salaries and expenses of the Administrative Division plus the salaries and expenses of the food and beverage agents, together with the cost of operating the laboratory and compensating the consulting chemists amounted to \$295,399 for the 1937-39 biennium.

b. Receipts

Revenues produced by the Bureau of Foods and Chemistry are generally of two types, namely, license fees and violation fines. During the 1937-39 biennium, these sources produced \$1,163,030 composed of \$1,132,413 in fees and \$30,617 in fines. These arise as follows, (1) revenues resulting from the Food Product Laws and, (2) revenues resulting from the Agricultural Laws.

(1) Food Products

The fee charged bakers for yearly licenses to operate, depends upon the amount of flour used per week by the bakery. If less than 100 barrels of flour are used per week the fee is \$5.00, for bakers using between 100 and 200 barrels of flour per week the fee is \$10.00, and a \$20.00 fee applies to all bakeries using over 200 barrels per week. (30) In the 1937-39 biennium, these fees amounted to \$40,080. For violations of the fines ranging from \$25 to \$100 are assessed and during the two year period these aggregated \$3,632.

Manufacturers of carbonated beverages and still drinks must secure licenses each year, for which a fee of \$50 per year is required. (31) During 1937-39 these fees thus collected by the Bureau of Foods and Chemistry totaled \$97,300. Fines for violations by beverage manufacturers and sellers produced \$1,595.

The \$50 fee for annual licenses required of cold storage warehouses (32) amounted to \$7,050 for the biennium and fines collected from such institutions during the period totaled \$20. Those engaged in the business of egg-opening and separating must pay an annual license fee of \$50. (33) These fees amounted to \$2,150 for the biennium. Fines for violations of the fresh egg

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laws total \$500.

The license fees for ice cream manufacturers depends upon the volume of ice cream produced by the license. If a company annually produces 100,000 gallons or less, the fee is \$10. If the production is between 100,000 and 250,000 gallons a year the fee is \$50, while a \$100 fee is charged for licenses issued to companies producing in excess of 250,000 gallons annually. (35)
On this basis the ice cream license fees for the two fiscal years of the 1937-39 biennium totaled \$37,095.

The largest single item of income of the Bureau of Foods and Chemistry are the fees received for oleomargarine and butter processing licenses. The following schedule of annual license fees applies: manufacturers -- \$1,000; wholesalers -- \$500; retailers -- \$100; restaurants, dining rooms, or hotels, -- \$50; boarding houses -- \$10. (36) Although Pennsylvania has no oleomargarine manufacturers, there were sufficient sellers and users in the State to bring in \$802,361 in fees in the 1937-39 biennium. Fines for violations of the laws over the same period equaled \$200. Fines for violations of the butter law (37) totaled \$2,425.

Other revenues received from law enforcement activities of the Bureau of Foods and Chemistry during the biennium included fines of \$5,200 for violations of the Sausage Law (38) and \$500 fines from Vinegar Law (39) violations. For violations of other pure food laws, fines of \$11,762 were received by the Bureau. When certain activities of the Bureau with regard to milk were transferred to the Milk Control Commission, the revenues produced by such activities ceased to be a receipt of the Bureau.

These license fees and violation fines produced by the Bureau's enforcement work on the food product laws totaled \$1,011,870 -- \$986,036 for license

fees and \$25,834 for fines.

(2) Agricultural Products

Pennsylvania manufacturers and importers of concentrated commercial feed-stuffs for animals must register and file a statement and analysis of each new brand which they offer for sale. The Department charges a fee of \$5 for each such new brand registered. In addition, each domestic manufacturer or importer of concentrated commercial food-stuffs must pay an annual license fee for each brand, based upon the volume of sales of the particular brand during the previous year. If 150 tons or less of the brand was sold the fee is \$5; 150 to 300 tons, \$10; 300 to 500 tons, \$15; and over 500 tons, \$25. However, if the manufacturer or importer voluntarily pays a \$25 fee for a brand he need not make a statement of his sales. For certain pure feed-stuffs a flat \$5 fee is charged. (40)

Another source of income from feeding-stuffs is analysis fees. Any manufacturer or purchaser may send a sample to the Department for analysis for which a fee of \$5 is charged. In the 1937-39 biennium the license and analysis fees for feeding-stuffs totaled \$85,617. For violations of the feeding-stuff laws a fine of from \$50 to \$100 is charged for the first offense and from \$100 to \$200 for each subsequent violation. Over the biennium the enforcement activities of the Bureau of Foods and Chemistry produced \$4,033 in fines.

The Bureau's enforcement of the Fertilizer Laws also brings in revenue. Pennsylvania manufacturers or importers of trade name fertilizers must pay an annual license fee based on the preceeding year's sales of that product. If sales were 150 tons or less the fee is \$15; 150 to 250 tons, \$20; 250 to 400 tons, \$30; 400 to 500 tons, \$40; over 500 tons, \$50. If no sales of the

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product have been made a fee of \$15 is charged. These fees brought in \$47,900 during the 1937-39 biennium. Fertilizer fines, which are \$25 to \$100 for the first violation and not less than \$200 for each subsequent violation, accounted for receipts of \$750 during the 1937-39 biennium.

While the Bureau of Plant Industry tests insecticides and fungicides the Bureau of Foods and Chemistry enforces the laws with respect to them. This includes the registration of brands. Each domestic manufacturer or importer of insecticides or fungicides must register each brand of these products with the Bureau. A fee of \$5 is charged for each brand registered. However, if a company registers more than five brands, the fee is only \$1 (42) for each additional brand over five. The fees thus collected by the Bureau in 1937-39 amounted to \$8,135.

Lime and gypsum manufacturers and importers must pay a license fee based upon the previous year's sales of each brand. If a brand sells 1,000 tons or less in a year, the fee is \$5. Sales of 1,000 to 5,000 tons for a brand invoke a fee of \$10, while any brand which sells over 5,000 tons a year may give rise to a \$20 fee. If no sales have been made of a brand, a fee of \$5 is charged. Any registered manufacturer or importer may have up to two (43) brands analyzed each year by the Department at a cost of \$5 an analysis. These license and analysis fees amounted to \$4,725 over the 1937-39 biennium.

The work of the Bureau of Foods and Chemistry in enforcing the agricultural products laws thus produced \$146,377 in license and analysis fees and \$4,783 in fines, for a total of \$151,160.

6. Administrative Boards

Each of the administrative boards in the Department of Agriculture is either completely or partially independent in its financing.

a. State Farm Products Show Commission

There is a State Farm Products Show Fund into which all the revenues of the State Farm Products Commission are placed. Out of this fund are paid the expenses of the Commission, cost of maintaining the Farm Show Building, expense of running the Show, etc. During the 1937-39 biennium these expenses out of special operating fund amounted to \$152,970. In addition, there is a regular appropriation in the Department's budget to supplement this fund. During the biennium, expenditures from this appropriation totaled \$74,984, making total expenditures of \$227,954 for the Commission.

During the same period the receipts of the Commission amounted to \$165,289, all of which went into the State Farm Products Show Fund. Of this amount \$30,206 came from concession revenues, \$121,714 from exhibition fees, \$6,037 from rental of the property, \$4,861 from service charges. The remainder was made up of commissions on sales of exhibits, interest on deposits, sale of exhibits, sale of publications and miscellaneous revenue.

Thus, the Farm Products Show Commission expended \$227,954 during the 1937-39 biennium while receiving \$165,289.

b. Soil Conservation Board

The Soil Conservation Board has no source of receipts. In the 1937-39 biennium the salaries and expenses of the Board, plus the cost of holding referendums and other general activities amounted to \$6,656.

7. Miscellaneous Finances

The Department of Agriculture has certain items, which, because of their nature, can not be considered in connection with any particular bureau.

An appropriation is made each biennium to the Department for "encour-

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aging agricultural exhibits." In accordance with a 1917 law, this money is used to make grants to local agriculture associations for prizes at their fairs and contests. No organization is permitted to receive more than they give in prizes for domestic products and in no event more than \$1,000 a year. In the 1937-39 biennium these grants amounted to \$117,736.

Another expenditure of a special nature was the disbursement of \$6,589 for a Pennsylvania exhibit at the World's Poultry Congress. This expenditure was made pursuant to a special appropriation (45) which stated that because of the fact that the Congress was being held in the United States and that Pennsylvania is one of the important poultry states, a State exhibit should be sponsored.

In addition to these special items, there were also several items of miscellaneous receipts. Because they are lumped together it is impossible to correctly charge them to any particular section. In the 1937-39 biennium, the Department received miscellaneous fees of \$21, miscellaneous fines of \$4,217 and other miscellaneous revenues of \$507.

8. Budget for 1939-41 Biennium

The original budget for the 1939-41 biennium for the Department of Agriculture originally called for appropriations of \$2,845,500. The Legislature increased this to \$3,294,000 which was the amount finally approved. However, the 1939 Special Session of the Legislature reduced the amount by an \$80,000 cut in the general salary and expense item to \$3,214,000. These changes occurred as shown in Table VII-B.

TABLE VII-B

DEPARTMENT OF AGRICULTURE
BUDGET - 1939-41 BIENN IUM

Title	Original Budget	Approved Budget	After Special Sess. Budget
Salary of Secretary	\$ 20,000	\$ 20,000	\$ 20,000
Salaries and General Expenses .	1,685,500	1,685,500	1,605,500
Encouraging Agricultural Ex- hibits	75,000	100,000	100,000
Egg-Laying Contest	15,000	21,000	21,000
Conducting Tobacco Experiments.	--	5,000	5,000
Animal Indemnities	1,000,000	1,400,000	1,400,000
State Farm Show Commission	50,000	50,000	50,000
World's Poultry Congress Exhibit	--	1,500	1,500
Soil Conservation Board	--	1,000	1,000
Potato Industry	--	10,000	10,000
Total	\$2,845,500	\$3,294,000	\$3,214,000

In addition to these appropriations the Governor allocated \$151,400 for expenditures out of the State Farm Products Show Fund.

Offsetting these appropriations it was estimated that \$1,438,157 would be received in licenses and fees, fines and other income.

Summary of Finances

Table VII-C summarizes the actual finances for the 1937-39 biennium and the estimated finances for the 1939-41 biennium, for the Department of Agriculture.

TABLE VII-C

DEPARTMENT OF AGRICULTURE
RECEIPTS AND EXPENDITURES
1937-1939 AND 1939-1941 BIENNIUM

Item	1937-39 Actual Expenditures and Receipts	1939-41 Proposed Expenditures and Receipts
<u>Expenditures 1/</u>		
Salaries and Expenses -		
Executive Office 2/	\$ 136,789	\$ --
Bureau of Animal Industry.....	993,875	--
Bureau of Plant Industry.....	356,278	--
Bureau of Markets.....	130,759	--
Bureau of Foods and Chemistry.....	295,399	--
Total.....	<u>\$1,913,100</u>	<u>\$1,625,500 4/</u>
Specific Appropriations -		
Animal Indemnities.....	\$1,181,967	\$1,400,000
Tobacco Experiments.....	7,955	5,000
Plant Indemnities.....	417	--
Potato Interests.....	17,640	10,000
Egg Laying Contest.....	20,999	21,000
Encouraging Agricultural Exhibits.....	117,736	100,000
World Poultry Congress Exhibit.....	6,589	1,500
State Farm Show Commission.....	74,984	50,000
State Farm Show Fund.....	152,970	151,400
Soil Conservation Board.....	6,656	1,000
Total.....	<u>\$1,587,913</u>	<u>\$1,739,900</u>
Total Expenditures.....	<u>\$3,501,013</u>	<u>\$3,365,400</u>
<u>Receipts 3/</u>		
Licenses and Fees -		
Domestic Livestock Dealers Licenses....	\$ 8,422	\$ 9,000
Seed Testing and Certificate Fees.....	1,188	1,300
Egg Inspectors Licenses.....	156	160
Inspecting Farm Products.....	27,725	29,034
Farm Produce Dealers Licenses.....	4,900	6,200
Egg Laying Contest Fees.....	3,855	3,400
Bakery Licenses.....	40,080	39,620
Carbonated Beverage Licenses.....	97,300	99,200
Cold Storage Warehouse Licenses.....	7,050	6,600

TABLE VII-C
(Continued)

Item	1937-39 Actual Expenditures and Receipts	1939-41 Proposed Expenditures and Receipts
<u>Receipts (Continued)</u>		
Licenses and Fees -		
Egg-Opening Licenses.....	2,150	2,200
Ice Cream Licenses.....	37,095	37,330
Oleomargarine & Butter Processing Licenses.....	802,361	832,004
Feeding Stuff Licenses and Analysis Fees.....	85,617	85,306
Fertilizer Licenses.....	47,900	47,970
Insecticide and Fungicide Licenses....	8,135	9,310
Lime and Gypsum Licenses and Analysis Fees.....	4,725	4,280
Miscellaneous Fees.....	21	40
Total.....	<u>\$1,178,680</u>	<u>\$1,212,954</u>
Fines -		
Meat Fines.....	\$ 67	\$ 84
Plant Pest Fines.....	969	800
Bakery Act Fines.....	3,632	5,850
Carbonated Beverage Fines.....	1,595	2,270
Cold Storage Warehouse Fines.....	20	40
Egg Fines.....	500	1,560
Oleomargarine Fines.....	200	400
Butter Fines.....	2,425	2,850
Sausage Fines.....	5,200	4,900
Vinegar Fines.....	500	100
Pure Food Fines.....	11,762	16,166
Feeding Stuff Fines.....	4,033	5,120
Fertilizer Fines.....	750	1,150
Potato Fines.....	--	2,200
Miscellaneous Fines.....	4,217	5,168
Total.....	<u>\$35,870</u>	<u>\$48,658</u>
Miscellaneous Revenues -		
Recovered Dog-Law Damages.....	\$ 4,858	\$ 5,000
Sale Surplus Products.....	13,865	13,870
Plant Pest Reimbursements.....	556	200
Miscellaneous Revenues.....	4,745	25
Total.....	<u>\$ 24,024</u>	<u>\$ 19,096</u>
Farm Products Show Fund Receipts.....	\$ 165,289	\$ 157,450
Total Receipts.....	<u>\$1,403,863</u>	<u>\$1,438,157</u>
Excess of Expenditures over Receipts.....	\$2,097,150	\$1,927,243

1/ Supplied by Department

2/ Includes Salary of Secretary

3/ From Biennial Report of Auditor General, June 1, 1937-May 31, 1939

4/ Appropriation in lump sum - not segregated

FOOTNOTES

- (1) 1913, P. L. 928, Section 29 and 30
- (2) 1913, P. L. 928
1923, P. L. 73
1929, P. L. 110
1929, P. L. 533
1931, P. L. 135
1931, P. L. 682
1935, P. L. 259
1935, P. L. 1038
1937, P. L. 138
- (3) 1929, P. L. 533
1935, P. L. 1038
- (4) 1931, P. L. 682
1935, P. L. 259 and Subsequent Amendments.
- (5) 1909, P. L. 189
1913, P. L. 928
1929, P. L. 110
1931, P. L. 135
- (6) 1911, P. L. 631
1921, P. L. 200
1929, P. L. 510
- (7) 1915, P. L. 587
1917, P. L. 682
1929, P. L. 899
1931, P. L. 496
1931, P. L. 650
1937, P. L. 628
1939, P. L. 656
- (8) 1921, P. L. 522
1923, P. L. 16
1925, P. L. 115
1925, P. L. 641
1927, P. L. 833
1929, P. L. 456
1929, P. L. 1713
1931, P. L. 311
1935, P. L. 227
- (9) 1921, P. L. 95
- (10) 1937, P. L. 318
- (11) 1917, P. L. 224
1925, P. L. 136
1931, P. L. 44
1937, P. L. 318
- (12) 1929, P. L. 488
- (13) 1937, P. L. 318
- (14) 1919, P. L. 466
1929, P. L. 885

FOOTNOTES

(Continued)

- (15) 1929, P. L. 144
- (16) 1919, P. L. 900; 1931, P. L. 491; 1935, P. L. 88
- (17) 1931, P. L. 136
- (18) 1937, P. L. 901
- (19) Authorization for the food law enforcement work of the Bureau is found in the following Acts of the General Assembly: Administrative Code of 1929, as amended; General Food Law of 1909, P. L. 520, as amended; Advertising Law of 1913, P. L. 6, as amended; Bakery Law of 1933, P. L. 912, as amended; Butter Law of 1921, P. L. 129, as amended; Renovated or Process Butter Law of 1901, P. L. 643; Carbonated Beverages and Still Drinks Law of 1925, P. L. 730, as amended; Non-Alcoholic Drinks Law of 1909, P. L. 16, as amended; Sanitary Container Law of May 21, 1937, P. L. 788; Cheese Law of 1897, P. L. 202, as amended; Coffee and Chicory Law of 1915, P. L. 247; Cold Storage Law of 1919, P. L. 670, as amended; Pennsylvania Fresh Eggs Law of 1919, P. L. 900, as amended; Eggs Unfit for Food Law with Supplement of 1909, P. L. 13, as amended; Fruit Syrup Law of 1925, P. L. 10; Pennsylvania Ice Cream Law of 1933, P. L. 1116, as amended; Imitation Dairy Products in Charitable and Penal Institutions Law of 1893, P. L. 112; Lard Law of 1909, P. L. 17, Fresh Meat, Poultry, Game and Fish Law of 1905, P. L. 64; Kosher Products Law of 1929, P. L. 105; Adulteration or Coloring of Milk or Cream Law of 1897, P. L. 142, as amended; Filled Milk Law of 1923, P. L. 28, with supplement; Filled Milk Law Supplement of 1923, P. L. 929; Milk Container Law of 1925, P. L. 83, Milk and Cream Law of 1911, P. L. 712, as amended; Oleomargarine Law of 1901, P. L. 327, as amended; Oleomargarine Law Supplement of 1921, P. L. 467; Oyster Law of 1925, P. L. 34; Sausage Law of 1911, P. L. 51, as amended; Vinegar Law of 1897, P. L. 168, as amended.

- (20) Authority for this work is found in the following Acts of the General Assembly: Feeding Stuffs Act of 1909, P. L. 395 as amended; Caustic Poisons Act of 1923, P. L. 139; Fertilizer Act of 1909, P. L. 344 as amended; Insecticide and Fungicide Act of 1917, P. L. 224 as amended; the Lime Act of 1915, P. L. 678, as amended; Linseed Oil Act of 1913, P. L. 123, as amended; Paint, Putty and Naval Stores Act of 1925, P. L. 229; Bone Law of 1909, P. L. 143.
- (21) 1937, P. L. 2724
- (22) Administrative Code, Section 209
- (23) Administrative Code, Section 430
- (24) 1937, P. L. 2724

FOOTNOTES

(Continued)

- (25) 1931, P. L. 682
1935, P. L. 259
- (26) 1937, P. L. 318
- (27) 1937, 99A
- (28) 1937, 54A
- (29) 1937, P. L. 901
- (30) 1933, P. L. 912
- (31) 1925, P. L. 730
- (32) 1919, P. L. 670; 1931, P. L. 134
- (33) 1913, P. L. 58; 1919, P. L. 267
- (34) 1919, P. L. 900; 1931, P. L. 491; 1935, P. L. 88
- (35) 1933, P. L. 1116
- (36) 1901, P. L. 327; 1901, P. L. 643; 1913, P. L. 412
- (37) 1921, P. L. 129 as amended
- (38) 1911, P. L. 51 as amended
- (39) 1897, P. L. 168 as amended
- (40) 1909, P. L. 395; 1933, P. L. 21
- (41) 1909, P. L. 344; 1917 P. L. 329
- (42) 1917, P. L. 224; as amended
- (43) 1915, P. L. 678; 1933, P. L. 894
- (44) 1917, P. L. 1195
- (45) 1937, 39-A

CHAPTER VIII

DEPARTMENT OF COMMERCE

This Department was created by an amendment to the Administrative Code in 1939, and by the passage of the Commerce Law of that same year. (1) The Pennsylvania State Publicity Commission was abolished at the same time, and its duties of publicizing Pennsylvania's scenic, historic, and recreational advantages, to attract more tourists to the State, were transferred to the Department of Commerce. The State Planning Board, an unattached unit of the State since 1934, was made a Departmental administrative board within the Department of Commerce by the same Act which created the Department.

A. FUNCTION

The purposes of the Department is to reduce unemployment and to better the economic conditions in the Commonwealth by encouraging present industries to remain and expand, by promoting the development of new industries in the Commonwealth, and by stimulating tourist travel in Pennsylvania.

B. POWERS AND DUTIES

To carry out the above functions, the Commerce Law specifically assigned to the Department the following duties:

1. To investigate, study and undertake ways and means of promoting and encouraging the prosperous development and protecting the legitimate interests and welfare of Pennsylvania business, industry and commerce, within and without the Commonwealth.
2. To investigate, study and undertake ways and means of expanding markets and promoting and developing new markets for Pennsylvania products.
3. To promote and encourage the location and development of new business, industries and commerce within the Commonwealth.

4. To investigate and study conditions affecting Pennsylvania business, industry and commerce, and to collect and disseminate information, and engage in technical studies, scientific investigations and statistical research, and educational activities necessary or useful for the proper execution of its duties in promoting and developing Pennsylvania business, industry and commerce within and without the Commonwealth.
5. To cooperate with and assist persons, firms, associations, corporations, cooperative associations and other organizations, and the political subdivisions of the Commonwealth, in the execution of its duties and functions under this act.
6. To make to the General Assembly, from time to time, recommendations for the remedy or improvement of any conditions, and the elimination of any restrictions and burdens imposed by law, or otherwise existing, which adversely affect or retard the development and expansion of business, industry or commerce.
7. To initiate, promote and conduct, or cause to be conducted, research designed to further new and more extensive uses and consumption of natural and other resources and their by-products; and, for such purposes, to enter into contracts and agreements with research laboratories maintained by educational or endowed institutions in this Commonwealth, and to expend appropriations made to the department for such purposes.
8. To investigate and study conditions of unemployment, and to recommend specific remedies for the alleviation of such conditions, and aid in restoring employment in communities affected thereby, in order that the burden of public relief may be lessened.
9. To aid and promote the elimination of unfair competition and trade practices tending to impair price stability and which are harmful to the financial soundness of business, industry and commerce, and to the wages and working conditions of employes.
10. To encourage and develop commerce with other States and foreign countries, and to devise ways and means of removing trade barriers hampering the free flow of commerce between this and other States.
11. To cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry and commerce.

In conjunction with these special powers, the Department was also granted

the power "to plan and conduct a program of information, advertising and publicity relating to the business, industrial, commercial, agricultural, educational, recreational, scenic, historic, highway and residential facilities, advantages and attractions of the Commonwealth", by use of newspapers, magazines, and other media of advertising; and, "so far as it is practicable to do so, to coordinate the activities of persons, firms, associations, corporations and other organizations" engaged in the similar work of publicizing Pennsylvania's facilities, advantages and attractions. The Department is also empowered to advertise the State's business, industrial, commercial and tourist advantages through exhibits at fairs, expositions and other celebrations in Pennsylvania and elsewhere.

C. ORGANIZATION AND OPERATIONS

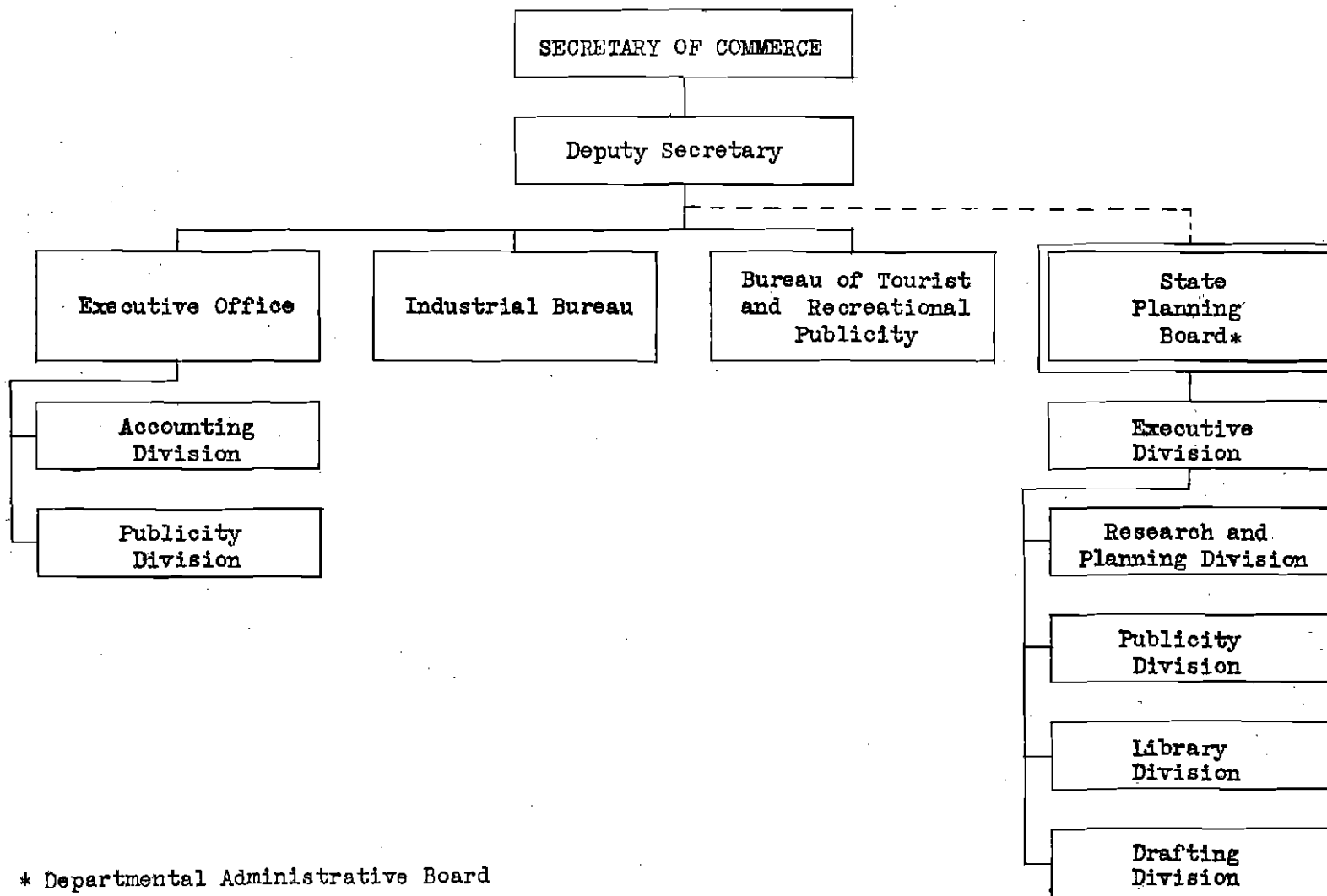
The Department is administered by the Secretary of Commerce, appointed by the Governor, by and with the consent of the State Senate. The Secretary is chairman, ex officio, of the State Planning Board; and, by appointment of the Governor, is also chairman of the Pennsylvania Commission on Interstate Cooperation.

No formal setup of the Department's internal organization has been officially adopted, but its functional organization is indicated by the following outline and Chart VIII-1.

The functions assigned to the Department of Commerce have been divided for administrative purposes among three principal divisions, namely, an Industrial Promotion Bureau, a Bureau of Tourist and Recreation Publicity, and a Planning and Research Bureau. The State Planning Board performs part of the research work authorized under the Commerce Law.

CHART VIII-1

ORGANIZATION OF THE DEPARTMENT OF COMMERCE



* Departmental Administrative Board

1. Executive Office

The Executive Office handles all the administrative problems of the Department. It deals with all the important departmental correspondence and much of the work connected with industrial promotion.

The contracts, obligations, and unexpended balance of the Pennsylvania Publicity Commission were assumed by the Department and placed under the supervision of the Executive Office. A considerable part of the work of this office during 1939 was devoted to administrative organization, since the Department was not created until May 10, 1939.

Directly under the supervision of the Executive Office is an Accounting Section in charge of a Comptroller, and a Publicity Section in charge of a Publicity Director who exercises direct supervision over industrial and tourist promotional advertising and publicity and the news releases of the State Planning Board.

2. Industrial Bureau

Acting under its legislative mandate, the Department has undertaken, through the Industrial Bureau, a State-wide industrial campaign, aimed at expansion of the activity of the industries already in the State, and the establishment of new industries, both large and small, at localities suited to their needs of labor, raw material and markets. This effort has involved a three part program: (1) the direct advertising of Pennsylvania's industrial advantages, (2) personal contact with large and small industrial firms in this and other States, and with representative groups in Pennsylvania's communities, and (3) industrial research as to factors of location, raw materials,

labor supply, markets, tax structure and available plants or plant sites, for the benefit of Pennsylvania manufacturers, or of those of other States in search of efficient plant locations.

a. Industrial Advertising

The advertising campaign of the Industrial Bureau has been confined to magazines of national circulation. Its purpose has been to emphasize to manufacturers and business men the industrial advantages of Pennsylvania as the center of the richest and most populous markets of the Nation, and as the Nation's largest supplier of raw materials and source of industrial power. The expenditures for Industrial Promotion advertising during the last four months of 1939 amounted to \$38,500, while a tentative allocation of \$106,200 was made for 1940.

In addition to its magazine advertising for the promotion of the State's industrial advantages, this Bureau has also prepared the illustrated booklet "Pennsylvania, Its Many Industrial Advantages", which has been given a wide circulation among business executives. It has also issued a booklet listing Pennsylvania's industrial opportunities in the manufacture of products of which larger quantities are consumed in Pennsylvania than are produced here, and has now in preparation a third booklet entitled "All in Pennsylvania".

b. Field Work for Industrial Promotion

Within the Industrial Bureau, the Department employs several experienced industrial engineers to assist the Secretary of Commerce in making direct personal contact with manufacturers and communities. The object of this service is two-fold, namely, that of providing American industrialists with dependable information as to Pennsylvania's

capacity to provide them with economical and efficient plant locations, and that of advising communities in the State as to industrial opportunities that may be developed in their locality. It is believed that the continued growth of Pennsylvania's productive capacity depends largely on improved efficiencies of location and on economies of operation made possible by research directed to the end of first discovering and then presenting, to all who can use them, the various capacities of the State to provide the labor, power, material and transportation for production.

Through this field service, the Department is of the opinion that industries contemplating removal to other States have been retained and their operation expanded in Pennsylvania. In one instance, the Department advises that an important industry employing more than 1600 workers had announced its intention of leaving Pennsylvania for another location when the Department intervened in the situation and was successful in its efforts to retain the industry. Since this time the industry in question has modernized its plant and increased its employment by thirty percent.

The policy of the Department with respect to Pennsylvania's industrial development, to quote from the Department publication "Pennsylvania, Its Many Industrial Advantages", is that "Pennsylvania does not seek industries which are now happily located. It does, however, believe in pointing out the many industrial advantages of Pennsylvania to those contemplating a new business or a new plant."

It is the aim of this Department to present Pennsylvania's capacities fairly and exactly, in full awareness of the fact that whatever economies of operation benefit one American community must, in the end,

benefit all. Thus, the tourist advertising, while exclusively designed to present the Commonwealth's attractions for out-of-State visitors, benefits directly and indirectly all communities through which travelers pass enroute to Pennsylvania. It is also obvious that increased production in this State creates markets for all American products.

The Department informed the Commission that a survey of established industries in Pennsylvania, in 1939, disclosed expansion representing a capital outlay of approximately \$200,000,000, and a survey now in progress for 1940 indicates an expansion much in excess of the 1939 figure. It also emphasizes that although the record for the current year is necessarily incomplete, the information furnished to date indicates that 351 new industries, with the resulting new employment of 30,870 workers, have been established since the date of this Department's organization, and business indices point toward an industrial upturn in Pennsylvania this year, and for the year preceding present defense activities, which is more marked than in neighboring industrial States.

The Department advised the Commission that it has been directly responsible for substantial additions to Pennsylvania industry, and that the recent location in Philadelphia of a plant expected to employ 10,000 workers, was a direct result of this Department's intervention. While the plant in question will be operated in connection with the program of national defense, its equipment and product are of a type that will fit it to become an important unit in the peace-time production of the Commonwealth.

Miscellaneous activities in the Department's promotion service include dealing with problems relating to comparative taxes between Penn-

sylvania localities and those of other States. Efforts have been made to assist single-industry towns to diversify their industrial output. Information and assistance have been provided manufacturers endeavoring to obtain capital for plant expansion. Advice has been offered as to the effect of trade agreements upon the markets for Pennsylvania products. Marketing possibilities have been made a matter of research, and connections established between Pennsylvania manufacturers, and agents and customers in foreign lands, particularly in Latin America.

The Department has led in the movement against any obstruction to free commerce among the States, and its Secretary is the Chairman of the Commission on Interstate Cooperation for the elimination of such trade barriers as now exist.

The Department has assisted in efforts to reduce anthracite and bituminous coal freight rates, and has also cooperated in the work of the Anthracite Emergency Committee, of which its Secretary is a member. This Committee, representing 95% of the anthracite producers of the State, is attempting to conserve one of Pennsylvania's most valuable natural resources and to stabilize labor and production in the anthracite region.

In connection with the program of national defense, the Department has employed its Deputy Secretary to act in the interest of Pennsylvania locations and to present to manufacturers the possibility of use, for the defense program, of their reserve plant capacity. In this effort notable success has already been recorded. The Department has also supplied the National Defense Commission with a complete list of idle industrial plants suitable for defense purposes.

3. Bureau of Tourist and Recreational Publicity

In the Bureau of Tourist and Recreational Publicity are centered all activities of the Department designed for the promotion of tourist travel and vacation activity in the State. As the annual expenditure by tourists and vacationists in Pennsylvania is larger than the entire cash income of Pennsylvania's farmers and has, according to the reports of the United States Travel Bureau, averaged nearly one-third of a billion dollars for each of the past three years, it is greatly to the interest of the Commonwealth that Pennsylvania's advantages for recreational travel be called to the attention of the American public. This has been done with marked effect during the past year and a half of this Bureau's operation. For the purpose of tourist and vacation promotion the Bureau received \$400,000 for the 1939-1941 biennium from the Motor License Fund. Since this appropriation was not available until June 1, 1939, only 4 summer months remained for tourist advertising in 1939. However, by September of 1939, the Department had received 24,736 requests for information from prospective tourists. In 1940, up to October 31st, the number of requests had increased to 47,691, a gain of nearly 100%. More than 8,000 came from New York, nearly 4,000 from Ohio and more than 1,100 from California. Something of the effectiveness of the work of the Tourist and Recreational Bureau may be gathered from the fact that in the month of June, 1939, when its active work began, there were received 575 inquiries from out-of-State tourists intending to visit Pennsylvania, while in June, 1940, after one year of operation, 5,335 such out-of-State inquiries were received in the office of this Bureau. Particularly notable is the fact that the percentage gain between 1939 and 1940 was considerably greater in out-of-State re-

quests than in the total number received.

The work of the Bureau includes, first of all, advertising in newspapers and magazines. Upon recommendation of the Advisory Committee of the Pennsylvania Newspaper Publishers Association out-of-State newspapers were employed. A survey of 10 other States doing similar advertising indicates that the same policy is followed elsewhere. Many of the magazines used were national weeklies such as the Saturday Evening Post, Collier's, News Week and Time.

The 1939 Tourist and Recreational advertising expenditures, after June 1st, were \$30,900 in magazines, \$21,175 in newspapers, \$652 miscellaneous, or a total of \$52,725. The 1940 preliminary advertising allocations for 1940 were \$80,800 in national magazines, \$61,700 in newspapers, \$18,700 in other publications, or a total of \$161,200.

The Department points out that the United States Travel Bureau estimated the expenditures by tourists and vacationists in Pennsylvania in 1939 as \$339,860,000, an increase of more than 15½ million dollars over 1938, and the largest figure for tourist expenditures in Pennsylvania ever recorded since official annual estimates have been made. In the opinion of the Department this increase appears to afford gratifying evidence of enlarged business in the State resulting from the Bureau's activities.

In 1940 the Bureau of Tourist and Recreational Publicity undertook the distribution of 800,000 highway maps to tourists, 300,000 of which were distributed by the Pennsylvania Motor Police at 11 ports of entry throughout the Commonwealth, another 100,000 were assigned to the Pennsylvania Building at the New York World's Fair, and 100,000 have been

mailed in response to direct inquiries from out-of-State tourists. The Bureau has received as many as 800 requests a day from these prospective tourists during the height of the season and such inquiries continue throughout the year.

In addition to the main highway routes, the Department's new recreational map shows the various historical sites and places of scenic interest in Pennsylvania as well as the forest areas, the water ways, and the State Parks. The Historical Commission and the State Chamber of Commerce have cooperated in this work. The publication of the above maps has saved unnecessary expenditures for the separate printing of a travel map by the State Highway Department. In addition to this recreational map, a pictorial booklet of the State's attractions has been prepared and distributed. This booklet includes 180 pictures of Pennsylvania's points of scenic and historic interest. It is divided into 10 sections for convenient reference by travelers in any part of the State.

The chief expenditure of this Bureau is for advertising and a very small percentage of its cost is paid out as salaries or expenses. It is estimated that the gain realized to the gasoline tax revenues of the State has much more than paid for the total cost of operating this Bureau, and the percentage of inquiries from its advertising has exceeded those generally obtained by private industry.

In the first full year of the Bureau's operation, from June 1, 1939 to May 31, 1940, gasoline sales in the State increased by 91,734,246 gallons and the gain to the Commonwealth in net tax revenue produced by the increase was \$3,644,822. The Bureau's cost of operation is only $3\frac{1}{2}\%$ of this increased tax return, and though it is not claimed that the Department's advertising is the sole cause of this growth in revenue, there

is every evidence, in reports from agencies in our own and other States, that this Bureau's activities have greatly stimulated travel into Pennsylvania, and it is certain that such increased travel has resulted in large benefits to hotelmen and merchants in the Commonwealth. The Bureau's cost of operation of \$123,388 in its first year is a very small sum for the maintenance and stimulation of a source of annual income to our people grossing nearly a third of a billion dollars.

A comprehensive coverage of economic and industrial research pertinent to Pennsylvania's industrial development is provided for in the Commerce Law as indicated previously in this report. The Staff of the State Planning Board has participated in this program to the extent that it has maintained a detailed study of the location and migration of Pennsylvania's industries, and keeps current an inventory of idle manufacturing plants. It has prepared statistical reports on foreign markets for Pennsylvania products in connection with the industrial promotion work of the Department. Data have been assembled on numerous products made in Germany which could no longer be shipped by that Nation to South America because of the war. This information has been supplied to appropriate Pennsylvania industries. In the hosiery industry each manufacturer has been provided with an outline of the Latin American market for his product. Studies have also been made of the bituminous and anthracite coal industries. Numerous contacts have been provided between Pennsylvania manufacturers and agents and importers in foreign lands. In addition to such research work carried on by the staff of the Planning Board, the Commerce Department is soliciting the cooperation of the public research agencies of the Commonwealth in technical inquiries bearing upon Pennsylvania's particular industrial opportunities.

At the suggestion of the Department a comprehensive program of research for the whole field of Pennsylvania's mineral industries is now being formulated by a joint committee of producers of Pennsylvania's raw materials, and of research workers from the staff of the Pennsylvania State College. Conferences have been under way for some months with representatives of scientific and technical institutions leading toward a greater emphasis on studies as to Pennsylvania's industrial and commercial development. Other conferences with representatives of major industrial groups have been inaugurated for the purpose of clarifying the problems of each industry and promoting fuller cooperation in the solution of their problems, as aids toward industrial expansion in the Commonwealth.

4. State Planning Board

As explained in the preceding section, the general research and planning activities of the Department of Commerce have been carried forward by the staff of the State Planning Board which was established as an independent agency in 1936⁽²⁾ to administer the comprehensive planning program of the Commonwealth.

From July 23, 1934 to July 30, 1936 the Board existed by appointment of the Governor, but on the latter date it was established as an independent administrative board. In 1939 the Board was made a departmental administrative board and placed under the fiscal control of the new Department of Commerce.⁽³⁾

The Secretary of Commerce is ex officio chairman of the Board. Four other members are appointed from among the heads or chief executive officers of State Departments, while the remaining five are ap-

pointed from among the citizens of the State. The latter may not hold any State office to which a salary is attached. The term of office is five years, except in the case of department heads who shall not serve beyond their term of office in other State service. The Board, with the approval of the Secretary of Commerce, appoints and fixes the compensation of the Secretary, who acts as executive director of the Board. He must be technically qualified for the duties of his office.

In addition to the Director there are three other employes in the Executive Division of the Board, three in the Drafting Division, two library assistants and the remainder in the Division of Research and Planning.

Among the principal duties of the Board is its mandate to collect and publish information relating to the proper development of the State and the conservation of its resources. Since its association with the Department of Commerce it has undertaken an intensive study of Pennsylvania's industrial problems, and particularly of all available facts bearing upon the stimulation of production and employment. This program has been pursued in addition to its regular duties involving the collection and interpretation of data bearing upon the State's natural resources, land use, and recreational and transportation facilities, and its studies of the State's population changes and their causes, of local taxation and of the financial structures of our various civil subdivisions.

The State Planning Board is also authorized under the Commerce Law of 1939 to administer and maintain its former activities under which it acts as adviser and coordinator of the efforts of all planning and zoning bodies within the Commonwealth, promotes the formation of planning and

zoning bodies in communities not now so organized, provides information as to powers and procedures under the Pennsylvania Planning and Zoning Enabling Acts, and continues to perform its function of providing and making available data forming the groundwork for a comprehensive plan for the development of all of the State's resources.

The Board cooperates with local zoning and planning authorities and with other public bodies, and also with State and Federal departments, whenever the problems involved are of importance to the Commonwealth, such as those concerning highways, parks, parkways, water supply, flood control, forest conservation, soil erosion, and the recreational use of wild land.

As part of the Planning Board's inventory of Pennsylvania's resources, in addition to its large library of published and manuscript material, it also initiated the program of air photography of the State. By an agreement negotiated through the efforts of the Board, four State agencies and the United States Department of Agriculture have cooperated in the air photography of approximately 37,000 square miles of Pennsylvania's territory. To date all the photographs of this area have been received, excepting those covering four counties which should be completed within the next few months. The Planning Board has now indexed and filed 30,000 separate prints.

Other duties of the Planning Board, as prescribed in the statute of July 30, 1936, are concerned with the preparation of a State master plan for the physical development of the Commonwealth, its agencies and political subdivisions. The data essential for so large a task are being accumulated by the Board, and special studies of many of the State's

areas have been completed. Under the rapidly changing economic and social conditions of the past decade more complete information than has ever yet been collected or compiled will be necessary before a State master plan adapted to such shifts of population as have occurred during the last ten years can be completed and presented to the people of the Commonwealth.

It is also prescribed in the statute creating the Planning Board that it shall prepare, amend, and keep up to date a long term development program of all major State improvement projects. Some part of this phase of its activities has been undertaken. The Board is continuing to cooperate with all State Departments and particularly has assisted in the program of the Capitol Grounds Extension Planning Committee, a considerable part of the work of which has been carried on in its office.

The Board is also empowered to advise with the various State Departments and other agencies with a view of coordinating all physical development plans, and in pursuance of this mandate has, among other activities, participated in the work of the Interstate Commission on the Delaware River Basin, the Atlantic Deeper Waterways Association, the Pennsylvania Roadside Council, and the Cooperative Roadside Improvement Committee. It has completed a survey of the Drainage Basins of Pennsylvania in cooperation with Federal agencies, and has initiated the organization of the Pennsylvania Recreational Council, in which all State and Federal agencies concerned in Pennsylvania's recreational land development are represented.

a. Executive Division

The Executive Director of the Planning Board, under the Secretary of Commerce, directs the activities of the Planning Board's staff and is

particularly concerned in carrying out the Board's cooperative and coordinating functions.

b. Research and Planning Division

The largest division in the State Planning Board is that of Research and Planning, consisting of five research specialists, two stenographers and a stenographer clerk. It is in this Division that Pennsylvania's resources, markets, population and industrial trends, land uses, recreational opportunities, State and community planning and employment problems are analyzed and reviewed. This important work is made public from time to time in publications of the Board. In addition, twelve major studies are now available in representative public libraries throughout the State, while a much more extensive list of research investigations may be consulted in typewritten or manuscript form at the Planning Board offices. A monthly Bulletin issued by the Board contains, in the form of briefly written articles, the results of studies of interest to the general public. Among the important services of this Division is the aid extended to cities, boroughs and townships in the development of their planning and zoning requirements.

c. Publicity Section

The work of the Publicity Section consists of making known to communities, citizens' organizations, divisions of the State Government and other interested or affected agencies the extensive research work of the Board. In addition to the monthly booklet "Pennsylvania Planning", a weekly news release entitled "Know Your State" is supplied to some 300 Pennsylvania newspapers.

d. Library Section

It is the task of the Library Section to assemble for the use of

the staff the latest developments and current literature on mapping, planning resources and research work. Two library assistants are employed in the Section for this purpose.

e. Drafting Division

The development of a State master plan with its problems of land use, water conservation, drainage, flood control and forestry require numerous maps and illustrations and the services of expert draftsmen. It is the work of the draftsmen to interpret and clarify the Board's recommendations by means of charts and other forms of graphic presentation. During the past year and a half the Drafting Division of the Planning Board has also designed, painted and set up exhibits for use of the Department in the display of Pennsylvania's industrial advantages at the Pennsylvania Farm Show, the National Dairy Show and the Allegheny County Fair. It has also provided illustrations and designs for the Department of Commerce booklet "All in Pennsylvania".

D. PERSONNEL

As is shown in Table VIII-A, there were a total of 49 employes in the Department of Commerce on June 1, 1940 receiving aggregate annual salaries of \$107,310.00.

TABLE VIII-A

SUMMARY OF DEPARTMENTAL EMPLOYES AND TOTAL SALARIES
JUNE 1, 1940

Division	Number	Total Salaries
<u>Commerce</u>		
Salaried Employes.....	23	\$55,600.00
Per Diem Employes.....	5*	5,100.00
<u>Planning Board</u>		
Salaried Employes.....	19	42,650.00
Per Diem Employes.....	2	3,960.00
Total.....	49	\$107,310.00

*Seasonal for Tourist Publicity Mailing

Table VIII-B contains a detailed presentation of the above employees by personnel title and annual salary.

TABLE VIII-B
DEPARTMENTAL EMPLOYEES AND ANNUAL SALARIES
JUNE 1, 1940

Division and Personnel Titles	Number	Annual Salary
<u>Commerce</u>		
Secretary of Department.....	1	\$10,000.00
Deputy Secretary.....	1	7,500.00
Publicity Director.....	1	6,000.00
Dir. of Tourist and Recreational Publicity.....	1	3,000.00
Comptroller.....	1	3,000.00
Advanced Pub. Information Asst.....	1	3,000.00
Principal Account Clerk.....	1	1,860.00
Advanced Chauffeur Clerk.....	1	1,620.00
Advanced Sect. Stenographer.....	1	1,860.00
Assistant Research Assistant.....	1	1,860.00
Secretary Stenographer.....	1	1,380.00
Secretary Stenographer.....	1	1,380.00
Secretary Stenographer.....	1	1,380.00
Secretary Stenographer.....	1	1,380.00
Correspondent Secretary.....	1	1,380.00
Sr. Stenographer-Clerk.....	1	1,140.00
General Clerk.....	1	1,140.00
Sr. Stenographer-Typist.....	1	1,140.00
Publicity Clerk.....	1	1,140.00
Jr. Publicity Clerk.....	1	1,020.00
Sr. Mail Clerk.....	1	1,020.00
Sr. Messenger Clerk.....	1	1,020.00
Typists Clerks @ \$3.92 per diem....	5	5,100.00
Sub-Total.....	28	\$60,700.00
<u>Planning Board</u>		
Director.....	1	\$ 6,000.00
Assistant Director.....	1	4,200.00
Principal Research Assistant.....	1	4,400.00
Advanced Research Assistant.....	1	3,600.00
Sr. Research Assistant.....	1	3,150.00
Research Assistant.....	1	2,400.00
Advanced Draftsman.....	1	2,160.00
Jr. Research Assistant.....	1	2,100.00
Jr. Editor.....	1	1,920.00
Draftsman.....	1	1,680.00
Sr. Secretary Stenographer.....	1	1,680.00

TABLE VIII-B (Continued)

Division and Personnel Titles	Number	Annual Salary
<u>Planning Board (Continued)</u>		
Sr. Library Assistant.....	1	\$ 1,500.00
Sr. Stenographer.....	1	1,140.00
Sr. Stenographer-Clerk.....	1	1,140.00
Sr. Stenographer.....	1	1,140.00
Library Assistant.....	1	1,140.00
Sr. Messenger Clerk.....	1	1,080.00
Sr. Typist Clerk.....	1	1,020.00
Planning Consultant.....	1	1,200.00
Supervisor @ \$9.23 per diem.....	1	2,400.00
Research Clerk @ \$6.00 per diem.....	1	1,560.00
Sub-Total.....	21	\$46,610.00
Grand Total.....	49	\$107,310.00

E. FINANCES1. Appropriations

The Department is operating for the biennium under appropriations of \$400,000.00 for Tourist Promotion, \$230,000.00 for Industrial Development and General Administrative Expenses, \$20,000 for the Salary of the Secretary of Commerce, and \$108,000.00 for the State Planning Board, as itemized in the following table.

TABLE VIII-C
APPROPRIATIONS TO THE DEPARTMENT OF COMMERCE
1939-41 BIENNIUM

Purpose	Amount Appropriated
Salary of Secretary.....	\$ 20,000.00
Salaries and General Expenses.....	230,000.00*
Tourist Promotion.....	400,000.00
State Planning Board.....	108,000.00
Total.....	\$758,000.00

*Reduced from \$280,000 in Special Session of 1940

2. Expenditures

Between June 1, 1939 and May 31, 1940, the Tourist Division of the Department spent a total of \$131,011.66 for advertising, literature, personnel and all expenses connected with its work. The Administrative and Industrial Promotion activities of the Department during its first year were conducted at a cost of \$113,693.54. The expenditures of the State Planning Board during the same period totalled \$53,797.30.

Since this Department was not created until May 10, 1939, and since much of the first year of its existence was necessarily occupied in part by the organization of its activities, the following tables and foregoing data, covering its expenditures during that year must be interpreted in the light of the fact that time was required to develop the industrial field work of its staff, and its industrial and tourist promotion advertising campaigns.

The expenditures of the State Planning Board are separately listed in Table VIII-F and may be compared with its expenditures during the preceding biennium.

TABLE VIII-D

EXPENDITURES OF DEPARTMENT OF COMMERCE
JUNE 1, 1939 to MAY 31, 1940

<u>Object</u>	<u>Amount Expended</u>
Salaries	\$ 31,720.68
Wages.....	7,330.87
Fees.....	--
Printing, etc.....	11,608.28
Food & Forage.....	20.72
Materials & Supplies.....	492.86
Traveling Expenses.....	3,144.28
Freight & Express.....	264.04
Postage.....	6,512.00
Telephone & Telegraph.....	744.24
Advertising.....	179,299.00
Light, Heat & Power.....	26.94

TABLE VIII-D (Continued)

Object	Amount Expended
Repairs.....	\$ 114.13
Rent of Real Estate.....	400.00
Rent of Equipment.....	68.25
Insurance, etc.....	223.81
Other Maintenance.....	309.50
Equipment.....	2,425.60
Total.....	\$244,705.20

Of the aforementioned \$179,299.00 spent for advertising, \$91,035.76 went for tourist publicity while the balance of \$88,263.24 was expended for industrial publicity. A detailed presentation of the type of advertising media used and amounts expended is set forth in the following table:

TABLE VIII-E

ITEMIZED ADVERTISING EXPENDITURES
JUNE 1, 1939 to MAY 31, 1940

Type	Amount Expended
MAGAZINES:	
Space.....	\$ 134,958.94
Production.....	10,661.87
NEWSPAPERS:	
Space.....	28,389.15
Production.....	1,751.83
Display Cabinets.....	731.95
Miscellaneous.....	2,805.26
Total.....	\$ 179,299.00

TABLE VIII-F

COMPARATIVE EXPENDITURES OF THE STATE PLANNING BOARD
FOR BIENNIUM 1937-39 and 12 MONTHS OF
BIENNIUM 1939-41

Object	1937-39 Biennium	June 1, 1939 to May 31, 1940
Salaries.....	\$81,116.24	\$40,230.52
Wages.....	8,065.73	5,401.19
Printing.....	9,427.02	1,917.26
Food and Forage.....	93.10	56.12
Materials and Supplies.....	2,577.76	312.19
Travel Expenses.....	3,661.70	1,593.54
Express.....	55.97	23.68
Postage.....	3,466.00	1,312.00
Telephone & Telegraph.....	554.10	197.90
Repairs.....	23.00	27.50
Rent, Real Estate.....	5,153.00	2,585.00
Insurance and Bonds.....	217.29	22.90
Other Expenses.....	154.48	8.24
Equipment.....	2,772.49	109.26
Building Contracting.....	--	--
Subsidies.....	1,000.00	--
Total.....	\$118,336.88	\$53,797.30

FOOTNOTES

- (1) The Act of May 10, 1939 (P.L. 101) amending the Administrative Code; Act of May 10, 1939 (P.L. 111) is the Commerce Law.
- (2) 1936, P.L. 81
- (3) 1939, P.L. 101

CHAPTER IX

DEPARTMENT OF FORESTS AND WATERS

The Department of Forests and Waters, as it now exists, was created under the Administrative Code of 1929, as amended in 1937. Its present functions include those formerly performed by a Division of Forestry as it existed in 1901, and the former Water Supply Commission.

A. FUNCTION

The Department of Forests and Waters exercises control over the State Forests and the Waters of Pennsylvania. It is charged with the protection of all forest land in the State from fire and insects, and controls the encroachment upon all lands below average low water, and the use of all unallotted water within the State.

B. POWERS AND DUTIES

1. In Relation to Forests

The Department supervises and controls the forests of the State. It is empowered to buy lands for new forests when specific appropriations are made for the purpose, and manages the forests already acquired. It takes all necessary steps to conserve and protect the forests against fires, soil erosion, etc. and to reforest burned or eroded areas. It is authorized to divide the State into convenient forest districts and to appoint, with the approval of the Governor, a Chief Forest Fire Warden and such district forest fire wardens and such other local forest fire wardens and other assistants as shall be necessary for the prevention, control and extinction of forest fires. Through its foresters, forest rangers and other forest personnel, it administers the various laws per-

taining to the State forests, promotes and develops forestry and the knowledge of forestry throughout the State, advises and assists land owners in the planting of forests and shade trees, and obtains and publishes information on forest lands and forestry which is deemed helpful to the public interest.

With the advice of the State Forest Commission, the Department establishes necessary rules and regulations for conservation of its timber resources, protection of its water sheds, and conservation and regulation of its rivers and streams. Whenever it is deemed necessary, the Department may sell timber from the State forests and, with the advice of the State Forests Commission, may execute contracts or leases for the mining or removal of any valuable minerals found in the State forests. The Department establishes auxiliary forest reserves and distributes seedlings and transplants to private parties desiring to plant them.

The Department may set aside, for exclusive use as parks, parkways and other places of scientific, scenic, historical or wildlife interest, any State owned lands. For limited periods, the Department may lease portions of the State forest for health, recreational, church or school purposes, or for the growing of crops other than forest trees. Where there are public roads running into or through or bordering upon State forests, the Department may maintain, repair and extend same, and may grant rights of way through these forests as long as such is not detrimental to the interests of the Commonwealth. With the consent of the State Forest Commission, it may give

street railway companies the right to construct and operate their lines through and about the State forests. Municipalities may be granted the privilege of impounding water upon any State forest and of constructing operating lines in order to convey the water therefrom.

2. In Relation to Parks

The duties of the Department in relation to State parks have to do with the supervision, maintenance, improvement and preservation of all recreational State parks in the Commonwealth except the Pennsylvania State Parks at Erie, the Washington Crossing Park, the Valley Forge Park, and the Fort Washington Park. These latter are regulated by independent commissions. The Department establishes such rules and regulations as are necessary to manage, protect and develop the lands and resources of the State parks, for the purpose of preserving their historical and recreational values. It may lease for a limited period certain portions of these parks as camp sites to proper individuals and organizations, and may grant concessions under specified procedure. The Department, in order to maintain and regulate its rules and regulations, may appoint persons to police these parks and to make arrests without warrant for all violations of the law which they may witness, and to have such other powers as are usually conferred by law upon members of the police force in cities.

3. In Relation to Waters

The duties of the Department with regard to waters include the determination of public policy concerning the conservation, marketing, equitable distribution, development and use of the water resources. In this respect the Department conducts surveys and gathers important

information looking toward such conservation and development. Similarly, it collects and maintains a complete inventory of all water resources of the Commonwealth and all other pertinent data concerning such resources, storage reservoirs and power development, in the Commonwealth. It constructs, maintains and operates the works for storage, flood control and channel improvement, including regular investigation and examination of all dams, wharves, embankments, bridges and other water encroachments, looking toward their necessary repairs and relocation. The Department also establishes and maintains gauging stations on rivers and issues bulletins forecasting gauge heights and the times thereof. In the performance of these functions, the Department cooperates with municipalities in the preservation of the water resources and the construction of projects and improvements.

An extremely important Board in this Department is the Water and Power Resources Board, which is the regulatory Board of the Department, holding all hearings upon and deciding matters coming within the jurisdiction of the Department of Forests and Waters relating to waters. Its powers largely apply to corporations and utilities which supply water for the public or transport the same; to the sale and transfer of any franchises on property to these companies; to the approval of construction of dams and other water obstructions in any of the waters of the Commonwealth; and to the approval of any obstruction under navigable rivers necessary for the conveyance of power to manufacturing plants.

C. ORGANIZATION AND OPERATIONS

Administration of the Department is under the Secretary of Forests

and Waters, appointed by the Governor for a four year term. In addition to his duties as chief administrator of the Department, the Secretary serves on a number of boards and commissions. These are:

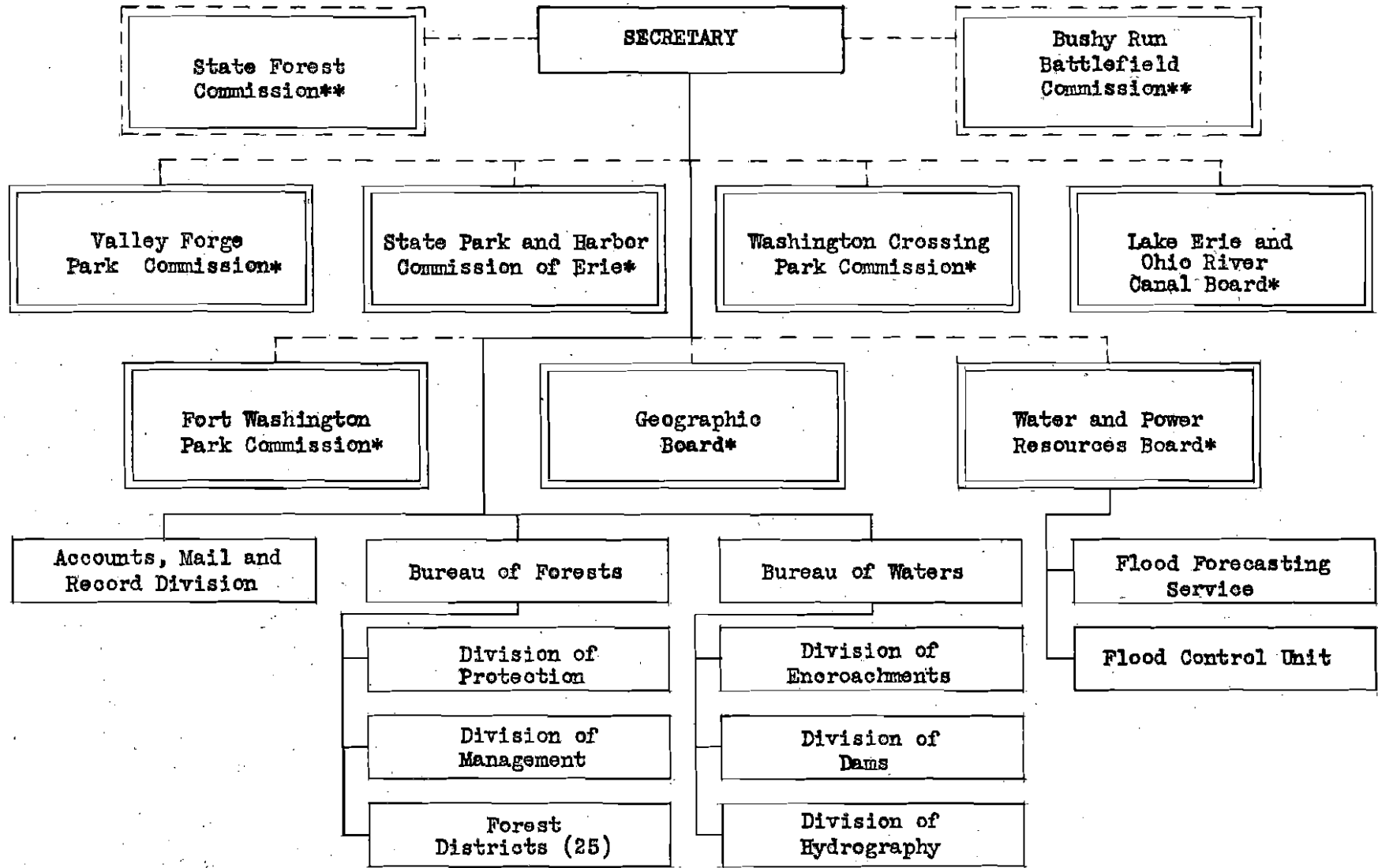
1. The State Forest Commission
2. The Water and Power Resources Board
3. The Geographic Board
4. The Navigation Commission for the Delaware River
5. The Valley Forge Park Commission
6. The Pennsylvania State Park and Harbor Commission of Erie
7. The Lake Erie and Ohio River Canal Board
8. The Bushy Run Battlefield Commission
9. The Conrad Weiser Park Board of Trustees
10. The Washington Crossing Park Commission
11. The Fort Washington Park Commission
12. The Sanitary Water Board
13. The State Planning Board

An examination of Chart IX-1 on page 906 reveals that, for administrative purposes, the functions of the Department are performed by three major bureaus, namely, the Bureau of Forestry, the Bureau of Waters, and the Bureau of Parks. There is also an Executive Office with a Division of Accounts, Mail and Records. Divisions of Information and Research still exist, since they have never been formally abolished, but they are without heads and practically without personnel. Information, as such, is handled by the Executive Office, and Research activities head up under the Chief of the Bureau of Forestry. The latter also handles C.C.C. relations. No separate section concerns itself with Federal projects, or Federal aided projects. Federal matters concerning forestry are handled in the Division of Management.

In addition to the above, various boards and commissions are administered in the Department. These are: Valley Forge Park Commission, Washington Crossing Park Commission, Fort Washington Park Commission, the State Park and Harbor Commission of Erie, the Navigation Commission

CHART IX-1

ORGANIZATION OF THE DEPARTMENT OF FORESTS AND WATERS



* Departmental administrative board or commission.

** Advisory commission.

for the Delaware River, the Geographic Board, and, most important of all, the Water and Power Resources Board, which is divided into a flood forecasting service and a flood control unit, both working in close harmony with the Bureau of Waters. The Lake Erie and Ohio River Canal Board, although created a departmental commission within the Department is no longer in operation. Numerous other State parks, when created, are placed under the administration of Commissions, which, however, usually function upon rare occasions. Thus for example, the Conrad Weiser Memorial Park and the Drake Well Memorial Park do not operate under permanent commissions. Advisory commissions at present in the Department are the Bushy Run Battlefield Commission and the State Forest Commission. The State Parks Commission and Regional State Parks Boards were formerly advisory bodies but were dropped in 1939.

1. The Executive Office

Located in Harrisburg, this office supervises all departmental and intra-departmental activities. In charge of the Secretary, Deputy Secretary, and staff, it includes the following divisions:

a. The Division of Accounts, Mail and Records

This Division formerly functioned as a separate bureau of Accounts and Maintenance. It performs general accounting and secretarial services for the Department, keeping records of all receipts and disbursements, both in the Harrisburg Office and in the field. In the collection of revenues from such sources as the leasing of camp sites and the sale of seedlings, the Department serves as an agent of the Department of Revenue. On the expenditure side, salaries are by far the largest item. Thus, of a total appropriation of \$2,000,330 for the

Department, the appropriation for salaries and general expenses for the 1939-41 biennium totaled \$1,160,000, or over half of the total appropriation. Of course, most of these expenses and most of the accounting work develops from the activities of the extensive field force, such as transportation, maintenance, etc.

b. The Field Staff

Besides the central offices in Harrisburg, the Department maintains an extensive field force. The State is divided into twenty-four forest districts, each in charge of a district forester. There are about sixty foresters and over eighty forest rangers in the forest service.

2. Bureau of Forests

The purpose of the State Forests, according to statute, is "To provide a continuous supply of timber, lumber, wood and other products, to protect the water sheds, conserve the water, and regulate the flow of rivers and streams of the State, and furnish opportunity for healthful recreation for the public." To fulfill this purpose the Bureau of Forests is first of all concerned with the protection of its forests from fires, disease, insects and other enemies; and, secondly, with conducting studies and investigations which will help the Bureau in carrying out these functions.

a. Division of Protection

This Division is mainly concerned with the protection of State forests from fire and other hazards. Pennsylvania's State forests comprise 1,651,979 acres of forest land, located chiefly in mountainous sections of some thirty-four counties. The foresters and assistant

foresters in charge of the twenty-four districts, are practically all graduates of forest schools of collegiate rank. Most of them come from the State Forest School at Pennsylvania State College. These technical men are the outdoor type, trained in forestry and with a good working knowledge of engineering, mapping and surveying. There are approximately seventy-five of these graduate foresters, including some of the assistants. The Department's Forest Fire organization is built around this permanent force. In addition, however, to the regular employes of the forest service, there are over 4,000 forest fire wardens, and 31,000 forest fire fighters, located in all parts of the State. The fire wardens are paid on a per diem basis, and only when actually fighting fires. They receive about twenty-five cents an hour for an eight hour day and operate on an honorary basis. The number of local fire wardens and assistants in each district depends upon the size of the district, the forest area therein contained and upon the existing forest fire hazards. The powers of the chief Forest Fire Warden, the district fire warden and the local fire warden are outlined in great detail in the Administrative Code. These powers include generally the authority to appoint assistants in times of emergency, the duty to collect data in regard to fire hazards and forest conditions with the power to declare such hazards to be public nuisances, the duty to educate the public with regard to protection against fire and finally the authority to investigate all fires, the causes thereof, and to make arrests under certain conditions. At times several hundreds of temporary employes are used for building roads, cutting timber, and other forest operations necessary to a speedy and efficient

elimination of fires. Careful records are kept for each district showing the number of fires, the cost of their extinction, the total cost of forest protection and other similar matters. Regular reports containing the information in these records are sent to the central office at Harrisburg. The State Motor Police, as well as the fish and game wardens cooperate with and render valuable assistance to the forest rangers. The following Table shows the number of forest fires during each of the past seven years:

TABLE IX-A

NUMBER OF FOREST FIRES PER YEAR
1933 to 1939

Year	Number of Fires
1933.....	2,028
1934.....	4,188
1935.....	3,507
1936.....	2,926
1937.....	2,470
1938.....	3,463
1939.....	4,790
Average Yearly Number...	3,391

The average annual cost of extinction of forest fires in the Commonwealth, from 1931 to 1939 inclusive, was \$117,952, with a low of \$34,137 and a high of \$200,143. The average yearly burn, during the past five years, was 2,242 acres, or between one-tenth and two-tenths of one percent. Fourteen acres burn annually for each 10,000 acres of State forests.

Table IX-B shows the annual reimbursement to the State for fighting fires where it was possible to determine responsibility, during the years 1933 to 1939 inclusive.

TABLE IX-B

ANNUAL REIMBURSEMENTS TO STATE
FOR FIGHTING FIRES
1933-1939

Year	Amount
1933.....	\$3,035.37
1934.....	3,164.12
1935.....	5,357.36
1936.....	6,660.38
1937.....	5,923.71
1938.....	5,860.13
1939.....	9,861.59

Included in the more important equipment used in connection with protecting forests from fires are 145 steel forest fire observation towers, each 60 to 80 feet high. These are connected with the headquarters of the district foresters and forest rangers by 900 miles of special forest telephone lines in some forty-five counties. The towers are manned by approximately 75 tower guards and forest rangers.

The financial burden involved in the construction and maintenance of the telephone lines is rather heavy. Construction cost has varied from \$200 to \$350 per mile and maintenance has averaged \$13,190 per year since 1931. Yearly maintenance cost per mile varies from \$12 to \$20. Some revenue is derived from rendering service to subscribers living in the areas covered. This revenue has averaged \$750 during the past two years.

After several years of experimenting with the use of short wave radios on forest fire observation towers, thirty-four towers and five District Foresters' offices are now equipped with radios for reporting

forest fires. Because of satisfactory results in protection work, an extended radio system is now being installed for use in forest protection, flood control warning and weather reporting. This system will cover 100 of the 145 towers and 19 of the 24 district offices. Weather and stream-flow reports will be automatically relayed to the Harrisburg office from the entire Susquehanna Watershed and from some portions of the Delaware and Allegheny River watersheds. This will give Pennsylvania the first system of its kind in the United States. In addition to these short wave radios and telephone lines for quick communication purposes, there are over 3,000 miles of roads and 4,000 miles of trails over which fire fighting crews can travel quickly to the scene of the fire.

The Forestry Bureau conducts research activities and makes studies of forests, trees, plants, insects and other diseases prevalent in the forests and injurious to the trees. It attempts to ascertain the most modern methods in handling the forest and to administer such information to the public as is thought necessary for the proper care of both State forests and private forests. The public relations work carried on involves the preparation of printed material concerning specific problems and subjects relative to forests, the preparation and printing of publications concerning forests, the use of motion picture reels to be exhibited among various organizations and groups showing the need of proper forest education.

Very special attention has recently been given to the control and elimination of white pine blister rust. In 1933, the Pennsylvania White Pine Blister Rust Act was passed providing for destruction of

all trees, plants or bushes infected with the disease and authorized the Department to declare certain plants and bushes to be a public nuisance. It authorized their destruction, and set up certain control areas where fruiting currant, gooseberry and white pine may be grown. All the data and research information obtained in regard to State forests and forests generally are distributed through the issuance of various periodicals and bulletins. The purpose is to assist and advise land owners in the planting of trees and also to inform the general public regarding the use of trees and their conservation.

b. Division of Management

The agencies concerned with the management of forests and forest lands under the jurisdiction of the Department were at one time organized in three separate bureaus and later combined as the Bureau of Management, Lands and Parks. The present Bureau is now concerned with management of forests and forest lands, their acquisition, the sale of forest timber, seeds and seedlings and the general supervision, maintenance and utilization of State forests. The former functions with regard to parks and camp sites are now under a separate Bureau of Parks.

As already noted, the Department of Forests and Waters may acquire, by purchase, gift, lease or condemnation any lands, including tax delinquent lands or unredeemed seated or unseated lands, which in the judgment of the Department and with the approval of the State Forest Commission is essential for the protection of the State forest, for reforestation, for combating soil erosion, for flood control, and for fire prevention. The purchase price of any of these

lands may not exceed \$10.00 per acre. There are at present, 1,650,936 acres of forest land in Pennsylvania costing the Department approximately 28¢ an acre per year to manage, protect and utilize these forests. While given the general authorization to acquire such land, the Department, however, may not do so without specific appropriation made for that purpose. Since 1931 there have been no such appropriations; however, when new lands were purchased, the Commonwealth first had to conduct a survey to examine the titles and to remove all incumbrances thereon existing. A record of all the State lands over which the Department has jurisdiction is carefully kept.

Another function of the Division is to preserve and defend the Commonwealth's titles to its investments by the survey of lands to prevent encroachments, and by the adoption of measures to protect its property. The Department must analyze and settle any claims made to portions of the State forests by private individuals. Many miles of roads and trails must be surveyed preliminary to preparing the various State forest district maps so important in all forest fire protection work. Maps are also made for public use showing the various State parks, State forests, and other places of interest in the Commonwealth. Department officials state that, although the expense of printing maps must be borne by the Department, the revenue received therefrom goes to the Bureau of Publications for deposit in the General Fund. They feel that only the cost of printing maps, etc. for free distribution should be charged against their Department. All cooperative agreements between the various departments and agencies of the Commonwealth and the Department of Forests and Waters with regard to forests, are handled in

this Division.

Because no new lands are now being acquired, most of the mapping, drafting and surveying work of the Department has greatly decreased with a resulting reduction in personnel. What work along these lines remains to be done is regularly taken care of by the graduate foresters. All of these men are sufficiently trained in the ordinary routine of surveying, drafting and mapping to do this work satisfactorily.

Whenever it appears that the welfare of the State, with reference to reforesting and the betterment of the State forests, will be advanced by selling or disposing of any of the timber in the State forests, the Department may do so on terms most advantageous to it. This was originally thought to be a function that would enable the State to obtain great revenues; however, this has not proven to be the case. There is, at present, a lot of timber awaiting disposal. A great deal of this timber is mature and must be cut very soon in order to be saleable. Many of the pine and chestnut trees are deteriorating through age. The present price is \$12.10 a thousand feet in log form at the highway. Although this may be a fairly good price for dead timber, it is unfortunate that the present market is not more favorable. Timber, when sold, is disposed of to the highest bidder. Recently the Department has been cutting trees with its own crews, trimming the limbs and taking the logs to the highway, where the bids are received. The explanation for this procedure is that it is necessary in order to insure protection to the standing timber.

It is a function of this Division to grow and furnish tree seedlings, and to provide information to timber land owners who are anxious

to make their timber land produce the best results. The Division operates three large forest tree nurseries. The distribution of forest tree seedlings for a seven year period is shown in the following table.

TABLE IX-C
 NUMBER OF FOREST TREE SEEDLINGS
 DISTRIBUTED ANNUALLY
 1933 to 1939

Year	Number Distributed
1933.....	7,890,300
1934.....	9,740,800
1935.....	7,788,200
1936.....	7,250,950
1937.....	10,736,200
1938.....	14,575,300
1939.....	13,430,800

During the past 37 years, 216,451,127 forest tree seedlings and transplants have been raised and distributed. Of this number, 57,782,434 trees were distributed to private owners of forest lands in Pennsylvania. The sale and distribution of these trees and seedlings are made on a conditional basis. They can only be sold where the land owner agrees to plant in accordance with the practice adopted and followed by the district foresters. The new owner must also agree not to remove plantings for fifteen years. Prices charged for seedlings depend upon the age, species and size of trees. The revenue produced very frequently is not sufficient to meet the cost of carrying on the work. While it might be possible to make higher charges, it appears more desirable to encourage the use and planting of seedlings in order to promote the development

of a reforestation program, even though at times the work may not be entirely self-sustaining. Prices charged for seedlings are \$2.00 per thousand, and for transplants \$5.00 per thousand.

The importance of forest lands and the forest programs is indicated by the fact that 15 municipalities within Pennsylvania secure their water supplies from forest areas in which State forests are located, and the further fact that more than 50% of their water sheds are located on State forest land. More than a quarter of a million people of the Commonwealth, as well as many industries, depend upon State owned forest land as a source of water supply. To make the State forests accessible, State forest roads and trails have been constructed. There are now approximately 3,000 miles of forest roads and 4,000 miles of forest trails located in the State forests. This road and trail system is valuable alike for protection from fires, for administrative purposes and for recreational facilities. In addition to these roads and trails, the Department of Forests and Waters maintains more than 3,000 miles of forest boundary lines. Civilian Conservation Corps camps, located in the State forests, provide labor for more than 7,000 young men who otherwise would be unemployed. More than 3,000 camp sites in the State forest lands are leased to individuals, clubs and other organizations at nominal annual rentals. Summer homes, cabins, hunting lodges and other buildings are erected on these sites by the lessees. Thousands of citizens are thus enabled to enjoy outdoor life in forest environment at moderate cost. Revenues from camp site leases during the past four bienniums are shown in Table IX-D.

TABLE IX-D

REVENUES DERIVED FROM CAMP SITE LEASES
1931 to 1939

Bienniums	Revenues
1931-1933.....	\$57,097.74
1933-1935.....	59,316.27
1935-1937.....	64,396.85
1937-1939.....	69,710.27
Total.....	\$250,521.13

3. Bureau of Parks

The work of the Bureau of Parks is quite similar to that of the Bureau of Forests. As already noted, at one time there was a combined Bureau of Management of Lands and Parks. Today the chief duties of the Bureau of Parks is to supervise, regulate, improve, and preserve all recreational parks belonging to the Commonwealth, except the Presque Isle State Park at Erie, Washington Crossing Park, Valley Forge Park and Fort Washington Park, which are regulated by separate commissions. This Bureau, however, extends its full services to the latter when advice and assistance are requested.

The Bureau is empowered to acquire by purchase, gift, lease or condemnation, land of such scenic and natural beauty which, in its estimation, should be maintained as State parks. In the management and development of these lands for State park purposes, the Bureau provides various shelters and park equipment such as picnic tables, fireplaces and latrines, sees to the enjoyment of these facilities by the public, polices the various areas and leases portions of these parks as camp sites or for other recreational or educational purposes. Every incen-

tive is given to the general public to enjoy the natural beauty of the various portions of the Commonwealth, such as natural caves, waterfalls, et cetera. Family picnics, social functions and local gatherings are also encouraged through the development of this State park program. There are at present 25,000 acres of park and recreational areas comprising 28 forest parks, 56 picnic and wayside parks and 10 natural monument parks. Most of these parks are maintained mainly for tourists and picnickers and are provided with the necessary shelters and park facilities. There are also over fifty public camps containing the necessary equipment for camp sites. It has already been noted that 3,000 camp sites exist within the State forests and this Bureau is concerned with the handling of the leases for these camp sites upon which are built the various cabins, summer homes, hunting lodges and other buildings that may be desired by the lessees. Any individual, club or organization may secure one of these leases for a nominal rental ranging from \$7.00 to \$15.00 a year. The structures built upon these lands must be approved by the Department and must be laid out in accordance with the sanitation facilities of the areas. The leases are for not more than 10 years but are subject to renewal. The individual or organization desiring these camp sites may choose their location from a list made by the District Forester. During 1939, State parks were visited by more than 7,000,000 people, some staying for a day, others spending their entire vacations in the forests. In addition to the State parks, Federal agencies are developing five recreation demonstration areas, which when completed, will total 32,000 acres.

Park areas of historical importance now come under the jurisdiction

of the Historical Commission. Ten parks are in this classification. The Department of Forests and Waters believes that eventually all park areas of historical importance should come under the management and control of the Historical Commission. It further believes that it should concern itself chiefly with problems of forests and waters, and only with recreation to the extent that such can be provided in the forest areas. Because of these facts, the Department is giving very little attention to the development of park areas of historical importance.

4. Bureau of Waters

The Bureau of Waters functions through three divisions: The Division of Encroachments, the Division of Dams, and the Division of Hydrography. Besides operating gauging stations and forecasting freshet and flood flows, the Bureau, through the Division of Encroachment, maintains an inventory of the water resources of the Commonwealth and studies and collects all data relative to encroachments or obstructions in or upon these waters. Through the Division of Dams, it investigates and examines all dams and other water obstructions to determine whether they are safe or need repair and oversees new constructions. This Division of Hydrography makes surveys and investigations for increasing the dry weather flow of streams and for protecting banks of rivers from erosion by means of hydraulic works designed for flood protection. In brief, the most important functions of this Bureau are concerned with flood control, the development of water resources for hydraulic and hydro-electric power, channel improvement for transportation purposes, and the conservation of waters in general.

a. Water and Power Resources Board

An important adjunct of the Bureau of Waters is this Board created by the Administrative Code as a departmental administrative board of the Department of Forests and Waters. It consists of five members including the Secretary of Forests and Waters as chairman, the Secretary of Health, the Commissioner of Fisheries, a member of the Public Utility Commission appointed by the Governor, and an engineer. Provision is made for conducting investigations and hearings before members of the Board and for the issuance of interim permits and orders. Many of the powers of the Bureau of Waters are carried out exclusively by the Board or in cooperation with the Board. Thus, the Board is authorized to consider charter applications for corporations and public water supply companies, and to supervise the conduct of the affairs of these companies. Another important function is to consent to or permit the construction of dams or other water obstructions and to permit making changes in the courses of any waters of the Commonwealth. It also has powers with regard to the development of new water supplies, the construction of hydraulic works, the building of tunnels under navigable rivers, and assists the Bureau in determining points where storage reservoirs may be constructed.

The activities of the Board with regard to flood control are most important, and for this reason it conducts a Flood Forecasting Service and Flood Control Unit. Thus, it cooperates with the Federal Government in the study of flood control problems in determining proper locations and methods of protection, and with municipalities and other subdivisions of the Commonwealth, in building flood control works, in securing lands, and in compensating for direct damages sustained as a result of construction of protective works of a local character. Through cooperation with

the U.S. Weather Bureau and the U.S. Geological Survey, it issues river forecasts for the three major drainage systems from forecasting centers located at Harrisburg, Pittsburgh, and Philadelphia. The forecasts are issued under the name of the "Federal State Flood Forecasting Service." Predictions are based upon information obtained from 119 stream flow gauging stations and 104 precipitation recording stations operated by the Department. It has placed in operation an ultra-high frequency radio communication system which is operated cooperatively by the Flood Forecasting Service and the Division of Forest Fire Protection. This system makes possible the receipt and dissemination of vital flood and fire data from and to areas not serviced by regular channels of communication. It furnishes stream flow information to public and private agencies in connection with water supply studies, water and steam power investigation flood control, flood stages in relation to structures placed within limit of flood plains, stream pollution studies, storage or regulatory works, flood forecasting, determination of stream channel lines, water rights investigation, navigation studies, and the settlement of legal disputes arising from the use of water.

Because of the growing need of flood control, and especially since the damaging floods of Pittsburgh and Johnstown within the last three or four years, the Commonwealth has appropriated great sums of money to undertake this work and receives financial and other cooperation from the Federal Government in this respect. Thus, \$150,000 was appropriated for the 1935-37 biennium and \$4,900,000 for the 1937-39 biennium. Of this latter amount, the Board has only used \$2,000,000 and does not intend to make further requisitions. On the basis of this appropriation, however, many more millions were received from the Federal Government

for State flood control projects. These projects, such as building dykes and levies for flood control, are entered into between the Commonwealth, the municipality or local area where the project is being conducted, and the Federal Government. The State and the municipality divide the cost of the land damage and utility relocation while the Federal Government takes care of all expenses for construction. In regard to dams, however, the procedure is slightly different. Before 1938, the dams were built on practically a 50% basis between the Federal Government and the State. Since that year the Federal Flood Control Act was amended, so that the Federal Government now pays for all expenses with regard to building these dams including the acquisition of land, land damages and utility relocation. The only cost to the Commonwealth is that of sending its engineers to observe and make reports on what the Federal Government is doing. Four of these dams are on the Allegheny River. Dykes along the Delaware River in 1936 cost the Commonwealth about \$142,000. At present, the Federal Government, the State and municipalities are cooperating in various flood control projects in Kingston, Plymouth and Williamsport. Since no further appropriations have been made for flood control, a great many projects, formerly anticipated, will have to be dropped.

5. Departmental Boards and Commissions

a. State Forest Commission

This Commission consists of five persons including the Secretary of Forests and Waters, who is Chairman. Its chief function is to make studies and advise the Department of Forests and Waters regarding its powers relating to forests and parks. It also advises the Department

in making its recommendations in regard to departmental efficiency. It approves or disapproves the rules or regulations of the Department and may give or withhold its consent to any departmental act, which by law is required for the validity of that act. Lands acquired by the Department must be with the approval of the Commission and contracts or leases for mineral rights on forest lands require its consent. The advice of the Commission is also required when the Department gives to street railway companies the privilege of constructing their lines on or about State forests and to boroughs or other municipalities the right to impound waters and maintain pipe lines through State forests.

b. Bushy Run Battlefield Commission

This Commission advises and makes recommendations with reference to the conduct, improvement and maintenance of the Bushy Run Battlefield State Park in Westmoreland County. The 1937 Legislature appropriated the sum of \$10,000 for land purchases by this Commission.

c. Valley Forge Park Commission

Functioning as an agency, this Commission consists of the Secretary of Forests and Waters ex officio and 13 other persons. Valley Forge Park is one of the most valuable historical properties in the Commonwealth. Biennial appropriations for this Commission have varied from \$15,000 in 1935 to \$150,000 in 1931. Fifty thousand dollars was appropriated in 1937 and \$87,500 in 1939 for the purchase of lands for this park.

d. Washington Crossing Park Commission

This Commission, consisting of ten persons besides the Secretary

of Forests and Waters, administers the Washington Crossing Park, located on the Delaware River near Trenton, consisting of some 500 acres. Appropriations for this Commission varied from \$27,900 in 1939 to \$107,900 in 1931.

e. Fort Washington Park Commission

This Commission comprises the Commissioners of Fairmount Park and the Secretary of Forests and Waters. Its duties are to supervise, regulate and improve Fort Washington Park in Montgomery County. Appropriations for this Commission have never exceeded \$2,000 per biennium. In 1939 it was \$1,800.

f. Pennsylvania State Park and Harbor Commission of Erie

This Commission consists of the Secretary of Forests and Waters, the Secretary of Internal Affairs, the Commissioner of Fisheries and nine other persons, two of whom are appointed by the Council of the City of Erie. The Commission supervises an area in Erie County including an island adjacent to the city, which has been set aside as a State park for the use of the public. The park contains about 7,700 acres (300 acres are underwater) and an island known as Presque Isle. Appropriations for this Commission varied from \$139,000 in 1931 to \$73,200 in 1937. In 1937, however, an additional \$52,000 was appropriated for dredging the canal basin in the park. In 1939, the appropriation was only \$65,880, but during that year \$78,000 additional was authorized to construct a bulkhead at Presque Isle, to repair jetties, to conduct backfilling operations, and to conduct erosion studies at the Isle.

g. The Geographic Board

This Board consists of the Secretary of Forests and Waters as

chairman, the Secretary of Highways, the President of the Pennsylvania Historical Commission and such other officers of the Department of Internal Affairs as may be designated by the Governor. It is empowered to pass upon and determine all unsettled questions concerning geographic names. It may change and fix the names of mountains, rivers, creeks, and other topographic features in the Commonwealth. Departments and other governmental agencies of the Commonwealth are required when preparing maps or reports, to refer to mountains, rivers, creeks or other topographic features by the names adopted by the Geographic Board. In exercising its powers and duties, the Board cooperates with the United States Geographic Board.

h. Navigation Commission for the Delaware River.

This Commission, functioning administratively, now consists of seven members. Two members from Delaware County and one from Bucks County are appointed by the Governor, and two members are appointed by the Mayor of Philadelphia. The Secretary of Forests and Waters and the Director of Wharves, Docks, and Ferries for the City of Philadelphia, are ex-officio members. The Commission exercises control over the port of Philadelphia, including jurisdiction over the wharves and docks, the extension and repair of same, and the fixing of wharfage, crantage, and dockage rates. The 1939 appropriation for the Commission was \$50,000.

The Nautical School (Schoolship Annapolis) formerly run by the Department of Public Instruction up to 1939, is now operated by this Commission. The 1939 appropriation for the Nautical School was \$90,000.

i. Lake Erie and Ohio River Canal Board

This Board consists of the Secretary of Forests and Waters ex-officio and 7 members, three of whom may be non-residents of Pennsylvania. It was created to further the proposal of building a canal between Pittsburgh and Lake Erie and \$3,000 was appropriated towards that end; however, the project fell through and no further appropriation has been made.

D. PERSONNEL

Table IX-E on page 927 shows number of personnel and salaries paid as of June 1, 1940.

E. FINANCE

The expenditures of the Department of Forests and Waters for the present biennium show a large reduction over the preceding biennium. In 1937, the General Assembly appropriated \$7,173,650 for this Department. This included \$4,900,000 for flood control. Only \$2,000,000 of this flood control money, however, was requested by the Water and Power Resources Board, after which they declared that it was not their intention to requisition any additional sum. The Forests and Waters appropriation for the present biennium was \$2,950,330, being the lowest appropriation for this Department for the last five bienniums. Expenditures of the Department by object classifications during the last three bienniums are shown in Table IX-F, while in Table IX-G is presented expenditures by the various Park Commissions.

TABLE IX-E

NUMBER OF EMPLOYEES AND THEIR ANNUAL SALARIES
AS OF JUNE 1, 1940

Bureau & Division	Number of Employees	Total Annual Salaries
Executive Bureau.....	4	\$ 18,000.00
Accounts, Mail & Records.....	23	35,580.00
Bureau of Forests.....	3	7,780.00
Division of Management.....	12	24,460.00
Division of Protection.....	8	15,260.00
Bureau of Parks.....	7	15,340.00
Bureau of Waters.....	5	12,540.00
Division of Dams.....	3	8,580.00
Division of Encroachments.....	4	10,780.00
Division of Hydrography.....	7	13,800.00
Water & Power Resources Board.....	2	5,400.00
Pymatuning Dam.....	7	12,120.00
Michaux District.....	9	12,600.00
Buchanan District.....	8	10,620.00
Tuscarora District.....	6	7,440.00
Rothrock District.....	5	7,500.00
Logan District.....	10	15,000.00
Penn District.....	6	7,320.00
Bald Eagle District.....	7	9,600.00
Mont Alto District.....	7	12,180.00
Moshannon District.....	8	11,340.00
Sproul District.....	10	13,740.00
Tiadaghton District.....	8	11,640.00
Elk District.....	9	12,240.00
Cornplanter District.....	6	7,500.00
Susquehannock District.....	9	12,720.00
Tioga District.....	6	8,820.00
Valley Forge District.....	3	5,100.00
Weiser District	8	11,940.00
Delaware District.....	11	14,100.00
Wyoming District.....	6	7,860.00
Lackawanna District	6	9,660.00
Forbes District.....	5	7,900.00
Gallitzin District.....	4	6,060.00
Kittanning District.....	5	6,300.00
Cook Forest Park.....	3	4,800.00
Valley Forge Park Commission.....	5	6,960.00
Pa. State Park & Harbor Commission..	2	3,780.00
Washington Crossing Park Commission.	2	3,240.00
Delaware Riv. Navigation Commission.	7	12,540.00
Flood Control-Harrisburg Division...	11	30,320.00
Wilkes-Barre Div.....	8	20,480.00
Williamsport Div.....	1	3,000.00
Total.....	286	\$493,940.00

TABLE IX-F

EXPENDITURES BY OBJECT CLASSIFICATION*

Classification	Biennium		
	1933-35	1935-37	1937-39
Salaries & Wages.....	\$1,692,270	\$1,498,317	\$2,060,846
Supplies, Printing, Equip. etc....	208,776	188,362	258,885
Maintenance, Service & Expense....	54,738	32,173	171,191
Heat, Light, Power & Water.....	25,035	25,693	230
Construction, Equipment & Land....	780,132	22,088	579,747
Transportation, Communication & Information.....	211,065	194,076	269,262
Auto Supplies & Equipment.....	27,391	15,305	12,539
Insurance, Surety & Fidelity Bonds	62,125	36,835	10,793
Subsidies, Indemnities & Other Items.....	222,468	232,412	225,494
Totals.....	\$3,284,100	\$2,245,261	\$3,588,987

*Includes expenditures made by the Department of Property and Supplies for the Department of Forests and Waters.

Receipts and revenues obtained by the Department of Forests and Waters do not go into the General Fund but into the special Forests and Waters fund. According to departmental officials, the total amount averages \$320,000 per biennium. These receipts and revenues are derived from various water power permits, fees, sale of timber and stumpage, sale of mineral rights, camp leases, housing rents, sale of seedlings, etc. Total estimated revenue for the 1935-37 biennium was given as \$377,437.71 and for the 1937-39 biennium the figure was \$270,091.71. Receipts by five fiscal years ending May 31 are shown in Table IX-H.

Periodically the question is raised regarding whether or not the special fund referred to above should be continued or whether all receipts

accruing to the Department should go into the General Fund. Ever since the special Forests and Waters Fund was created, the Department has been privileged, with the approval of the Budget Office, to use the fund for the ordinary expenses and activities of the Department, and in a manner supplementing the regular departmental appropriation. Since very little of the regular appropriation money is expended in connection with the activities from which the revenues are derived, the Department makes it clear that a change in the present arrangement would not affect the amount of money required for operation. In other words, if revenues are turned into the General Fund, then the regular departmental appropriation would have to be increased in sufficient amount to compensate for the difference, provided of course, that it is not desired to curtail the operations of the Department.

TABLE IX-G

EXPENDITURES BY PARK COMMISSIONS

Commission	Fiscal Year Ending May 31						
	1933	1934	1935	1936	1937	1938	1939
Pa. St. Park & Har. Com...	\$45,030.34	\$33,123.16	\$36,173.15	\$36,846.82	\$33,717.96	\$29,585.97	\$48,351.29
Wash. Cross. Park Com....	41,752.12	18,743.16	26,292.75	14,121.04	15,434.16	15,746.13	14,678.26
Valley Forge Park Com....	53,850.27	42,454.39	34,671.04	25,102.29	25,320.19	35,204.12	33,411.91
Fort Washington Park.....	915.91	999.00	999.00	999.00	999.00	999.00	999.00
Roosevelt State Park.....	15,729.60	20,818.31	884.24	--	49.16	--	--
Conrad Weiser Mem. Park..	--	--	120.56	1,377.97	169.05	--	--
Drake Well Mem. Park.....	--	--	1,687.85	1,811.46	--	--	--
Total.....	\$157,278.24	116,138.02	100,828.59	\$80,258.58	\$75,689.52	\$81,535.22	\$97,440.46

STATEMENT OF RECEIPTS OF FORESTS AND WATERS FUND
1935 to 1939, Inclusive

Source	Fiscal Year Ending May 31				
	1935	1936	1937	1938	1939
Stumpage.....	\$ 5,940.51	\$ 11,544.21	\$ 9,490.69	\$ 11,625.84	\$ 9,068.22
Minerals.....	5,068.79	5,304.04	6,094.76	7,667.67	7,122.16
Camp Leases.....	30,740.88	33,645.97	34,809.80	34,900.47	33,353.76
Water Leases.....	553.05	144.64	258.69	255.51	864.58
Rights of Way.....	3,528.36	4,119.58	3,779.00	4,150.46	3,584.25
Housing Rents.....	1,333.21	4,615.70	2,896.93	3,737.93	15,620.43
Miscellaneous Products.....	897.65	3,895.40	6,511.25	13,182.90	6,986.28
Recreational Income.....	1,279.00	3,521.40	8,023.75	8,212.51	10,888.25
Ground Rents.....	389.00	4,150.55	3,581.34	5,866.13	4,536.13
Wood Products.....	1,139.10	1,977.52	1,208.26	2,890.91	1,613.67
Cost of Extinction of Forest Fires.....	12,939.28	4,693.01	6,015.60	6,697.39	13,279.20
Sale of Seedlings.....	8,435.67	14,683.19	22,768.43	17,694.21	23,721.97
Miscellaneous Income.....	32.32	54.95	.66	17.22	43.85
Telephone Maintenance.....	548.88	507.78	622.21	845.42	667.50
Water Supply Permit Fees.....	12,137.38	12,087.57	13,734.67	13,372.38	799.35
Pymatuning Project.....	5,609.90	4,443.63	9,254.51	6,777.31	12,405.55
Valley Forge Park Commission.....	110.00	105.00	46.20	285.80	477.85
State Park and Harbor Commission.....	595.46	1,883.28	2,578.80	3,190.38	3,566.92
Roosevelt State Park.....	533.92	--	--	--	--
Washington Crossing Park Commission.....	302.65	1,866.00	2,152.00	2,695.00	2,327.50
Fort Washington Park.....	30.00	198.00	272.00	280.00	272.00
Burnt Mills.....	--	125.00	92.00	130.00	50.00
Delaware Navigation Commission.....	--	--	111.50	60.00	18.50
Conrad Weiser Memorial.....	--	--	--	761.38	--
Conrad Weiser Trust Fund.....	--	--	--	33.62	--
Totals.....	\$92,145.01	\$113,566.42	\$134,203.05	\$145,330.44	\$151,267.92

CHAPTER X

DEPARTMENT OF HEALTH

The Department of Health, as now constituted, was created by an act of the Legislature dated April 27, 1905. (1) It superseded and took over the duties and responsibilities of the previously existing State Board of Health which had functioned since 1885. Powers granted to the new Department of Health were, however, greatly expanded over those previously assigned to the old State Board of Health. Until the Administrative Code of 1923 was adopted, the chief administrative officer was known as the "Commissioner of Health." The Commissioner functioned in conjunction with an "Advisory Board." After 1923, the "Commissioner of Health" became the "Secretary of Health" and the "Advisory Board" became the "Advisory Board" became the "Advisory Health Board."

The Secretary of Health is appointed by the Governor, with the advice and consent of the Senate, for a term of four years, and receives a salary, set by statute, of \$10,000 per year, plus necessary traveling expenses. He must, however, be a graduate of a legally qualified medical college and have had at least ten years of professional experience. By virtue of his office, the Secretary is a member of the following boards:

- State Board of Medical Education and Licensure.
- Dental Council and Examining Board.
- Water and Power Resources Board.
- Anatomical Board.
- Sanitary Water Board (Chairman).
- Advisory Health Board (Chairman).

A. FUNCTION

The chief function of the Department of Health, as stated in the creating Act, is to "protect the health of the people of the State and

to determine and employ the most effective and practical means for the prevention and suppression of disease." Work of the Department may be classified as:

1. Curative

Under curative activities are included the holding of numerous clinics, and the administration of the tuberculosis sanatoria at Mont Alto, Cresson, and Hamburg, as well as the Hospital for Crippled Children at Elizabethtown.

2. Preventive

Preventive work is by far, the most extensive activity of the Department, covering the entire State and concerning itself with the protection of the health of all of the citizens of the State.

B. POWERS AND DUTIES

Major powers and duties of the Department of Health, as outlined in the Administrative Code, include the following:

1. In relation to general health administration:

- a. To determine and employ the most practical means for the prevention and suppression of disease.
- b. To investigate nuisances, or questions, affecting the security of life and health in any locality. In making such investigations, to have powers and authority similar to those conferred by law upon constables.
- c. To order nuisances detrimental to the public health, or the causes of disease or mortality, to be abated and removed.
- d. To enforce quarantine regulations.
- e. To enter upon premises for the purpose of abating or removing nuisances, if the owner or occupant fails to comply with any order for such abatement or removal.
- f. To institute action for the purpose of collecting or recovering the expense of the abatement or removal of a nuisance.

- g. To revoke or modify any order, regulation, by-law, or ordinance of a local board of health, concerning a matter which, in the judgment of the Department, affects the public health beyond the territory over which such local board has jurisdiction.
- h. To establish health rules and regulations, arrange for the printing and free distribution of same, and publication at least once in a daily Philadelphia and Pittsburgh newspaper.
- i. To enter, when conditions appear to justify such action, any borough or township of the first class, for the purpose of taking full charge and administration of the health laws, until such time as the Department may decide that a competent and qualified local health board is ready to assume the responsibility, and to collect all expenses incurred by the Department during its temporary assumption of responsibility.
- j. To take over the administration of the health laws in any borough or second class township, at the expense of the Department, when requested to do so by the borough or township, and the Department deems it advisable to comply with such requests.
- k. To prescribe standard requirements for conducting medical inspection of public school pupils throughout the Commonwealth, and to appoint medical inspectors for such purposes.

2. In relation to housing:

- a. To investigate the sanitary condition of tenements, lodging and boarding houses, and to condemn same if found to be a menace to health, notifying the owners or agents in writing of the existing conditions, and remedial action necessary, with time limitation for the accomplishment of specified changes or alterations.
- b. In making the investigations referred to in (a), the Department of Health shall cooperate with the Department of Labor and Industry so as to avoid duplication of inspections or overlapping of functions, having at all times right of ingress into all tenement, lodging and boarding houses for the purposes noted.

3. In relation to vital statistics:

- a. To obtain, collect, compile, and preserve all statistics of marriages, deaths, diseases, of practitioners of medicine and surgery, of midwives, nurses, and undertakers, and of

all professions whose occupation is deemed to be of importance in obtaining a complete registration of births, deaths, marriages, and diseases, or other vital statistics.

- b. To see that the laws requiring the registration of births, deaths, marriages, and diseases, are uniformly and thoroughly enforced throughout the State.
 - c. To issue marriage, birth, and death certificates, and such burial or removal permits, as may be required by law.
4. In relation to health districts and officers:
- a. To apportion the Commonwealth into such number of health districts as the Department, with the approval of the Governor, may decide, and, in each district, to appoint a health officer who shall, under the direction of the Department have supervision and control of the sanitary affairs of the district.
5. In relation to Quarantines:
- a. To declare, with the approval and concurrence of the Advisory Health Board, certain diseases to be communicable, in addition to those declared by law so to be, and to establish such regulations for the prevention of the spread of such diseases as the Department and the Advisory Health Board shall deem necessary and appropriate.
 - b. To establish and enforce quarantines, in such manner, and for such periods, and with such powers as may be provided for by law.
 - c. To administer and enforce the laws of the Commonwealth with regard to vaccination and other means of preventing the spread of communicable diseases.
6. In relation to tuberculosis sanatoria:
- a. To maintain sanatoria, or colonies, for the reception and treatment of indigent persons affected with tuberculosis.
 - b. To approve or disapprove plans and specifications for the erection of county hospitals or sanatoria.
7. In relation to narcotic drugs:
- a. To supervise the administration and enforcement of laws regulating the possession of, control, dealing in, giving away,

delivery, dispensing, administering, prescribing, and use of narcotic drugs.

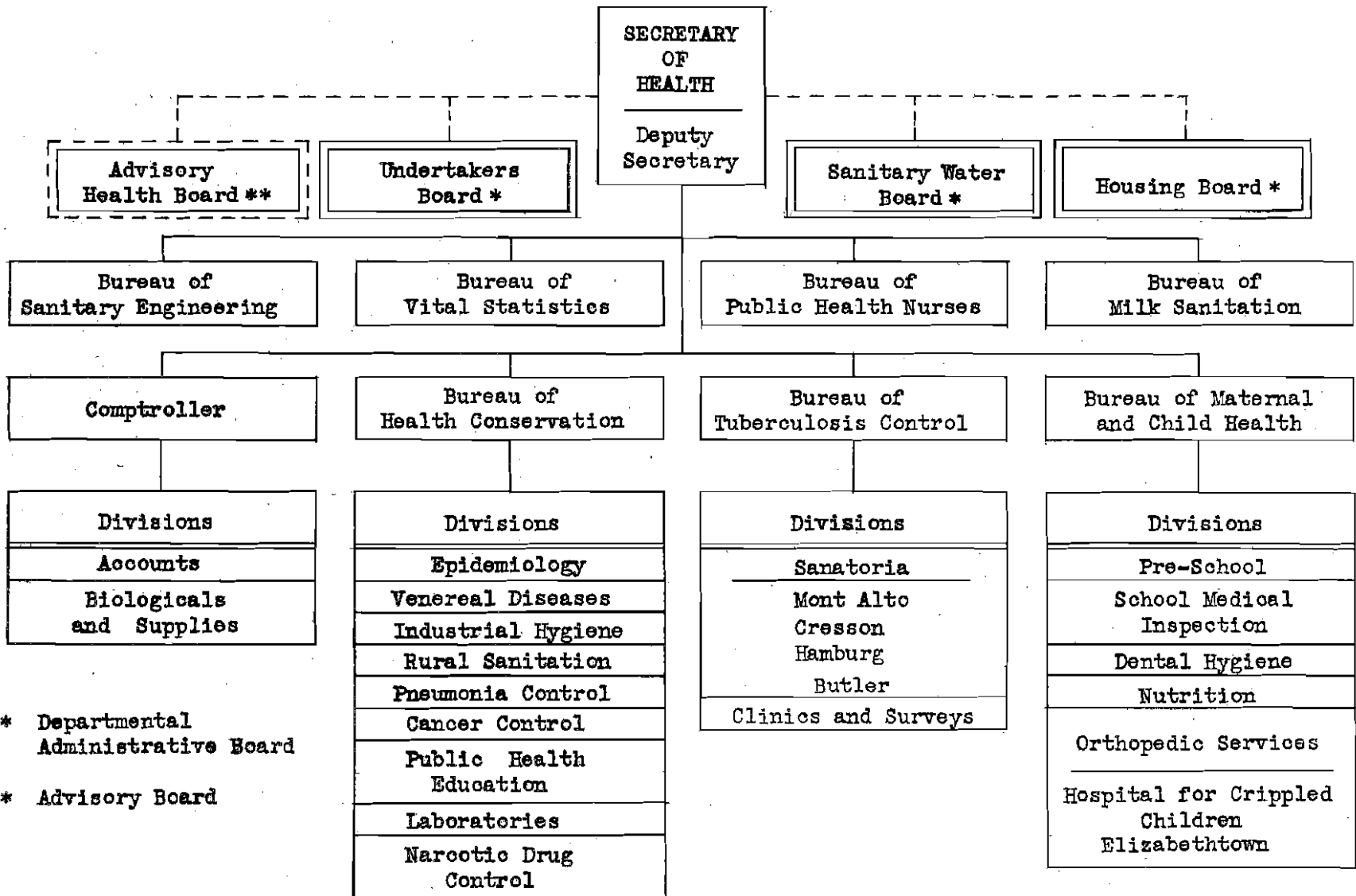
8. In relation to water pollution:
 - a. To act as the enforcement agent of the Sanitary Water Board.
 - b. To make such inspections and investigations, from time to time, as the Sanitary Water Board may direct.
 - c. To issue water work permits, and specify therein the conditions under which water may be supplied to the public.
9. In relation to the State Hospital for Crippled Children:
 - a. To manage and control the State Hospital for Crippled Children at Elizabethtown, including the admission and discharge of patients.
10. Sanitary Water Board -- Powers and Duties:
 - a. Supervise and administer all laws relating to the discharge of sewerage into the waters of the State.
 - b. Make investigations and report, from time to time, on ways and means of eliminating from the streams and waters of the State, in so far as practicable, all substances and materials which pollute, or tend to pollute the same.
11. Advisory Health Board -- Powers and Duties:
 - a. Advise the Secretary of Health on such matters as he may bring before it.
 - b. Make such rules and regulations, not contrary to law, deemed necessary by the board for the prevention of disease, the protection of the lives and health of the people of the Commonwealth, and for the proper performance of the work of the Department of Health.
12. State Board of Undertakers -- Powers and Duties:
 - a. Hold examinations, twice each year, for the purpose of issuing licenses to successful applicants.
 - b. Supervise the conduct of licensed undertakers.
 - c. Issue annual registration cards.

C. ORGANIZATION AND OPERATIONS

As is indicated in Chart X-1, page 1006, the work of the Department

CHART X-1

ORGANIZATION OF THE DEPARTMENT OF HEALTH



* Departmental Administrative Board

** Advisory Board

of Health is divided among seven bureaus. Three of these bureaus are further divided into "divisions." In addition, there is the Chief Administrative Office, presided over by the Secretary of Health and the Deputy Secretary of Health. Directly under the Chief Administrative Office, is the office of the Comptroller, which latter office has jurisdiction over a Division of Accounts and a Division of Biologicals and Supplies. Four departmental boards complete the organization set-up. These are the Advisory Health Board, the Undertakers' Board, the Sanitary Water Board, and the Housing Board.

1. General Administrative Offices

Under the immediate supervision of the Secretary of Health, the Chief Administrative Office, located in Harrisburg, exercises jurisdiction over all the activities of the Department of Health. It enforces the various laws related to the protection of the general health of all the people of the Commonwealth, and administers all departmental rules and regulations, including those prescribed by the Advisory Health Board. The Office also exercises jurisdiction over all personnel, directs and coordinates the activities of all bureaus and boards, plans and supervises the United States Social Security Health Program, and is in direct charge of all plans for new construction at Health Department Institutions.

Administratively, the Department exercises direct jurisdiction over health matters in all rural areas, and more or less indirect jurisdiction over municipalities or organized areas. In these latter areas, the function is strictly supervisory, but the Department may, at any time, enforce regulations or actually take over the administration of the health laws where local boards are not functioning efficiently, or not functioning at

all.

For administrative purposes, the Commonwealth is divided into districts, corresponding, in most instances, to counties. Each district is under the direction of a medical health officer usually called the County Medical Director. By far the greater portion of the field force in the various districts is comprised of Health Department personnel. This force consists of full-time employes, appointed by the Governor, upon recommendations of the Secretary of Health.

The County Medical Director is the direct representative of the Secretary of Health in his particular county. His duties may be classified as regular and periodic.

Regular duties are:

- a. To enforce the public health laws of the State.
- b. To enforce the rules and regulations of the Advisory Health Board.
- c. To carry out departmental programs and policies within his county.
- d. To exercise general supervision over the work of the departmental personnel in the county, and of the borough and first-class township boards of health.
- e. To investigate sources of epidemics and take measures for their control.
- f. To assist physicians in the diagnosis of contagious diseases.
- g. To vaccinate indigent school children or those repeatedly unsuccessfully vaccinated by private physicians, and pass upon physical fitness of children for vaccination when the question is raised.
- h. To investigate personally all cases of typhoid fever.

Periodic duties are:

- a. To take part in the physical examination of fourth-class school district children, and to supervise examinations made by others.
- b. To follow up on school children found to be physically defective.

- c. To report monthly, to the Department, on the general health of the county and on his own activities.
- d. To be subject, at all times, for work anywhere in the State in the event of disasters.
- e. To be subject to call for routine or special work in adjoining counties, in the absence of the regular County Medical Director.

The administration of public health work in Pennsylvania is unique in that it presents centralized authority and responsibility in place of the county health unit plan in operation in most states. The Pennsylvania plan insures a definite standardization and a uniform health program throughout sixty-six counties, excepting Philadelphia which has its own health program under its local Department of Health. In general, the work falls into two classifications -- rural or second-class townships, and organized municipalities. The Department of Health is directly responsible for public health work in second-class townships. These include all territories not organized as municipalities and considered as rural districts. This direct control includes not only administrative supervision but financial support and affects from 3,500,000 to 4,000,000 people out of a total State population of almost 11,000,000 people. The public health program in these areas has been carried on in a uniform manner, in each of the districts or counties, since the organization of the Department in 1905. At first the work was done by a large corps of part-time, or fee compensated, officers. At the present time it is done by an extensive state-paid, full-time health field force. All personnel engaged in this work is appointed by the Governor upon the recommendation of the Secretary of Health, as previously noted, and usually includes county medical directors at the head, school medical inspectors, public

health nurses, health officers, sanitary engineers, milk, restaurant hygiene, narcotic, and rural hygiene inspectors, etc. Subject to the approval of the Secretary of Health, the control and direction of the work of these field officers lies in the appropriate bureaus of the Department of Health.

The work in organized areas includes 1,000 municipalities and a few first-class townships. Each organized municipality maintains its own Board of Health and elects a health officer. The local municipality may cooperate with the county in which it is situated, or with any other political subdivision within such county, in establishing a common health unit, but it is required that it cooperate with the State Department of Health in the administration and enforcement of the rules and regulations and the health laws of the State. These constitute the minimum requirements for enforcement by local boards of health, but may be made more stringent by local ordinance. The State Department of Health acts in an advisory and supervisory capacity to all local health units or municipalities. In an emergency, the Health Department may even take over control of the local health activities and, in case of inefficiency, the Secretary of Health may remove the local board of health and substitute for it employees of the State Department, at local expense. City boards of health may be removed only after the courts approve an appeal seeking such removal.

Since 1927 it has been required that borough and first-class township health officers possess training and experience satisfactory to the Secretary of Health and must hold a certificate, issued by him, before entering upon their duties. Where local boards of health find it impossible to locate a health officer with such training, the Secretary of Health tem-

porarily approves the appointment of an untrained health officer until such time as the next Department of Health's School of Instruction for Health Officers is held. This school conducts an intensive course of instruction at Mont Alto Sanatorium, usually lasting for a period of three weeks. At the end of this period an examination is held and the successful candidates receive certificates from the Secretary of Health. This control over the appointment of local health officers has resulted in creating a higher type of public health work in municipalities.

The Department has the power to set aside inefficient borough and first-class township boards of health and may take over their work, at the expense of the locality, until such time as acceptable local boards of health and health officers with the qualifications required by law, have been appointed. Boroughs and first-class townships, on the other hand, may voluntarily surrender their public health work to the Department, and under such circumstances, the work is carried on without cost to the municipality. Approximately ten per cent of the boroughs and first-class townships, in one or another of the ways referred to above, are now completely under the State Department of Health.

2. Office of the Comptroller

An integral part of the chief executive office in Harrisburg is the office of the Comptroller. This office functions with two divisions, namely, the Division of Accounts and the Division of Biologicals and Supplies.

a. Division of Accounts

The Division of Accounts has charge of all fiscal matters relating to the Department of Health, and does the accounting and bookkeeping work.

From its records, assistance is rendered to other divisions in determining the allotments necessary to carry on their work. All payroll expense and purchase vouchers pass through this division, and a roster of all personnel and personnel changes is kept. Budget estimates for the operation of the Department are compiled by the Division each month, which estimates must be approved by the Secretary of Health, the Budget Secretary, and the Governor.

A cost accounting section is responsible for the compilation of the operating costs of all bureaus and divisions, including the three tuberculosis sanatoria and the State Hospital for Crippled Children, and the operating costs of approximately 265 automobiles and trucks. Cost figures for the general divisions are obtained from vouchers and monthly payrolls; operating costs of the sanatoria are computed from supplies requisitions submitted by the storekeepers at each institution. The Division of Accounts is also responsible for the storekeeping systems in all storerooms of the Department and for periodic inventories both of stores and plant equipment.

All payroll expense and purchase vouchers show itemized expenses incurred and purchases made. After being audited in the Accounting Division and by the Auditor General, these are transmitted to the State Treasurer where the checks are drawn. Checks are then turned over to the Division of Accounts and sent from that office to the payees. The accounting of the Federal Social Security Funds is the same as that outlined above with regard to State moneys except that it is handled in a separate budget.

b. Division of Biologicals and Supplies

The Division of Biologicals and Supplies is the custodian of all

supplies and biological products required by the Department. Requisitions for drugs and other supplies are received from the field agents, including the Tuberculosis and Genito-Urinary Clinics, and the Maternal and Child Health Clinics. The Division also supervises the distribution of biological products under the Department of Health's program of supplying free medicines, serums and the like to any resident of Pennsylvania who is financially unable to purchase such products. Thus, this Division is in control of the distribution of free diphtheria antitoxin, diphtheria toxin-antitoxin, diphtheria toxoid, typhoid fever vaccine, tetanus antitoxin, smallpox vaccine and other biologicals, as well as silver nitrate capsules and arsenicals, and bismuth to be used in anti-syphilitic treatment. The receipt for such products must be signed for by the physician in charge of the case and the distributor. On December 15, 1937, the Department began the free distribution of pneumonia serum to those financially unable to secure such treatment. This Division, therefore, procures, distributes and services all biological products furnished by the Department of Health to its many distributors, totalling approximately 440 stations. Distributors are located at readily accessible points throughout the State. Each distributor is required to store biological products under properly refrigerated conditions.

In addition to the distribution of the biologicals referred to above, this Division furnishes containers to physicians for shipment of specimens to the central laboratory, and distributes drugs, chemicals, pharmaceuticals, and equipment, as required, to the three sanatoria, the Hospital for Crippled Children, and the Tuberculosis, Genito-Urinary and the Maternal and Child Health Clinics.

3. Bureau of Health Conservation

The work of the Bureau of Health Conservation is probably the most im-

portant in the Department of Health insofar as its influence on the general health of the citizens of the Commonwealth is concerned. Prevention and control of communicable diseases, including tuberculosis and syphilis, is the chief objective. The present organization of the Bureau includes nine divisions -- Epidemiology, Venereal Diseases, Industrial Hygiene, Rural Sanitation, Pneumonia Control, Cancer Control, Public Health Education, Laboratories, and Narcotic Drug Control.

a. Division of Epidemiology

The Division of Epidemiology is responsible for the general supervision of communicable disease work throughout the State and directly responsible for the work carried on in the rural districts. It concerns itself with the control of epidemics, the collection and analysis of communicable disease and morbidity statistics, the supervision of municipal public health work, the furthering of mass immunization programs aimed at the elimination of such preventable infections as smallpox, diphtheria, etc., and with the cooperation of the Department of Public Instruction, it enforces the School Vaccination Law.

Special investigations are conducted by trained epidemiologists attached to the Division in an effort to devise means of controlling epidemics. These physicians are assisted when necessary by the field motor laboratory from the Division of Laboratories. They are especially trained in communicable diseases and are available as consultants to the medical profession of the State for making differential diagnoses when a communicable disease is suspected.

The work of prevention and control of communicable diseases is carried out through the local boards of health and the field force of this Department. The Division supervises the work of local boards of health in third-class cities, boroughs and first-class townships, and constantly lends its

field force and central office personnel to these municipalities for the handling of serious or perplexing contagious disease problems. The medical personnel of the Division devote their time to the epidemiological investigation of outbreaks of the major communicable diseases, evaluate the statistical information concerning reportable diseases, and advise the local units concerning measures for control of these diseases. The Division also engages in research work aimed at the control of some of the more perplexing communicable diseases.

Since January 1939, this Division has assumed and now performs the functions formerly performed by a "Division of Restaurant Hygiene," which latter Division was discontinued at that time because its activities duplicated, in large measure, the activities of the Division of Epidemiology. Functions involved include administration of the Restaurant Hygiene Law which specified in part that no person may be employed, or permitted to work as a public food or drink handler, without having first obtained a certificate from a physician certifying that such person is free from communicable disease.

b. Division of Venereal Diseases

The Division of Venereal Diseases is concerned chiefly with the control and suppression of venereal diseases. Administrative policies are developed and determined at regular meetings of an "Advisory Committee on Venereal Disease." Members serving on this Committee are appointed by the Secretary of Health.

In 1939, a law was passed requiring a physical examination for syphilis in the case of applicants for marriage. ⁽²⁾ This includes a serological blood test. It is mandatory that the State Department of Health examine

private laboratories and pass upon their qualifications to perform these tests free of charge, in the case of persons who are unable to pay for them. The clerk of the Orphans' Court is forbidden to issue a license for marriage unless he receives a statement from a "licensed physician of the Commonwealth" to the effect that the "applicant is not infected with syphilis or, if so infected, is not in a stage of that disease which is likely to become communicable." The administration of the Act is shared by this Division and the Division of Laboratories.

Also in 1939, another Act was passed making a serological blood test for syphilis compulsory in the case of pregnant women. The State arranges to have these tests made without cost, to the persons involved, in those cases where inability to pay is evident.

The Division administers quarantine regulations with respect to those persons considered to be wholesale disseminators of venereal diseases. It also takes over venereal disease control work in all municipalities where the local boards of health are not active, or do not function in these connections. The Division has no "Medical Inspectors."

A group of public health nurses, trained in the epidemiology of venereal disease, gives full-time service to the Division of Venereal Diseases. Their function is to hunt out sources of infection and to bring them to treatment. This service is extended to private physicians as well as to public clinics. Informational pamphlets and posters are distributed to interested groups, and trained lecturers are available for talks on the subject. Research studies on various sociological and medical phases of syphilis and gonorrhoea are conducted in selected institutions. The Institute for Syphilis Control of the University of Pennsylvania works in collaboration with the Venereal Disease Division, acting as a training school

for physicians and nurses connected with the clinics.

There are now 163 clinics for the treatment of syphilis. Of this number, 119 are conducted in their entirety by the State, and 44 privately operated clinics are furnished with drugs, without cost, for treatment purposes. Private physicians are also furnished drugs, free of charge, for the treatment of syphilitic patients who are without means.

The following table shows the number of State Clinics as of June 1st, for the years 1934 to 1940 inclusive:

TABLE X-A

DEPARTMENT OF HEALTH
NUMBER OF VENEREAL DISEASE CLINICS IN OPERATION ON
JUNE 1ST FOR THE YEARS 1934-1940, INCLUSIVE

Year	Number of Clinics
1934	65
1935	64
1936	68
1937	94
1938	109
1939	110
1940	119

c. Division of Industrial Hygiene

Until the spring of 1939, occupational disease control was a function of the Department of Labor and Industry. At that time, through agreement with the Secretary of Health and Secretary of Labor and Industry, the technical aspects of the work were transferred to the Department of Health. The police authority connected with this work remained with the Department of Labor and Industry so that their inspectors could investi-

gate and learn of dangerous situations and report any hazards found in industrial plants to the Department of Health. Plant environment constituting hazards to employes is usually checked by the Division of Industrial Hygiene upon receipt of complaints and not as a matter of routine. When technical investigations are made the findings are reported and recommendations are made for correction to the Bureau of Inspection of the Department of Labor and Industry.

In addition to the above, the Division engages in a certain amount of research work, such as clinical and engineering surveys of industrial plants and hazards, occupational diseases, and other matters intended to improve industrial preventive medicine, and conducts investigations into the causes of silicosis, anthro-silicosis, and asbestosis. The work is carried on at present by several well-equipped laboratories, and financed with Federal funds. There are laboratories in Philadelphia and Pittsburgh and the principal laboratory is located in Harrisburg.

d. Division of Rural Sanitation

The chief function of the Division of Rural Sanitation is to enforce the rules and regulations of the Advisory Health Board pertaining to public health nuisances and to correct insanitary conditions that exist in the rural areas of the Commonwealth.

The Division exercises direct authority over district and county medical directors and sanitary officers, in connection with problems of sanitation arising or existing within their respective areas. The field inspectors of the central office act as liaison agents between the central office and the field force of the Department, and in an advisory capacity on problems of sanitation where a higher degree of technical knowledge and ex-

perience is required. They investigate and offer assistance on sanitary problems which exist or arise in incorporated municipalities which maintain their own boards of health, but which as frequently occurs, make request to the State Department of Health for help. The inspectors also conduct field investigations of insanitary conditions which county or district sanitarians have been unable to abate or correct satisfactorily and report the findings of such investigations to the Division Chief, who determines from these reports what further action shall be taken to accomplish the necessary correction of the condition involved. They further maintain personal contact with sanitarians in the field. These contacts provide opportunities for instructing these agents, thus, resulting in higher standards of work.

From time to time, surveys are made of sanitary conditions in small communities and rural villages. At the present time, the Division is engaged in a State-wide survey of all public camps and recreational areas located within the Commonwealth. The actual work of inspecting these public camps, and the correction of insanitary conditions found, is being done by the field sanitary officers, assisted by the sanitarians attached to the central office.

e. Division of Pneumonia Control

Pneumonia, annually responsible for an average of 8,696 deaths in Pennsylvania during the decade immediately preceding 1939, is the third most frequent cause of death, being outranked only by cardiovascular disease and cancer. Until the past few years, this disease did not respond to specific treatment. In spite of anything the best physicians could do, three out of every ten pneumonia patients would die. Within the past decade however, this situation has changed. At present, several therapeutic

aids are available. By proper use, the physician can greatly influence the outcome of the disease, and can decrease its mortality rate from 30% to 10% or less. This means simply that every time ten patients are treated two lives can be saved. Since little can be done to prevent the disease, it becomes imperative that every case be adequately treated once it has been diagnosed. In order that every case may be given the best possible chance of recovery, it becomes necessary for some agency to make available, through the physician, the therapeutic materials which are necessary for treating the case and which, because of their cost, would not otherwise be available.

In 1937 the State Department of Health, in an attempt to meet the demand, set up a pneumonia control program. Laboratories were organized throughout the State with the specific duty to dispense serum for certain types, free to deserving patients, plus supplying adequate diagnostic facilities so that these sera could be properly used. During the first season of operation, 1200 pneumonia victims were treated with an additional 1600 being treated the following year. It is safe to assume that, through these efforts, some 500 pneumonia deaths were prevented. Realizing the importance of control measures in pneumonia and the benefits to be derived therefrom, a still more extensive program was started in the spring of 1939. A new Division was created, devoting its entire time and efforts to the problem. Accordingly, with the onset of the pneumonia season, 177 pneumonia control stations, conveniently located throughout the State, were supplying physicians with serum in any type, with sulfapyridine, and with any laboratory service, either diagnostic or therapeutic. These facilities were furnished free, through the private physician, to any pneumonia patient unable to pay for same. During the year ending June 30, 1940, some 9,500 patients had been treated through facilities made available by the State

Department of Health. The reported mortality rate in the first 7,655 cases, tabulated to date, is slightly more than 10%. The expected mortality, computed at 30%, would have been approximately 2,300. Actually, it was 839. Thus a saving of some 1,500 lives was realized in this small group. Many additional patients were treated from private sources.

During this same year, ending June 30th, 1940, only 4,788 pneumonia fatalities were reported as compared to an annual average for the decade previous to 1939 of 8,696, or approximately 4,000 less. This marked reduction must be attributed to the extension of adequate therapy to a greater number of patients.

With the introduction of chemotherapy, an additional effective therapeutic weapon was made available and its cost is so much less than serum that it is now possible to treat many more persons at no greater total cost than previously prevailed for smaller groups.

f. Division of Cancer Control

The cancer control program is being financed almost entirely from Federal funds.

Due to the fact that this disease has not as yet been entirely controlled by the medical profession, progress in cancer control work does not begin to match that accomplished with pneumonia. Cancer ranks second in cause of death in Pennsylvania. Much good work is being done, however, considerable success is being obtained through surgical operations, and other treatments, especially during the early stages of the disease. Efforts are being made to establish free cancer clinics throughout the Commonwealth in order that indigent persons may apply for diagnosis and possible treatment.

g. Division of Public Health Education

The primary purpose of the Division of Public Health Education is

to educate the general public with regard to the health laws and regulations of the State, and instruct it in ways of health preservation, and disease prevention measures, in order to prevent the spread of communicable diseases.

In carrying out the educational program referred to above, the Division issues each month a publication known as "Pennsylvania's Health." This publication, distributed in large part to rural areas, treats of health subjects and problems. Since copies are sent to all field agents and public health workers, it automatically serves as a convenient medium for broadcasting departmental orders, regulations, and instructions, as well as departmental news.

General activities of the Division include the preparation and distribution of health literature, educational charts and exhibits, and the compilation of monthly, annual and biennial reports. Especial attention is given to the preparation of materials and exhibits for the State Farm Show, meetings of the State Medical Society, and other similar meetings. Maintained, also, is a very fine library of health motion picture films, which films are made available, upon request, to interested groups, clubs, societies, etc. Public health lectures, by assigned speakers, are available and usually supplement the other educational activities.

h. Division of Laboratories

The laboratories of the State Department of Health were established in 1916 to aid physicians in scientific diagnosis of cases where patients were financially unable to have such work done by a private laboratory, or where a local laboratory was not available. The central laboratory, located in Philadelphia, is housed in the Hygiene Building of

the University of Pennsylvania. Branch clinical laboratories are located at each of the three State Sanatoria and the Hospital for Crippled Children at Elizabethtown, and are financed from funds allocated to these institutions.

In addition to the central laboratory at Philadelphia and the branch clinical laboratories, all of which are under the supervision and control of the State Health Department, there are numerous private laboratories which cooperate with the State in many ways. The Laboratory of Industrial Hygiene, mentioned in connection with the Division of Industrial Hygiene, Bureau of Health Conservation, lends cooperative assistance, as does, also, the Bureau of Sanitary Engineering Chemical Laboratory for water analysis, and the same bureau's Industrial Waste Laboratory.

Assisting the branch clinical laboratories in their tuberculosis work, is a new X-ray Laboratory established in Harrisburg in 1937. This X-ray Laboratory, the largest in the State, is equipped with the latest type of apparatus, and has a developing capacity of 400 X-ray films per day. Its primary function is to develop and interpret X-ray films made throughout the State by the Mobile X-ray units in connection with the Department's tuberculosis case-finding work among high school and State Teachers' College students. This laboratory is under the direction of a roentgenologist who serves also as supervisor, advisor and consultant for the X-ray laboratories at each of the three tuberculosis sanatoria and the Crippled Children's Hospital.

Three motor laboratories, fully equipped with hot and cold sterile water, refrigerators, incubators, ovens and everything essential to a complete laboratory, are maintained and held in readiness at the Department's

central laboratory in Philadelphia, for service in the field in case of epidemics, flood emergencies, and disasters of various kinds. In the summer months, these laboratories are used for water examinations along highways, and in rural sections dependent on wells or springs. Two motor laboratories are also maintained for stream pollution study work by the Bureau of Sanitary Engineering. These field laboratories conduct routine examinations of water and milk supplies in seeking to ascertain sources of communicable diseases.

Specific duties of the Health Department's official laboratories include sputum examinations for the tuberculosis organism, examination of cultures for typhoid, pneumococcus and meningococcus and diphtheria, preparation of autogenous vaccines, serologic diagnosis of venereal diseases, agglutination tests for undulant fever, typhoid fever and tularemia, pathologic diagnosis, and microscopic study of pathological specimens, particularly of sarcoma and carcinoma, and the standardization of disinfectants, antiseptics, prophylactic and biological products. The latter include tetanus antitoxin, diphtheria antitoxin, diphtheria toxin antitoxin, pneumococcic typing material and anti-pneumococcic sera.

Most of the specimens analyzed by these laboratories are sent in by physicians for patients who cannot afford the usual laboratory fees. Since diagnosis is of public health importance, no fee is charged for any of the services performed by the laboratories.

Table X-B, shown on page 1025, indicates the extensiveness of the specimen examination work being done by the laboratories, and shows the year by year increases since 1933.

TABLE X-B

DEPARTMENT OF HEALTH
NUMBER OF SPECIMENS EXAMINED BY LABORATORIES
1933 to 1940, INCLUSIVE

Year	Number of Specimens	Number of Tests
1933	121,139	181,708
1934	144,180	216,270
1935	145,838	218,757
1936	145,961	218,420
1937	166,551	249,826
1938	204,708	307,062
1939	206,757	310,135
1940*.....	181,327	271,990

* To October 1st.

i. Division of Narcotic Drug Control

The Division of Narcotic Drug Control functions under the Anti-Narcotic Act of 1917 (4) and subsequent amendments (5) thereof. It was passed in support of the Federal Law known as the Harrison Narcotic Drug Act. (6) The Legislature of 1939 also wrote into the Pennsylvania law an act (7) regulating the sale of sulfanilamide and its derivatives, and another act providing for the destruction and prevention of the spread of Canada thistle, chicory, and marihuana. Enforcement of these acts, which imposed certain powers and duties upon township supervisors and constables, was placed under the jurisdiction of the Division of Narcotic Drug Control of the Health Department. The Division is also responsible for the enforcement (8) of the Dangerous Drug Act of 1935, which regulates the prescribing and dispensing of barbotol, and other hypnotic analgesic or body-weight reducing drugs.

General functions of the Division include the regulation of possession, dealing in, giving away, delivery, dispensing, administering, prescribing

and use of certain narcotic drugs, and keeping records of same. In carrying out these functions, the Division is empowered to revoke or suspend licenses of physicians, dentists, veterinarians, pharmacists, druggists and registered nurses for violations of the Anti-Narcotic Acts.

The Division supervises and maintains constant check on the prescriptions of doctors as they come to drug stores. It classifies addicts and incurables who are allowed to have narcotic drugs, under certain conditions. Examiners and inspectors visit drug stores and inspect their records several times a year. If they find that a physician is prescribing excessive quantities of certain drugs, or is giving an unusually large number of prescriptions, the case is promptly investigated. Addicts are not only registered but followed up to see that they are properly taken care of, and when necessary, to require them to go to hospitals for treatment. Although the Division is empowered to make arrests without warrant, it restricts its police functions to extreme cases. Every effort is made to prevent drug addiction and to assist the unfortunates who have already become addicts. Close cooperation is maintained between the Division, the Federal Narcotic agents, the agents of the United States Internal Revenue Department and the State and local police.

4. Bureau of Sanitary Engineering

Administration of the Bureau of Sanitary Engineering is not through "divisions" but rather through staff engineers assigned with specific responsibilities. In order that there may be close supervision of public water supplies, as well as efficient enforcement of all the laws regularly administered by this Bureau, the State, for these purposes is divided into seven districts with each district under a district engineer.

Functions of the Bureau include examination of public, private, roadside and bottled water supplies, recommendations for issuance of permits by the Secretary of Health for public water supplies and bottled water, examination of sewerage projects and sewage treatment plants, examination of bathing place projects and recommendations for issuance of permits by the Secretary of Health, shell fish inspection, dewatering of coal mines flooded in 1936, inspection of camp sites, control of industrial wastes and pollution of streams, and the operation of a chemical laboratory and two motor laboratories. The Bureau is also concerned with engineering features pertinent to the abatement of public health nuisances, and the inspection of proposed sites, plans and specifications for county tuberculosis sanatoria, as well as health engineering factors involved in the construction of all governmental buildings.

In addition to these functions, the Bureau serves as a consulting medium for other departments of the State government in all matters having to do with sanitation.

Administration of various Bureau functions is as follows:

a. Water Supply Inspection

Before permits are issued to supply water for public use, careful examinations are made by the Department engineers, of proposed sources and purification processes. After permits have been granted, periodic inspections are made in order to assure that the conditions of the permit are being observed. No charges are made for permits.

Three motorized laboratories, reaching all parts of the State, collect and analyze water samples, erect safe water signs, and condemn polluted waters as unfit for drinking purposes. Experience has shown that

approximately every third well or spring analyzed is found to be unsafe.

b. Bottled Water Permits

Permits are granted after favorable reports of investigations into proposed sources of water supply, chemical and bacteriological analysis, cleansing and sterilizing facilities, etc. No fees are charged for these permits.

c. Sewage Systems

The Bureau is authorized to investigate applications for sewerage permits and the proposed projects. It makes a study of the receiving body of water, the use made of it, its conditions, etc. It examines plans for pumping stations, sewage treatment works, the appurtenances thereto, and sees to it that such plants comply with modern sewage practices and recognized principles of engineering in this field. Inspections are made to determine whether or not the conditions under which permits were issued are being complied with. A filing fee of \$5.00 is charged for each application and \$20.00 is charged for each sewerage permit issued. A license is required from local authorities before anyone may engage in a plumbing or building drainage business in cities of the first, second, or third class. A similar requirement applied to boroughs, incorporated towns, and townships of the first class until passage of a Repealing Act⁽⁹⁾ became effective in 1939. This act nullified the provisions of the so-called⁽¹⁰⁾ Plumbing Code of 1937 insofar as it related to boroughs, incorporated towns and townships of the first class. The same Repealing Act automatically took away all authority previously assigned to the Department of Health in these connections, with the result that the Department no longer has any jurisdiction in the control of plumbing anywhere in the Commonwealth.

d. Inspection of Public Bathing Places and Swimming Pools

The "Public Bathing Law" of 1931⁽¹¹⁾ authorized the Department of Health to regulate public bathing bathhouses, private and public natatoriums, Turkish Bathhouses, and all places hired for any form of bathing or swimming and all appurtenances thereto, with regard to sanitation, cleanliness and safety.

An application fee of \$10.00 is required from all bathing places. Permits issued are continuous as long as the rules and regulations of the Advisory Health Board and the provisions of the law are followed and adhered to. All public bathing places must pay annual fees of \$5.00 or \$10.00, depending upon the size of a community. Revenue from these fees amounts to approximately \$7,500 annually.

e. Abatement of Public Health Nuisances

The Department of Health has long been authorized to investigate public health nuisances, and to order the abatement or removal of same. In case such orders are not complied with, it is authorized to enter upon premises, make abatements, and charge the costs to the owner.⁽¹²⁾ The rule making power of the Department, in this respect, is vested in the Advisory Health Board.

f. Cooperation with Other Health Agencies

The Bureau of Sanitary Engineering approves or disapproves plans for county hospitals or sanatoria erected for the benefit of persons suffering from tuberculosis. It inspects proposed sites, plans and specifications, and reports its findings to the County Commissioners. The Bureau also renders a consulting engineering service to other departments of the State government, and cooperates with the health departments of other states

in the handling of regional health problems. It renders engineering advice on such matters as water supply, sewerage and sewage disposal, and other health features, during the process of approving plans and specifications for the construction of buildings by the General State Authority or the Department of Property and Supplies. This is especially the case with regard to State institutions under the Department of Welfare, school buildings, camp grounds, and parks operated by the Department of Forests and Waters. The Bureau cooperates with the engineers of the Public Utility Commission in questions involving the quality of water served by water companies, and with engineers of the Water and Power Resources Board in such matters as applications for dams in connection with public water supplies, etc.

g. Shellfish Inspection

Inspection of establishments handling shellfish in order to correct and eliminate insanitary conditions, and the issuance of certificates to such establishments engaged in interstate commerce, was developed as a new activity of the Bureau in 1935. This was done in spite of the fact that Pennsylvania produces no shellfish. Regulations provide that shippers, packers, and wholesale merchants keep records of the source, date and quantity of shellfish handled. Approval of the Department of Health is a pre-requisite before business may be conducted in Pennsylvania, or shipments of shellfish made from Pennsylvania to other states.

h. Coal Mine Sealing

Some ten years ago it was estimated that abandoned bituminous coal mines, in about 27 counties, were generating and pouring into the streams of the State over $7\frac{1}{2}$ million pounds of concentrated sulphuric acid

daily. The acid was produced through the chemical action of sulphur contained in iron pyrites in combination with water and oxygen from the air. Acid pollution of waters, in such large proportions, had a disastrous effect on domestic water supplies and aquatic life. Water filtration plants were affected, as well as pumps, water pipes, boilers, etc., used industrially. In order to neutralize the excessive corrosive effect of the acid, millions of pounds of soda ash were used. After a series of experiments, it was discovered that sealing of mine openings, cutting off the aid, greatly reduced the quantity of sulphuric acid generated. Favorable results were also obtained where it was possible to reduce the amount of inflowing water. Encouraged by these experiments, the Department of Health in 1934, sponsored a W.P.A. mine sealing project.

Preliminary to the actual work of sealing mines, a survey was made of the entire bituminous coal field. Approximately 7,775 mines were located. Of this number, 3,934 were classified as abandoned, 2,649 as active, and 1,192 as marginal.

On July 1, 1938, some 600 mines had been completely sealed, causing a reduction of approximately one million pounds of acid daily, delivered to the streams. Because Federal Funds were not sufficient to complete the work, the State appropriated \$55,000 for the purpose during the 1937-39 biennium. Of this sum \$16,000 lapsed. At present, no mine sealing is being done even though many mines remain unsealed.

i. Dewatering Flooded Coal Mines

During the disastrous floods of 1936 in Pennsylvania, billions of gallons of water entered coal mines, throwing thousands of miners out of work. After an inspection of conditions, coal operators agreed to re-

condition and operate the mines if the State would give financial assistance in the huge task of removing the flood waters. Assistance was granted in the form of a \$700,000 special appropriation to the Department of Health, for this purpose, during the 1935-37 biennium. Actual dewatering work began in June, 1936. To continue the work, a further appropriation of \$225,000 was made for the 1937-39 biennium.

It is estimated that over 20 billion gallons of water have been removed from both anthracite and bituminous mines, resulting in the return of some 6,400 miners back to work, and the restoration of a monthly payroll of over \$700,000.

j. Emergency Work Due to Floods

During emergencies caused by floods, the Department of Health, functioning largely through its Bureau of Sanitary Engineering, furnishes medical supplies and nursing service to flood victims, and supervises sanitary clean-ups. Working cooperatively with the Red Cross and the Pennsylvania Motor Police, food, safe water, clothing, shelter, etc. are provided. After the 1936 flood, typhoid vaccine was supplied for the immunization of 87,296 individuals. Several thousand packages of gangrene and tetanus anti-toxin were furnished. Total cost of services rendered by the Department during the 1936 flood emergency amounted to \$84,904.

k. Chemical Laboratory

The Bureau of Sanitary Engineering maintains a small chemical laboratory in Harrisburg. Although the traveling laboratories do water analyses and related work, the Harrisburg laboratory does similar work in larger measure, including microscopic and mineral analyses of water, industrial waste and sewage, coal used by the sanatoria and other institu-

tions, and sand for water filters, etc. It also attempts to ascertain the cause of offensive odors and tastes when these appear in public drinking water, and seeks a remedy for the same since water so affected is very often the hidden cause of disease.

5. Bureau of Vital Statistics

The Bureau of Vital Statistics enforces the laws pertaining to registration of births, deaths, marriages and diseases, and the collection of related data and statistics on these matters within the Commonwealth. For this purpose, the State is divided into some 750 registration districts. Each of these is covered by a local registrar, deputy and sub-registrar appointed by the Department. The main office is located in the Department of Health in Harrisburg. There are branch offices in Philadelphia, Pittsburgh and Scranton. Boroughs, cities and townships are the primary registration districts. Each registration district may comprise one or more primary districts and has a local registrar and deputy. These receive the original birth and death certificates and may issue burial or removal permits. The local registrars are appointed by the Secretary of Health and receive a fee of \$.50 for each certificate properly registered. Fees are paid by the County Treasurer after proper certification is made by the Bureau of Vital Statistics. The State also pays \$.04 for each birth certification in first-class cities. In addition to the 726 local registrars there are approximately sixty-five marriage certificate transcribers who are paid \$.04 for each transcript outside of Philadelphia and \$.05 in Philadelphia.

Approximately 12,300,000 original certificates of births, deaths, and marriages dating from January 1, 1906, are filed in the Bureau. Certified

copies of these certificates, including adoption certificates, may be obtained if proper application is made through the Bureau of Vital Statistics at Harrisburg, upon payment of a \$1.00 fee for each certificate. No fee is charged to veterans or to members of State departments. Approximately 600 free certificates are issued each month. Table X-C shows the number of certified copies issued and total fees received for the bienniums 1933-35 to 1937-39 and the first year of the current biennium.

TABLE X-C

DEPARTMENT OF HEALTH
NUMBER OF CERTIFIED COPIES OF BIRTH,
DEATH AND MARRIAGE CERTIFICATES ISSUED
BIENNIUMS 1933 to 1939, INCLUSIVE

Biennium	Certified Copies Issued
1933-35	121,571
1935-37	143,691
1937-39	160,475

Based upon the aforementioned fee of \$1.00, earnings during each of the above bienniums equalled the number of certified copies issued. During the first year of the current biennium (June 1, 1939 to May 31, 1940) the Bureau of Vital Statistics issued 94,183 certified copies and earned an equal amount in fees.

The Bureau also transcribes birth and death records for the Federal government, receiving compensation at the rate of \$.03 per transcript. Transcripts issued and money received for the bienniums 1933-35 to 1937-39 and the first year of the current biennium are shown in Table X-D.

TABLE X-D

DEPARTMENT OF HEALTH
 NUMBER OF BIRTH AND DEATH RECORDS TRANSCRIBED
 FOR FEDERAL GOVERNMENT AND RECEIPTS FOR SAME
 BIENNIUMS 1933 to 1941

Biennium	Number of Transcripts Issued	Receipts
1933-35	430,158	\$12,904.74
1935-37	515,878	15,476.34
1937-39	547,167	16,415.01
1939-41*.....	299,163	8,974.89

* For one year only (June 1, 1939 to May 31, 1940)

Since January 2, 1940, the Bureau has been furnishing the Federal Social Security Board with completed proof of death forms. The Board pays the Bureau \$.15 for each form sent from the Central Office and \$.25 for each form sent direct to the Board from local registrars. Local registrars are compensated at the rate of \$.10 each for forms sent direct. Money received from the Social Security Board is credited to the Social Security fund from which local registrars and other salaried employes are paid. Fees earned from Proof of Death forms for the period January 2, 1940 to May 31, 1940 amounted to \$1,659.30.

Statistical information appearing on certificates and reports is tabulated and coded by the Bureau in accordance with the Manual of the International List of Causes of Death and Joint Causes of Death. This International Code was prepared and is revised by an International Commission which meets every ten years for that purpose. The Code is issued by the Vital Statistics Division of the United States Bureau of the Census. The fifth revised edition appeared in 1939.

During 1936, undertakers reported 99.9% of the deaths occurring in the

State. Reports of deaths must be sent to local registrars prior to burial, and to the Bureau of Vital Statistics by the fifth day of the following month. In case death is thought to have been caused by unlawful means, the coroner of the county in which such death occurred must be notified. Burial permits are mandatory and must be secured from local registrars and presented to the sexton prior to burial. No charge is made for such permits.

In 1936, 97.0% of the births occurring in the State were recorded; of these 94.8% were reported by physicians, 1.9% by midwives and 0.3% by others. Births must be reported to the local registrar within ten days and to the Bureau of Vital Statistics by the tenth of the following month. Stillbirths are reported by births and deaths. The Bureau also sends a certificate, prepared by the Federal authorities, to all mothers as soon as a birth certificate has been returned. This certificate notifies them that the birth certificate has been registered in a certain volume and under a certain number in Harrisburg, serving later for school entrance purposes and as evidence of date and place of birth.

Of interest is the fact that statistical data compiled by the Bureau of Vital Statistics is sent to all parts of the world. Each month letters signed by the Secretary of Health are sent to consuls of foreign countries giving the list of nationals who died within the month.

Table X-E, page 1037, shows Pennsylvania's death rates, from certain causes, for the years 1929, 1938 and 1939, and compares the 1929 and 1938 rates with the rates for the same years for the registration area of which Pennsylvania is a part.

Table X-F, pages 1038 and 1039, compares Pennsylvania's death rates, from certain causes with the death rates of nine other states, comparable to or adjacent to Pennsylvania, for the years 1929 and 1938.

TABLE X-E

DEPARTMENT OF HEALTH
DEATH RATES FROM CERTAIN CAUSES FOR THE REGISTRATION AREA
AND FOR PENNSYLVANIA
1929, 1938 and 1939

CAUSE OF DEATH	1929		1938		1939
	Registra- tion Area Rates*	Pennsyl- vania Rates*	Registra- tion Area Rates*	Pennsyl- vania Rates*	Pennsyl- vania Rates*
<u>All Causes, Excluding Stillbirths</u>	<u>11.9</u>	<u>12.3</u>	<u>10.6</u>	<u>10.5</u>	<u>10.5</u>
Infant Deaths	68.0	70.0	51.0	46.0	45.0
Typhoid Fever	4.2	2.1	1.9	0.9	0.6
Measles	2.5	3.8	2.5	2.4	0.1
Scarlet Fever	2.1	2.5	0.9	1.2	0.6
Whooping Cough	6.3	6.0	3.7	1.7	1.5
Diphtheria	6.6	7.2	2.0	1.0	0.7
Influenza	55.5	57.3	12.7	10.0	12.2
Tuberculosis	76.0	66.0	49.0	42.9	40.9
Cancer	95.9	103.6	114.6	121.5	125.5
Diabetes	18.8	22.2	23.8	30.5	33.1
Cerebral Hemorrhage	86.0	88.7	85.7	83.5	84.6
Heart Disease	210.8	236.2	268.9	307.0	321.3
Pneumonia	91.6	106.8	67.5	62.4	53.7
Diarrhea & Enteritis under 2 years	17.9	20.3	10.8	5.4	4.5
Nephritis	91.2	104.8	77.2	82.1	81.1
Puerperal Causes	6.8	6.2	4.2	3.6	3.6
Suicide	14.0	13.5	15.2	13.7	12.8
Homicide	8.5	5.2	6.8	2.8	3.3

* Death rates for all causes are per 1,000 population.
 Infant death rates are per 1,000 live births.
 Puerperal mortality rates are per 1,000 total deliveries.
 All other rates are per 100,000 population.

TABLE X-F

DEPARTMENT OF HEALTH
COMPARISON OF PENNSYLVANIA DEATH RATES WITH NINE OTHER STATES
1929 and 1938

Cause of Death	Pennsylvania Rate		Delaware Rate		Illinois Rate		Maryland Rate	
	1929	1938	1929	1938	1929	1938	1929	1938
<u>All Causes, Excluding Stillbirths</u>	<u>12.3</u>	<u>10.5</u>	<u>13.2</u>	<u>12.3</u>	<u>11.6</u>	<u>10.8</u>	<u>13.5</u>	<u>12.4</u>
Typhoid Fever	2.1	0.9	2.1	1.5	1.5	0.7	4.2	1.9
Infant Deaths	70.0	46.0	81.0	53.0	61.0	41.0	80.0	56.0
Measles	3.8	2.4	3.4	0.8	3.8	2.7	1.4	0.5
Scarlet Fever	2.5	1.2	2.1	0.8	4.1	1.8	2.2	0.5
Whooping Cough	6.0	1.7	11.4	5.4	3.5	2.2	8.1	3.1
Diphtheria	7.2	1.0	5.9	0.8	10.1	1.5	4.4	1.0
Influenza	57.3	10.0	39.6	10.0	33.3	5.7	42.3	7.9
Tuberculosis	66.0	42.9	82.2	51.7	69.6	46.9	104.0	78.7
Cancer	103.6	121.5	103.3	119.5	107.2	137.3	109.6	136.1
Diabetes	22.2	30.5	23.6	33.3	23.5	28.1	19.4	28.6
Cerebral Hemorrhage	88.7	83.5	137.8	100.4	76.3	74.1	103.0	104.7
Heart Disease	236.2	307.0	242.8	366.3	233.3	316.5	242.8	327.8
Pneumonia	106.8	62.4	125.6	71.6	81.4	56.5	132.4	79.1
Diarrhea & Enteritis under 2 years	20.3	5.4	30.8	11.9	12.2	5.6	23.5	12.7
Nephritis	104.8	82.1	142.9	100.4	109.0	91.4	146.3	130.4
Puerperal Causes	6.2	3.6	6.0	3.5	6.6	3.3	5.2	3.6
Suicide	13.5	13.7	8.9	16.9	14.4	16.1	14.0	16.4
Homicide	5.2	2.8	6.7	5.4	8.9	5.5	8.1	6.8

NOTE: General death rates are per 1,000 population. Infant mortality rates are per 1,000 live births. Puerperal cause rates are per 1,000 total births. All other rates are per 100,000 population. Provisional infant mortality statistics for 1939 indicate that Pennsylvania's infant death rate of 45 per 1,000 live births ranked 25th as compared with other states in the Registration Area.

Massachusetts Rate		Missouri Rate		New Jersey Rate		New York Rate		Ohio Rate		West Virginia Rate	
1929	1938	1929	1938	1929	1938	1929	1938	1929	1938	1929	1938
<u>12.3</u>	<u>11.2</u>	<u>12.3</u>	<u>10.7</u>	<u>11.6</u>	<u>10.1</u>	<u>12.4</u>	<u>11.4</u>	<u>12.4</u>	<u>11.1</u>	<u>10.6</u>	<u>9.5</u>
1.0	0.3	4.9	2.5	1.5	0.5	1.3	0.5	2.3	0.8	11.4	3.6
62.0	40.0	62.0	51.0	60.0	39.0	61.0	41.0	69.0	43.0	78.0	62.0
3.0	0.3	3.2	4.5	0.8	0.7	1.6	0.7	3.9	2.7	4.8	6.2
1.7	0.6	2.5	1.5	1.2	0.3	1.5	0.5	2.2	1.2	1.5	2.0
3.3	0.9	6.5	4.0	5.1	1.3	3.2	1.5	7.9	1.8	13.5	7.2
6.1	0.5	5.4	2.9	11.2	0.7	5.3	0.3	3.5	1.4	7.4	3.6
28.3	3.6	58.1	14.7	25.7	4.4	26.0	3.7	60.9	11.2	84.2	18.9
69.3	38.6	75.6	48.0	71.5	43.9	75.2	50.6	69.8	45.0	69.2	50.1
132.9	156.9	108.7	123.8	107.6	128.2	122.1	156.9	104.8	131.3	57.8	75.7
23.5	32.6	21.5	21.8	23.9	29.6	26.7	36.5	20.5	28.2	9.9	16.2
98.7	96.7	86.8	87.6	86.9	79.6	79.1	73.4	116.0	108.6	60.0	73.0
274.3	362.0	205.0	250.3	252.3	319.8	290.5	367.8	226.7	282.7	124.9	171.6
113.5	70.4	103.7	82.3	102.3	56.6	113.9	64.0	90.4	61.7	77.3	72.2
10.3	2.8	13.6	11.0	12.6	2.9	12.7	4.7	13.1	7.5	58.0	24.1
79.0	69.2	122.9	103.0	100.1	72.4	92.3	71.1	79.7	77.4	70.0	69.7
6.5	3.7	7.0	3.8	5.2	3.6	5.4	3.6	6.5	3.7	5.6	3.8
12.6	13.3	16.5	15.9	15.7	16.0	17.0	17.3	15.9	18.9	9.5	13.2
1.7	1.3	9.7	6.1	4.5	2.8	5.3	3.3	8.3	5.1	10.3	6.9

6. Bureau of Tuberculosis Control

Sanatoria service and Tuberculosis Clinics were organized in Pennsylvania in 1917. Administratively the Bureau of Tuberculosis Control now functions under two divisions as follows:

a. Division of Sanatoria

The Division of Sanatoria supervises the operation of the three sanatoria at Mt. Alto, Cresson and Hamburg. With an aggregate capacity of approximately 2,399 beds, treatment is given to indigent persons and to those not able to finance the long period of sanatorium care. In spite of the facilities available, present total capacity of the three sanatoria is not sufficient to take care of needs. At times the waiting list of applicants seeking admission totals as many as 1,000. Because of this fact, a fourth sanatorium has been built in Butler and is about ready for occupancy. With a capacity of 550 beds at Butler, the total capacity of all four sanatoria will be 2,949 beds.

Mt. Alto, with 1,015 beds is used principally for the treatment of moderately advanced cases. It includes a children's hospital and an infirmary for about 500 adult patients.

The Cresson sanatorium with 808 beds, and the Hamburg sanatorium with 576 beds, are equipped to care for all types of cases.

These sanatoria provide the most modern methods for treatment of tuberculosis. A new and completely modern surgical unit has been constructed at the Hamburg sanatorium, where the best technique of chest surgery is employed with marked success. The unit accomodates 38 patients during the period of operation and convalescence.

Applications for admission to sanatoria are submitted through the State clinics to the central office for study and classification according to the stage of the disease, age of patient, sputum report and whether or not there are child contracts. The applicant is then placed on the waiting list of the sanatorium best adapted to his treatment and nearest his home, and is admitted in rotation as far as possible in accordance with the county quota. Young and incipient cases, and those in contact with young children, are placed on a preferred list. Each case is thoroughly investigated, and no charge is made for admission.

In addition to the State sanatoria, there are in the Commonwealth five county sanatoria with 573 beds, two municipal sanatoria with 670 beds, twelve private and semi-private sanatoria with 1081 beds, two Veterans' hospitals with 227 beds, 94 beds in general hospitals, 958 beds in State hospitals for the Insane and Feeble-minded, and 22 beds in State penal institutions.

Table X-G shows the capacities of the three State tuberculosis sanatoria, while in Table X-H is set forth the number of patients in each, on June 1, for the years 1934 to 1940, inclusive.

TABLE X-G
DEPARTMENT OF HEALTH
CAPACITY OF THE STATE'S TUBERCULOSIS SANATORIA
DURING THE YEARS 1934 to 1940

Institution	Capacity						
	1934	1935	1936	1937	1938	1939	1940
Mont Alto	1,090	1,035	1,035	1,035	1,054	1,021	1,015
Cresson	840	840	840	840	840	840	808
Hamburg	540	540	540	540	540	540	576
Total	2,470	2,415	2,415	2,415	2,434	2,401	2,399

TABLE X-H

DEPARTMENT OF HEALTH
NUMBER OF PATIENTS IN STATE'S TUBERCULOSIS SANATORIA
JUNE 1, 1934 to 1940, INCLUSIVE

Institution	Capacity						
	1934	1935	1936	1937	1938	1939	1940
Mont Alto	1,011	1,042	985	902	1,002	980	932
Cresson	864	836	818	798	816	823	778
Hamburg	554	536	538	503	510	526	560
Total	2,429	2,414	2,341	2,203	2,328	2,329	2,270

The average number of patients, total expenditures, and the per capita cost per day at the three sanatoria, for the last three bienniums and the first year of the current biennium, are shown in Table X-J below.

TABLE X-J

DEPARTMENT OF HEALTH
COMPARISON OF NUMBER OF PATIENTS IN STATE'S SANATORIA
EXPENDITURES AND PER CAPITA COSTS PER DAY
BIENNIUMS 1933-35 to 1939-41, INCLUSIVE

Sanatoria	Biennium	Average Patients Maintained	Expenditures	Per Capita Cost Per Day
Mont Alto	1933-35	1,004	\$819,728.00	\$1.12
	1935-37	979	837,920.00	1.17
	1937-39	972	949,966.00	1.34
	1939-41*.....	980	533,928.00	1.49
Cresson	1933-35	841	688,716.00	1.12
	1935-37	737	816,609.00	1.52
	1937-39	742	942,632.00	1.74
	1939-41*.....	800	453,326.00	1.55
Hamburg	1933-35	539	502,116.00	1.28
	1935-37	533	542,096.00	1.39
	1937-39	518	685,786.00	1.81
	1939-41*.....	539	328,252.00	1.67

* For one year only (June 1, 1939 to May 31, 1940)

Cost of foodstuffs, per patient day, at the various sanatoria is shown in Table X-K.

TABLE X-K

DEPARTMENT OF HEALTH
 COST OF FOODSTUFFS PER PATIENT PER DAY
 IN STATE'S TUBERCULOSIS SANATORIA
 FISCAL YEARS 1932-33 to 1939-40, INCLUSIVE

Fiscal Year	Cost Per Patient Per Day		
	Mont Alto	Cresson	Hamburg
1932-33	\$.37	\$.24	\$.30
1933-34 .....	.44	.35	.40
1934-35 .....	.49	.41	.45
1935-36 .....	.43	.50	.41
1936-37 .....	.47	.58	.51
1937-38 .....	.52	.63	.51
1938-39 .....	.50	.62	.62
1939-40 .....	.48	.52	.52

b. Division of Clinics and Surveys

Excepting Philadelphia and Pittsburgh, some 90 tuberculosis clinics are held each year throughout the Commonwealth. The actual number held for the years 1934 to 1940 is shown in Table X-L.

TABLE X-L

DEPARTMENT OF HEALTH
 NUMBER OF STATE'S TUBERCULOSIS CLINICS
 1934 to 1940, INCLUSIVE

Year (June 1st)	Number of Clinics
1934	85
1935	85
1936	87
1937	88
1938	89
1939	88
1940	88

When first organized, tuberculosis clinics were maintained entirely by the State. However, many local organizations and communities gradually developed interest and many now provide quarters and other facilities. The State Department of Health furnishes the equipment and supplies and pays the nurses and clinicians.

Clinics are usually located in population centers throughout the State which are readily accessible to rural districts, and serve as admission centers for the State sanatoria. Patients who are not actually in need of sanatorium treatment are given advice and subsequently followed up by the nurses. Educational propaganda is circulated by the physicians and nurses, in cooperation with local tuberculosis societies. In addition to the State clinics, and those operated by the cities of Philadelphia and Pittsburgh, some eight clinics, approved by the Secretary of Health as admission centers for the sanatoria, are supported entirely by independent agencies.

Federal grants, as part of the Social Security program, have aided in the extension of tuberculosis work in Pennsylvania by establishing new clinics in areas where additional service was needed.

Federal funds also made possible a Juvenile Case Finding Program. This is carried on through motorized X-ray field units designed and built especially for the Department of Health. These units are so constructed that they can be dismounted for transportation and re-assembled in a school or other building. They carry the most modern X-ray equipment and are accompanied by a trained roentgenologist and a technician. This case finding program is confined to first year high school students, high school athletes and such teachers as may volunteer. Patients and contacts attending State

clinics are examined at the request of the clinicians when the routine work brings the unit into the vicinity of the clinic. The cities of Philadelphia and Pittsburgh are not included in this work. Parental consent and the name and address of the family physician are obtained before any child is examined. The Mantoux Test is given and all positive reactors are X-rayed. The results of the X-ray findings are sent to the parents and to the family physician only. Under an arrangement with the Superintendent of Public Instruction, this service was extended to include freshmen and senior students in the thirteen State Teachers' Colleges. An X-ray laboratory has been organized at Harrisburg and has been placed in charge of an experienced roentgenologist who supervises the developing, and interprets the films sent daily from the units in this field work.

7. Bureau of Maternal and Child Health

The Bureau of Maternal and Child Health formerly called the Bureau of Child Health consists of the following divisions: Pre-School, School Medical Inspection, Dental Hygiene, Nutrition, and Orthopedic Services including the Crippled Children's Hospital at Elizabethtown.

a. Pre-School Division.

This Division is concerned primarily with infant and child health, the supervision of midwives, health examination of pre-school children in fourth-class districts, dispensing of silver nitrate, and the establishment of pre-natal clinics and child health centers. This service was inaugurated in 1930 as part of a campaign to lower the maternal and infant mortality rates. In January 1937, there were in existence six State pre-natal clinics, sixty-two cooperating clinics, one hundred sixty-seven State child health centers and 330 cooperating child health centers. Through

grants from the Children's Bureau of the Federal Government, under the Federal Social Security program, nine pre-natal clinics and twenty-six child health centers were established, and a number of existing centers were reorganized. Local physicians, assisted by State nurses, are in charge of these clinics. Cooperating clinics are supplied with literature, record forms for reporting to the Pre-School Division, clinicians and State nursing service.

These clinics and child health centers are under State control but are sponsored by local civic and welfare agencies. The part that the State nurse plays is of vital importance. She advises expectant mothers on questions of diet, care and exercise before the child's birth, and, following birth, on proper care and treatment to insure good health. Pre-School clinics are especially active during the summer months when physical examinations are made of children expecting to enter school in the fall for the first time. Every effort is made to have defects corrected and the child vaccinated against smallpox and immunized against diphtheria. The Division cooperates, in the summer round-up, with Parent-Teacher Associations, who are the sponsoring agents, and receives reports on the results of the work throughout the State.

Parents, nurses and physicians in charge of the treating of minors under the age of six, who are totally deaf or whose hearing is impaired, must report this fact at once to the Department of Health, which in turn notifies the County Medical Director. If the Director finds that adequate care and treatment have not been provided and that the parent or guardian is financially unable to provide for same, he reports the case to the medical inspector of the school district or the Department of Health, as the case may be. The Superintendent of Public Instruction is notified also,

so that he may place the child in a public school having special classes for the deaf and hard of hearing, if that should be necessary. In 1937, (13) the sum of \$25,000 was appropriated for this work.

Cases of ophthalmia neonatorum must be reported. The installation of silver nitrate solution, or its germicidal equivalent, into the eyes of newborn babies is required. Silver nitrate capsules are furnished free to all physicians of the State. In 1937, the Legislature appropriated \$10,000 for the conduct of this service in order to prevent blindness among infants.

Supervision of all midwives in the State, with the exception of those in Philadelphia and Pittsburgh, is a responsibility of this Division. Actual licensing, however, is under the jurisdiction of the Department of Public Instruction. On June 1, 1940, 293 midwives came under the Health Department's supervision. For this purpose, the State is divided into three districts, each covered by a physician who is an accomplished linguist, and who conducts instructional classes at stated intervals. Every case delivered by a midwife is reported to a State nurse who makes post-natal follow-up visits. All efforts are made to eliminate the unlicensed midwife.

b. Division of School Medical Inspection

Examinations made by school medical inspectors indicate that certain physical defects are directly responsible for retardation, low class ratings, behavior problems, and absences from school. The most common and outstanding of these appear to be dental defects, defective vision, impaired hearing, and diseased tonsils.

During the school term 1939-1940 examinations made of 80,000 rural

school children in full time health districts indicated that 3,753 had a visual acuity of 70, or worse, in one or both eyes. These children definitely needed glasses as the examinations not only indicated defects but very serious physical handicaps. Examinations of children referred to mental clinics often indicates that the mental condition is directly attributable to a correctable physical defect.

The number of pupils examined in fourth-class school districts, during the school years 1933 to 1939 inclusive, is shown in Table X-M. Due to lack of funds there were no examinations in 1940.

TABLE X-M
DEPARTMENT OF HEALTH
NUMBER OF PUPILS EXAMINED BY SCHOOL MEDICAL INSPECTORS
IN FOURTH-CLASS SCHOOL DISTRICTS
1933 to 1939, INCLUSIVE

Year	Number Examined
1933	142,410
1934	211,471
1935	97,522
1936	230,296
1937	495,402
1938	404,639
1939	80,302

The School Medical Inspection Division is not only concerned with the medical inspection of school children but is also responsible for the sanitary condition of the school buildings and grounds, the safety of the water supplies, the safe disposal of sewage, the improvement of the environmental conditions existing in the schools, the enforcement of the vaccination law, and the planning of follow-up programs to promote the correction of remedial defects.

The State is divided into school districts according to population as follows: first-class school districts are those with populations of above 500,000, the cities of Philadelphia and Pittsburgh being the only districts; second-class school districts are those with populations of 30,000 to 500,000, there being twenty in this classification; third-class school districts are those with populations of 5,000 to 30,000, there being 257 of these; and fourth-class school districts are those with populations of less than 5,000, there being 2,300 of these. In the first, second, and third-class districts, the school medical inspectors are appointed and paid by the local school boards, but work under the direct supervision and regulation of the Department of Health, submitting monthly reports to the School Medical Division. Medical inspection in schools of the fourth-class districts is directly under the control of the State Department of Health acting through inspectors appointed by and paid by the Department. School nurses are employed in all first and second-class districts and in approximately 60 per cent of the third-class districts. A number of fourth-class school districts also employ school nurses, but in a majority of districts, nursing service is available only through the State Department of Health. Since 1919, because of inadequate funds, it has been impossible to make complete inspections of pupils in fourth-class school districts. As a result, some of the approximately 800,000 pupils in these districts never were inspected even though many of the schools were in poor and dilapidated conditions. In 1936, Social Security funds, increased State appropriation and a W.P.A. project made possible a more complete examination of a greater number of pupils in these districts and schools.

The school medical inspectors are paid on a fee basis at the rate of

about \$5.00 for the physical examination of children per classroom. As of October 1, 1939, there were 385 such inspectors. In addition to the conduct of physical examinations of school children, and the sanitary inspection of school buildings and schoolrooms, the medical inspectors also perform examinations of minors who apply for employment. A child under the age of eighteen may obtain employment while going to school or during vacation periods, but before doing so must obtain a certificate signed by the physician certifying to the child's freedom from disease and his ability to undertake the employment in question. For this the Commonwealth pays the physician \$1.00 for each examination. No fee is charged the applicant. (14)

c. Dental Hygiene Division

The Division of Dental Hygiene employs ten dental hygienists, who cooperate with school districts in the establishing of dental health services. In addition, they give lectures on the value of dental hygiene to Parent-Teacher Associations and groups representing mothers and welfare organizations. In the past the chief concern was to see that as many teeth as possible were cleaned. The program emphasized dental health instruction as an important element in the building of good teeth. Dental prophylaxis is now employed only as a means of impressing upon the pupil the health values of good teeth. Defects are reported and the child is returned to his family dentist for correction. The effect of this program has been most beneficial in the elimination of dental ailments and the suppression of diseases among children.

In January 1940, the Division undertook a correctional program whereby the Department of Health arranged to pay a limited fee for a dental clinician when a School Board, or other tax supported agency, set up a dental

clinic for children. By November 1940, there were approximately 80 such dental clinics in operation.

d. Nutrition Division

The Division of Nutrition was created in 1937. It received a State appropriation of \$40,000 and additional aid was secured through grants from the Federal Children's Bureau.

The division functions through experienced nutritionists who work in cooperation with pre-natal, post-natal and child health clinicians, school medical inspectors, and nurses in rural districts. Each nutritionist (the present staff comprises a Chief and six assistants) is assigned a group of counties and is responsible for the entire nutritional program in the area. Duties include giving demonstrations and serving as consultant nutritionist to State clinics, and to all community agencies.

e. Division of Orthopedic Services

The primary function of the Division of Orthopedic Services is the treatment and care of crippled children. For this purpose a Hospital for Crippled Children, with a capacity of 150 beds, is maintained at Elizabeth-town.

The hospital treats, without cost to the patient, surgical tuberculosis and other orthopedic conditions. It admits patients of normal mentality, between the ages of one month and sixteen years, whose crippled condition, whether congenital or acquired, is such as to give promise of improvement through proper treatment. Under this program children needing long-term hospitalization are sent to the State hospital, and children needing short-term hospitalization are placed in local hospitals approved by the American College of Surgery and equipped to do orthopedic surgery. In

either case the parents must be financially unable to pay for such services.

A weekly out-patient clinic is held at the hospital and extension clinics are held at intervals, in centers of population throughout the State, to check the progress of discharged patients, examine new patients and to give advice in cases that do not require actual hospitalization.

In addition to the facilities available at the Elizabethtown Hospital, a special room was set aside some four or five years ago in the children's preventorium at the Mt. Alto Sanatorium for the treatment of children recently recovered from the acute attacks of anterior poliomyelitis. A heated pool was provided where these children are given water gymnastic treatment.

In addition to the institutional care of crippled children, the Department expends \$50,000 each biennium for work under its State-wide orthopedic unit through its clinics. Under this program the clinics are held by orthopedic surgeons paid by the State, and by orthopedic surgeons paid from local funds. No fees are obtained for operating on the children. Those children who do not need surgical treatment are supplied with braces, special shoes, or such other orthopedic appliances as may be prescribed by the surgeon.

Table X-N shows the capacity and number of children under care at the Elizabethtown Hospital on June 1st of each year from 1934 to 1940, inclusive.

TABLE X-N

DEPARTMENT OF HEALTH
CAPACITY OF HOSPITAL FOR CRIPPLED CHILDREN AT ELIZABETHTOWN
AND NUMBER UNDER CARE
1934 to 1940

Year (June 1st)	Number Under Care	Capacity of Hospital
1934	119	125
1935	126	125
1936	121	125
1937	131	125
1938	127	125
1939	124	125
1940	151	150

Expenditures for the Hospital during the last three bienniums and the first year of the current biennium, average number of patients, and per capita cost per day are shown in Table X-0.

TABLE X-0

DEPARTMENT OF HEALTH
AVERAGE NUMBER OF PATIENTS, EXPENDITURES AND PER CAPITA COST PER DAY
HOSPITAL FOR CRIPPLED CHILDREN AT ELIZABETHTOWN
1933-1940

Biennium	Average Number Patients	Expenditures	Per Capita Cost Per Day
1933-35	118	\$320,537	\$3.72
1935-37	119	313,536	3.61
1937-39	123	341,836	3.81
1939-41*.....	137	194,229	3.88

* One year only (June 1, 1939 to May 31, 1940)

The cost of foodstuffs per patient day, at the Elizabethtown Hospital, during the past eight years is shown in Table X-P.

TABLE X-P

DEPARTMENT OF HEALTH
 FOODSTUFFS COST PER PATIENT DAY
 HOSPITAL FOR CRIPPLED CHILDREN
 FISCAL YEARS 1932 to 1940, INCLUSIVE

Fiscal Year	Cost per Patient Day
1932-33	\$.58
1933-34 .....	.67
1934-35 .....	.65
1935-36 .....	.62
1936-37 .....	.77
1937-38 .....	.65
1938-39 .....	.73
1939-40 .....	.55

8. Bureau of Public Health Nursing

Public health nursing service is available in all counties of the State through a staff of approximately 185 nurses working under the supervision of the Bureau of Public Health Nursing.

Services rendered are extensive and varied. In the field of maternal and child health work, the State nurses locate pre-natal patients and promote pre-natal services from private physicians. From district registrars, names and addresses of reported births are secured for the purpose of arranging home visits. Through home visits, keeping of the new infant and mother under medical supervision is encouraged, and mothers are informed and trained in proper methods of post-natal care.

Nurses assist school medical inspectors in fourth calss school districts and do follow-up work. It is their duty usually to investigate the financial status of a family when specialized care is advisable, and to arrange for such treatment if the family is unable to pay for same.

In connection with the school nursing service, the State public health nurses emphasize the value of adequate health supervision and the providing of facilities for medical and nursing care. They assist in the control of communicable diseases through teaching recognition of early symptoms, the importance of isolation and the value of immunization. Findings of physicians are interpreted for the benefit of teachers and parents.

In the general field of health conservation, the State nurse assists in conducting all clinics under the State health program. She has charge of all records, takes a history of the case, prepares the patients for medical examinations and assists the physician at all tuberculosis, genitourinary, pneumonia, cancer and heart clinics.

In the tuberculosis service, the nurse is faced with what she must do to prevent the spread of tuberculosis by the patient infected. Personal and environmental hygiene, sanitation, nutrition, exercise, rest are all phases of her work. In her home visiting, the arrangement of the patient his room, collection and disposal of sputum, care to be exercised by those attending the patient is her responsibility as well as practical demonstrations on how this care is to be given.

The State nurse assists clinicians and is responsible for the set-up of the clinic service. She aids by explaining to the patients the arrangements necessary when sanatorium care is advised. She explains what the patient may expect, the necessity for his cooperation, the home adjustment, and arranges for transportation, clothing, etc. Upon receipt of advice that a patient has returned from the sanatorium, the nurse follows-up this patient and encourages him to continue under supervised care.

The nursing service in connection with the venereal disease control

program is very similar to that of the tuberculosis control service. The public health nurse promotes by education, the necessity for continued treatment by assisting patients to follow prescribed routine, and cooperates with the medical investigators in the interpretation of advanced scientific facts concerning these diseases to individuals and groups so that they may be able to overcome fear and eliminate traditional stigmas.

In the State diagnostic and cooperative crippled children's clinics, the State nurse carries out instructions of orthopedic surgeons with regard to after-care of clinic cases, and instructs the parents in the proper care of children discharged from the State Hospital for Crippled Children at Elizabethtown.

9. Bureau of Milk Sanitation

The Bureau of Milk Sanitation is charged with the inspection of all farms producing milk, whether or not located within the State, provided the milk produced is destined for shipment to milk plants within the State and operating under Pennsylvania permits. Each such dairy farm is visited by approved inspectors and the dairyman is instructed in the best methods of producing clean and safe raw milk.

There are approximately 80,000 farms producing milk under the above conditions. On June 1, 1940, there were 385 approved milk inspectors, certified by the Bureau of Milk Sanitation. Applicants for certificates must pass a written examination based on the work which they are aspiring to perform. A fee of \$10 is required with the original application and there is an annual \$3 renewal fee. Annual revenue from certificates and renewals amounts to approximately \$1,400.

In addition to the inspection of milk producing farms, referred to

above, the Bureau inspects all pasteurizing and raw milk plants, and approves or disapproves plans and specifications for new plants or alterations to existing plants. Approximately 1,000 milk pasteurizing plants, 183 receiving stations, and 1,400 ice cream plants are under the supervision of the Bureau.

Permits to sell milk or milk products are issued by the Bureau. Applicants for permits, as well as those who already hold permits, must allow inspection of herds, stables, and dairy farms from which milk is obtained. Holders of permits to sell pasteurized milk, or milk for pasteurization, must keep accurate records of all inspections of dairy farms from which their milk is received. No fees are required with applications for permits to sell milk or milk products.

The Bureau also supervises the work of some 65 laboratories for bacteriological examinations of milk, and issues certificates of approval to the directors of these laboratories.

As an indication of the widespread interest in the general subject of milk distribution, and its relative importance, it is interesting to note that, on June 1, 1940, there were approximately 122 municipalities in Pennsylvania with milk ordinances in force.

10. Boards Affiliated With the Department of Health

a. Advisory Health Board

The Advisory Health Board consists of six members appointed by the Governor. The Secretary of Health is chairman. One member must be a civil engineer. The other members usually are high ranking physicians with at least ten years experience in the practice of medicine. Members receive travelling expenses but no salaries. Meetings of the Board are infre-

quent and irregular.

As its name suggests, the primary purpose of the Board is to serve as an advisory body on health matter generally. In addition to this function, however, it performs another most important function in that it draws up and approves rules and regulations having to do with the enforcement of the health laws. In this sense the work of the Board is of a quasi-legislative character since it supplies those regulatory details necessarily associated with the enforcement of departmental powers and policies authorized by the General Assembly.

The Board approves departmental actions in declaring certain diseases communicable and establishes regulations for preventing the spread of such diseases. It provides regulations, also, for gathering and recording vital statistics.

b. Undertakers Board

The State Board of Undertakers was transferred from the Department of Public Instruction to the Department of Health in 1935. ⁽¹⁵⁾ The Board consists of six members; five are licensed undertakers appointed by the Governor, and the sixth member is the Secretary of Health ex-officio.

Twice each year the Board conducts examinations for licensing of undertakers and issues licenses to successful applicants. Fees charged are not fixed by statute but are set by the Board. Estimated revenue from this source is about \$25,000 yearly, which has been more than ample to pay the Board's expenses.

In addition to its examining and licensing function, the Board supervises the conduct of licensed undertakers, and issues annual registration cards.

c. Sanitary Water Board

The Sanitary Water Board is a departmental administrative board

consisting of the Secretary of Health as chairman, the Secretary of Forests and Waters, the Fish Commissioner and three other members appointed by the Governor. Meetings are held once each month or at the call of the chairman. In an emergency, the Secretary of Health, for the Department of Health, has power to issue ad interim orders or take such action within the powers of the Board as the circumstances may require.

The Sanitary Water Board administers the sewerage and anti-pollution laws of the State. (16) These laws prohibit the discharge of sewage and industrial wastes into the waters of the Commonwealth except under conditions specified in permits, and require the Board's approval for the construction of new sewers and the extensions of existing sewers in municipalities of the State.

In questions of stream pollution, this Board exercises the authority formerly vested in the Commissioner of Fisheries relative to water pollution detrimental to fish life. It is authorized to study and investigate the causes of stream pollution, to study the character of waste materials, and to cooperate in developing plans for waste disposal. Notable progress has been made through the development of cooperative policies with industrial plants which produce large quantities of industrial waste. The chief types in this classification are leather tanneries, by-product coke ovens, artificial gas works, petroleum refineries and bituminous coal operations. Upon request of the Public Utilities Commission, the Board investigates and determines questions regarding the purity of water supplied to the public by a public utility.

Under its powers the Board may call upon the Department of Health to make inspections and investigations necessary for it to administer and enforce the law. These investigations are carried on through the Bureau

of Engineering, which also acts as the enforcement agent of the Board.

d. Housing Board

(17)

The Act creating the Housing Board in 1937 provided that it should consist of five citizens of the Commonwealth appointed by the Governor for terms of one, two, three, four and five years respectively, and subsequently for five years. Members receive no salaries but are paid travelling and other necessary expenses. Currently, the Board is inactive since the Governor has made no appointments. On June 1, 1940, however, the Department had two employes assigned to the Board, namely, an Executive Director receiving an annual salary of \$6,000, and a stenographer clerk who receives \$1380 annually. The 1939 Legislature appropriated \$25,000 for the use of the Board.

Under the creating Act the apparent purpose of the Board was to promote public health, morals and welfare through the encouragement of housing programs, slum clearances, etc. The Board, however, has no power of condemnation.

D. PERSONNEL

Table X-Q shows the number of employes, as of June 1, 1940, at the three tuberculosis sanatoria and the Hospital for Crippled Children at Elizabethtown.

TABLE X-Q

DEPARTMENT OF HEALTH
NUMBER OF INSTITUTIONAL EMPLOYEES
JUNE 1, 1940

Institution	Number of Employes		
	Salaried	Wage	Total
Mont Alto Sanatorium	241	213	454
Cresson	166	193	359
Hamburg	141	133	274
Elizabethtown Hospital for Crippled Children ...	113	27	140
Total	661	566	1227

Table X-R summarizes all personnel, excepting institutions, working under the jurisdiction and supervision of the Department of Health, as of June 1, 1940.

TABLE X-R
DEPARTMENT OF HEALTH
SUMMARY OF PERSONNEL AS OF JUNE 1, 1940

Bureau or Division	Number of Employees		
	Paid for by the State	Paid for by the Federal Government*	Total
Executive Bureau	10	18	28
Division of Accounts	13	7	20
Division of Supplies	13	11	24
Division of Laboratories	41	7	48
Bureau of Vital Statistics	67	31	98
Bureau of Sanitary Engineering .	57	11	68
Bureau of Milk Sanitation	13	10	23
Bureau of Public Health Nursing.	123	76	199
Bureau of Health Conservation ..	151	73	224
Division of Tuberculosis Clinics	4	18	22
Division of Genito Urinary Clinics	19	254	273
Division of Medical School Inspection	9	5	14
Bureau of Maternal and Child Health	6	18	24
Division of Narcotic Drug Control	8	10	18
Division of Dental Hygiene	1	18	19
State Board of Undertakers	1	--	1
Division of Rural Sanitation ...	1	5	6
State Housing Board	2	--	2
Total	539	572	1111

* Paid from Social Security Funds.

A detailed statement of personnel, by bureaus and divisions, together with salaries paid out of State funds, is given in Table X-S.

TABLE X-S

DEPARTMENT OF HEALTH
NUMBER OF EMPLOYEES ON STATE PAYROLL AND SALARIES PAID
JUNE 1, 1940

Title	Number of Employees	Total Salaries
<u>Executive Bureau</u>		
Secretary of Health	1	\$10,000
Deputy Secretary of Health	1	7,500
Comptroller	1	5,500
Corresponding Secretary	1	3,000
Supervising Stenographer Secretary ...	1	2,400
Special Stenographer Clerk	1	1,860
Senior Clerk Correspondent	1	1,860
Principal Mail Clerk	1	1,380
Principal Stenographer Clerk	1	1,380
Senior Stenographer Secretary	1	1,620
Total	<u>10</u>	<u>\$36,500</u>
<u>Division of Accounts</u>		
Chief	1	\$ 4,200
Advanced Clerk	1	1,620
Senior Payroll Clerk	1	1,380
Disbursement Clerk	1	1,380
Stenographer Clerk	1	1,140
Commitments Clerk	1	1,140
Invoice Clerk	1	1,140
Clerk Typists (\$1,020).....	3	3,060
Assistant Cost Clerk	1	1,020
Junior Stores Record Clerk	1	1,020
Senior Typist Stenographer	1	1,020
Total	<u>13</u>	<u>\$18,120</u>
<u>Division of Supplies</u>		
Chief	1	\$ 4,000
Head Storeroom Keeper	1	1,860
Principal Multigraph Operator	1	1,380
Senior Stenographer Typist	1	1,140
Senior Multigraph Operator	1	1,140
Senior Stores Clerk	1	1,020
Stores Clerks (\$1,020)	5	5,100
Assistant Stores Record Clerk	1	1,020
Multigraph Operator	1	1,020
Total	<u>13</u>	<u>\$17,680</u>

TABLE X-S
(Continued)

Title	Number of Employees	Total Salaries
<u>Division of Laboratories</u>		
Chief	1	\$ 5,000
Supervising Serologist	1	3,000
Senior Bacteriologist	1	2,640
Technician	1	2,400
Senior Bacteriologist	1	2,400
Bacteriologist	1	2,100
Supervising Stenographer Secretary ..	1	2,100
Principal Pathologist	1	2,000
Junior Research Technician	1	1,860
Senior Media Technician	1	1,860
Pathologist Technicians (\$1,620)	2	3,240
Serologist	1	1,620
Assistant Research Technician	1	1,620
Junior Laboratory Technician	1	1,440
Junior Assistant Water Analyst	1	1,380
Assistant Laboratory Technician	1	1,380
Junior Laboratory Technician	1	1,380
Bacteriologist	1	1,320
Senior Typists (\$1,140)	2	2,280
Senior Laboratory Assistant	1	1,140
Assistant Water Analyst	1	1,140
Principal Typist Clerk	1	1,140
Tabulating Machine Operator	1	1,080
Janitress	1	1,020
Senior Typists (\$1,020)	4	4,080
Laboratory Helpers (\$1,020)	2	2,040
Junior Laboratory Helpers (\$1,020) ..	4	4,080
Laboratory Diener	1	1,020
Junior Clerk	1	1,020
Stenographer Clerk	1	1,020
Junior Storeroom Keepers (\$1,020) ...	2	2,040
Total	<u>41</u>	<u>\$61,840</u>
<u>Bureau of Vital Statistics</u>		
Director	1	\$ 5,500
Disbursement Accountant	1	2,400
Principal Law Enforcement Officer ...	1	2,400
Statistician	1	2,160
Supervising Statistics Clerk	1	2,100
Advanced Clerks (\$1,620)	2	3,240

TABLE X-S
(Continued)

Title	Number of Employees	Total Salaries
<u>Bureau of Vital Statistics (Continued)</u>		
Principal Tabulating Machine Operator ..	1	\$ 1,620
Principal Stenographer Clerk	1	1,620
Advanced Duplicating Operator	1	1,380
Senior Statistics Clerk	1	1,380
Corresponding Stenographer	1	1,380
Advanced Record Clerk	1	1,380
Senior Stenographer Clerk	1	1,140
Junior Statistics Clerk	1	1,140
Tabulating Machine Operators (\$1,140) ..	2	2,280
Junior Clerk Correspondent	1	1,140
Senior Verifier	1	1,140
Senior Stenographer	1	1,140
Junior Fee Clerk	1	1,080
Senior Typist Stenographer	1	1,080
Assistant Record Clerks (\$1,020)	5	5,100
Typist Stenographers (\$1,020)	2	2,040
Senior Transcribing Clerk	1	1,020
Transcribing Clerks (\$1,020)	21	21,420
File Clerks (\$1,020)	3	3,060
Junior Code Clerk	1	1,020
Senior Typist Clerk	1	1,020
Key Punch Operators (\$1,020)	3	3,060
Stenographers (\$1,020)	2	2,040
Senior Typist Stenographer	1	1,020
Senior Mail Clerk	1	1,020
Junior Stenographer Clerk	1	1,020
Stenographer Clerk	1	1,020
Stenographer Typist	1	1,020
Junior Stenographer Typist	1	1,020
Total	<u>67</u>	<u>\$82,600</u>
<u>Bureau of Sanitary Engineering</u>		
Director	1	\$ 7,000
Chief	1	6,000
Chief River Survey Engineer	1	4,500
Principal Chemist	1	4,200
Advanced Sanitary Engineer	1	4,080
District Sanitary Engineer (\$4,000)	2	8,000
District Sanitary Engineer	1	3,900

TABLE X-S
(Continued)

Title	Number of Emploees	Total Salaries
<u>Bureau of Sanitary Engineering (Continued)</u>		
District Sanitary Engineers (\$3,600)	3	\$10,800
Advanced Sanitary Engineer	1	3,600
Principal River Survey Engineer	1	3,600
Sanitary Engineer	1	3,000
Junior District Sanitary Engineer (\$3,000)	2	6,000
Senior Tannery Waste Engineer	1	3,000
Senior Chemist	1	3,000
Senior Engineers (\$2,400)	2	4,800
Assistant Chemical Engineer	1	2,400
Junior Sanitary Engineers (\$2,100)	3	6,300
Chemist	1	1,860
Senior Draftsman	1	1,860
Stenographer Secretary	1	1,620
Assistant Sanitary Engineers (\$1,620)	5	8,100
Assistant Sanitary Inspector	1	1,620
Principal Laboratory Assistant	1	1,620
Advanced Record Clerk	1	1,620
Principal Stenographer	1	1,620
Assistant Industrial Waste Inspector	1	1,500
Principal Stenographer Clerk	1	1,380
Junior Assistant Sanitary Engineer	1	1,380
Senior Stenographer Clerk	1	1,380
Senior Stenographer Clerk	1	1,260
Senior Stenographer Clerk	1	1,200
Senior Stenographers (\$1,140).....	5	5,700
Advanced File Clerk	1	1,140
Senior Stenographer Clerks (\$1,140)	5	5,700
Senior Stenographer Typist	1	1,140
Senior Laboratory Assistant	1	1,140
Stenographer Clerk	1	1,140
Stenographer	1	1,020
Total	<u>57</u>	<u>\$129,180</u>
<u>Bureau of Milk Sanitation</u>		
Director	1	\$ 4,200
Senior Milk Investigator	1	4,000
Assistant Director	1	3,000
Advanced Milk Investigator	1	3,000
Sanitary Milk Inspector	1	3,000

TABLE X-S
(Continued)

Title	Number of Employees	Total Salaries
<u>Bureau Of Milk Sanitation (Continued)</u>		
Senior Milk Investigator	1	\$ 2,400
Milk Investigator	1	2,100
Principal Stenographer Clerk	1	1,620
Principal Stenographer Clerk	1	1,380
Clerk	1	1,140
Clerk Typist	1	1,020
Stenographer Clerk	1	1,020
Assistant Application Clerk	1	1,020
Total	<u>13</u>	<u>\$28,900</u>
<u>Bureau of Public Health Nursing</u>		
Director of Nursing	1	\$ 4,000
Advanced Public Health Nurse	1	1,860
Senior Public Health Nurses (\$1,620)	15	24,300
Public Health Nurse	1	1,560
Public Health Nurses (\$1,500)	5	7,500
Public Health Nurses (\$1,440)	9	12,960
Public Health Nurses (\$1,380)	85	117,300
Principal Stenographer Clerk	1	1,380
Senior Stenographer Clerks (\$1,140)	2	2,280
Senior Clerk Typist	1	1,140
Stenographer Typist	1	1,020
Senior Clerk Typist	1	1,020
Total	<u>123</u>	<u>\$176,320</u>
<u>Bureau of Health Conservation</u>		
Director	1	\$ 7,000
Head Epidemiologist	1	4,200
Senior Sanitary Engineer	1	3,300
Advanced Nuisance Officer	1	3,000
Health Officer	1	1,920
Health Officers (\$1,860)	83	154,380
County Medical Director	1	1,800
Stenographer Secretary	1	1,620
Senior Stenographer Clerk	1	1,380
Senior Stenographer Clerk	1	1,260
County Medical Director	1	1,200
Typist	1	1,020

TABLE X-S
(Continued)

Title	Number of Employees	Total Salaries
<u>Bureau of Health Conservation (Continued)</u>		
Assistant Statistics Clerk	1	\$ 1,020
Junior Statistics Clerk	1	1,020
County Medical Directors (\$1,000)	17	17,000
County Medical Directors (\$ 900)	2	1,800
County Medical Directors (\$ 800)	13	10,400
County Medical Directors (\$ 600)	5	3,000
County Medical Directors (\$ 500)	5	2,500
County Medical Directors (\$ 400)	10	4,000
County Medical Directors (\$ 300)	2	600
County Medical Director	1	200
Total	<u>151</u>	<u>\$223,620</u>
<u>Division of Tuberculosis Clinics</u>		
Junior Report Clerk	1	\$ 1,140
Junior Clinic Clerk	1	600
Janitor	1	150
Janitress	1	60
Total	<u>4</u>	<u>\$ 1,950</u>
<u>Division of Genito Urinary Clinics</u>		
Chief	1	\$ 4,500
Clerk Stenographer	1	1,020
Clinician	1	780
Clinicians (\$720)	2	1,440
Clinician	1	660
Clinicians (\$600)	4	2,400
Clinician	1	420
Clinicians (\$360)	3	1,080
Clinician	1	324
Clinicians (\$300)	2	600
Clinicians (\$240)	2	480
Total	<u>19</u>	<u>\$13,704</u>
<u>Division of Medical School Inspection</u>		
Chief	1	2,400
Senior Stenographer Typist	1	1,140

TABLE X-S
(Continued)

Title	Number of Employees	Total Salaries
<u>Division of Medical School Inspection (Continued)</u>		
File Clerk	1	\$ 1,020
Key Punch Operator	1	1,020
Junior Voucher Clerk	1	1,020
Assistant Comptometer Clerks (\$1,020)	3	3,060
Junior Comptometer Clerk	1	1,020
Total	<u>9</u>	<u>\$10,680</u>
<u>Bureau of Maternal and Child Health</u>		
Director of Maternal and Child Health	1	\$ 4,000
Senior Field Obstetrician	1	3,000
Midwife Consultant	1	2,640
Field Obstetrician	1	2,400
Child Health Investigator	1	1,860
Typist Clerk	1	1,020
Total	<u>6</u>	<u>\$14,920</u>
<u>Division of Narcotic Drug Control</u>		
Chief	1	\$ 3,600
Advanced Narcotic Drug Examiner	1	3,000
Narcotic Drug Examiner	1	2,600
Narcotic Drug Investigators (\$2,100)	3	6,300
Principal Stenographer Clerk	1	1,620
Assistant Report Clerk	1	1,020
Total	<u>8</u>	<u>\$18,140</u>
<u>Division of Dental Hygiene</u>		
Chief	1	\$ 4,200
<u>State Board of Undertakers</u>		
Senior Inspector	1	\$ 1,860
<u>Division of Rural Sanitation</u>		
Senior Stenographer	1	\$ 1,140

TABLE X-S
(Concluded)

Title	Number of Employees	Total Salaries
<u>State Board of Housing</u>		
Executive Director	1	\$ 6,000
Principal Stenographer Clerk	1	<u>1,380</u>
Total	<u>2</u>	<u>\$ 7,380</u>
<hr/>		
Grand Total	539	\$848,734

E. FINANCES

State appropriations for operation of the Department of Health, including the sanatoria and the Hospital for Crippled Children amounts to approximately \$6,000,000 per biennium. Of this amount close to \$3,500,000 pays for the operation and maintenance of the institutions referred to above and \$2,500,000 for departmental operations. Of the latter amount, approximately \$1,700,000 is expended for salaries and wages and \$800,000 for other expenses. Table X-T shows the 1939-41 biennium appropriations to the Department.

Federal funds allotted to Pennsylvania, for general health purposes, under provisions of the Social Security Acts amount to approximately \$1,375,000 yearly, or at the rate of \$2,750,000 per biennium. In Table X-U is set forth a report showing the purpose of federal allotments to Pennsylvania under the provisions of the Social Security Acts for the fiscal year ending June 30, 1940.

Funds received under the Social Security Act are budgeted according to federal requirements, for salaries and travel, as well as for other purposes.

TABLE X-T

DEPARTMENT OF HEALTH
APPROPRIATIONS FOR 1939-41 BIENNIUM

Bureau or Function	Appropriation
Tuberculosis Clinics, Sanatoria and Elizabethtown Hospital	\$3,504,000.00
Executive	90,132.00
Accounts	50,734.00
Supplies	340,845.00
Laboratory	160,331.00
Vital Statistics	282,432.00
Engineering	335,725.00
Milk Sanitation	71,086.00
Nursing	434,358.00
Communicable Diseases	473,144.00
Tuberculosis Control	40,900.00
Genitoinfectious Diseases	81,709.00
Rural Sanitation	3,506.00
Pneumonia Control	19,695.00
Maternal and Child Health	41,827.00
Dental	11,540.00
Medical Inspection	27,490.00
Narcotic Drug Control	45,975.00
Board of Undertakers	19,960.00
Restaurant Hygiene	1,047.00
Public Health Education	7,564.00
Total	\$6,044,000.00

TABLE X-U

DEPARTMENT OF HEALTH
ALLOTMENTS RECEIVED FROM THE FEDERAL GOVERNMENT
UNDER PROVISIONS OF THE FEDERAL SOCIAL SECURITY ACT
FISCAL YEAR ENDED JUNE 30, 1940

Purpose	Amount
United States Public Health Service	\$656,600.00
Venereal Disease Control	328,000.00
Aid to Crippled Children	181,852.41
Maternal and Child Health	209,599.00
Total	\$1,376,051.41

Revenues accruing to the Department, from various sources, amount to approximately \$250,000 per biennium. Vital statistics fees and undertakers fees account for more than \$200,000 of this amount. Table X-V indicates revenues by source for the last two bienniums and the first year of the current biennium.

TABLE X-V
DEPARTMENT OF HEALTH
REVENUES FROM FEES, REFUNDS, TRANSCRIPTS, ETC.

Source	Biennium		
	1935-37	1937-39	1939-41*
Vital Statistics Fees	\$143,691.00	\$160,475.53	\$94,183.17
Bathing Place Fees	12,925.00	14,045.00	7,365.00
Inspectors Fees (Milk)	2,817.00	2,515.00	1,720.00
Undertakers Fees	46,728.20	49,663.14	26,222.00
Milk Supply Fines	35.00	165.00	20.00
Borough Refunds	4,442.39	2,336.34	354.60
Vital Statistics Transcripts .	15,476.37	16,415.01	8,974.89
Miscellaneous Revenue	57.50	2,877.67	71.19
Assessments for Cadavers	90.25	--	--
Sewerage & Industrial Waste Fees	--	3,185.00	2,260.00
Total	\$226,262.71	\$251,677.69	\$141,170.85

* For one year only (June 1, 1939 to May 31, 1940)

FOOTNOTES

- (1) 1905, P. L. 312.
- (2) 1939, P. L. 148.
- (3) 1939, P. L. 808.
- (4) 1917, P. L. 758.
- (5) 1931, P. L. 656.
- 1933, P. L. 905.
- 1921, P. L. 152.
- 1931, P. L. 655.
- (6) 1939, P. L. 133.
- (7) 1939, P. L. 243.
- (8) 1935, P. L. 1303.
- (9) 1939, P. L. 151.
- (10) 1937, P. L. 168.
- (11) 1931, P. L. 899.
- (12) 1905, P. L. 312.
- (13) 1937, P. L. 2721.
- (14) 1929, P. L. 45.
- (15) 1935, P. L. 1324.
- (16) Administrative Code, Section 2110.
- 1937, P. L. 1987.
- (17) 1937, P. L. 1705.

CHAPTER XI

INSURANCE DEPARTMENT

The Insurance Department was originally established in 1873⁽¹⁾ and was re-organized on the basis of legislation passed in 1921 and again by administrative action in 1927.

A. FUNCTION

The Act of 1921, known as "The Insurance Department Act", together with amendments, provides for the establishment of an Insurance Department under the direction of an Insurance Commissioner. Provision is also made in the Act for the licensing, examination, regulation and dissolution of insurance companies, associations and exchanges, for the licensing and regulation of insurance agents and brokers, for the collection of fees and prescribed penalties for violation of provisions of the Insurance Law, and the repeal of all existing Acts. The "Insurance Company Act" of the same year and other special Acts further affect the functions of the Department.

B. POWERS AND DUTIES

The primary duty of the Department is to enforce, administer and regulate the insurance business of a domestic and foreign nature in accordance with the insurance laws of the Commonwealth. Under the Insurance Company Act, this regulation extended generally only to stock and mutual life, stock fire, marine and casualty insurance companies and to all other mutual companies, associations and exchanges. By later amendments, the authority of the Department was extended to fire insurance rate making bureaus, title insurance companies,⁽²⁾ fraternal benefit societies,⁽³⁾ beneficial societies,⁽⁴⁾ non-profit hospitalization corporations,⁽⁵⁾ the Workmen's Compensation Security Fund Act,⁽⁶⁾ and non-profit medical service corporations.⁽⁷⁾

The authority of the Department and the general insurance laws of the Commonwealth do not apply to fraternal benefit societies, non-profit hospitalization corporations and non-profit medical service corporations except as specifically provided in the separate statutes creating them or by subsequent acts.

The regulation of insurance companies by the Department pertains generally to an acknowledgment and approval of the charter and articles of agreement of domestic and foreign companies, an examination of the corporate and financial condition of companies petitioning to do business in Pennsylvania and the issuance of a certificate to do business in the Commonwealth. An examination by the Department of the affairs of these companies shall take place at least once in three years. Foreign corporations desiring to do business in the Commonwealth must appoint the Insurance Commissioner as their true and lawful attorney for the service of process with regard to any suits or claims brought against the company. This is done to eliminate the necessity for claimants and policyholders to go to other States to secure redress against the foreign corporations doing business in this State. The plaintiff in these matters pays \$2.00 as costs, which may be recovered by including it in the claim. The Insurance Commissioner keeps a full record of such processes, showing the date and hour of service, where and by whom served.

There are certain fees and charges assessed against domestic and foreign companies for filing the various papers with the Insurance Commissioner. Retaliatory provisions are also to be found in the statutes whereby any additional burdens or restrictions placed by other States on Pennsylvania companies or residents doing business therein will likewise be imposed on corporations and citizens of those States attempting to do business in

Pennsylvania. All moneys received by the Insurance Commissioner are re-mitted to the State Treasurer's Department.

In its regulation of insurance companies, the Department audits annual statements of domestic and foreign companies, associations and exchanges and issues annual licenses to them authorizing the transaction of business in this Commonwealth. It approves the form and phraseology of the various types of policies issued by the companies.

The Department approves all schedules of Workmen's Compensation rates promulgated by the Pennsylvania Compensation Rating and Inspection Bureau on behalf of companies authorized to do business in the Commonwealth. By Act of Assembly, the Insurance Commissioner is a member of the State Workmen's Insurance Board (8) and the Department annually audits the State Workmen's Insurance Fund. Several insurance features of the Pennsylvania School Employes' Retirement System (9) and the State Employes' Retirement Fund (10) come within the supervisory activities of the Insurance Department.

An additional function of the Department is the examination and licensing of insurance agents, brokers, public adjusters and public adjuster solicitors. All applications for licenses are filed with the Department and the qualifying examinations conducted.

The Department is the clearing house for thousands of complaints made by policyholders against those who are under the supervision and regulation of the Insurance Commissioner.

The Insurance Commissioner, by statutory provision, becomes the liquidator of all dissolved domestic insurance companies and in those dissolved companies domiciled in other States, in a great many instances he is appointed Ancillary Receiver.

Prior to the administration of Governor Fisher, the Insurance Department

had the jurisdiction to assess and collect the various charges, taxes and penalties against the insurance companies, agents and brokers as provided by law. (11) However, this function of the Insurance Department, as pertaining to the collection of premium taxes, etc., was transferred to the Department of Revenue upon its creation in 1929.

C. ORGANIZATION AND OPERATIONS

As is shown in Chart XI-1, the Department consists of an Executive Division, comprising the stenographic force of the Insurance Department and the employes of the centralized filing unit. In addition, the Executive Division is responsible for the maintenance of the personnel records. It is a direct adjunct of the Insurance Commissioner's office and has no supervisory control over any other division.

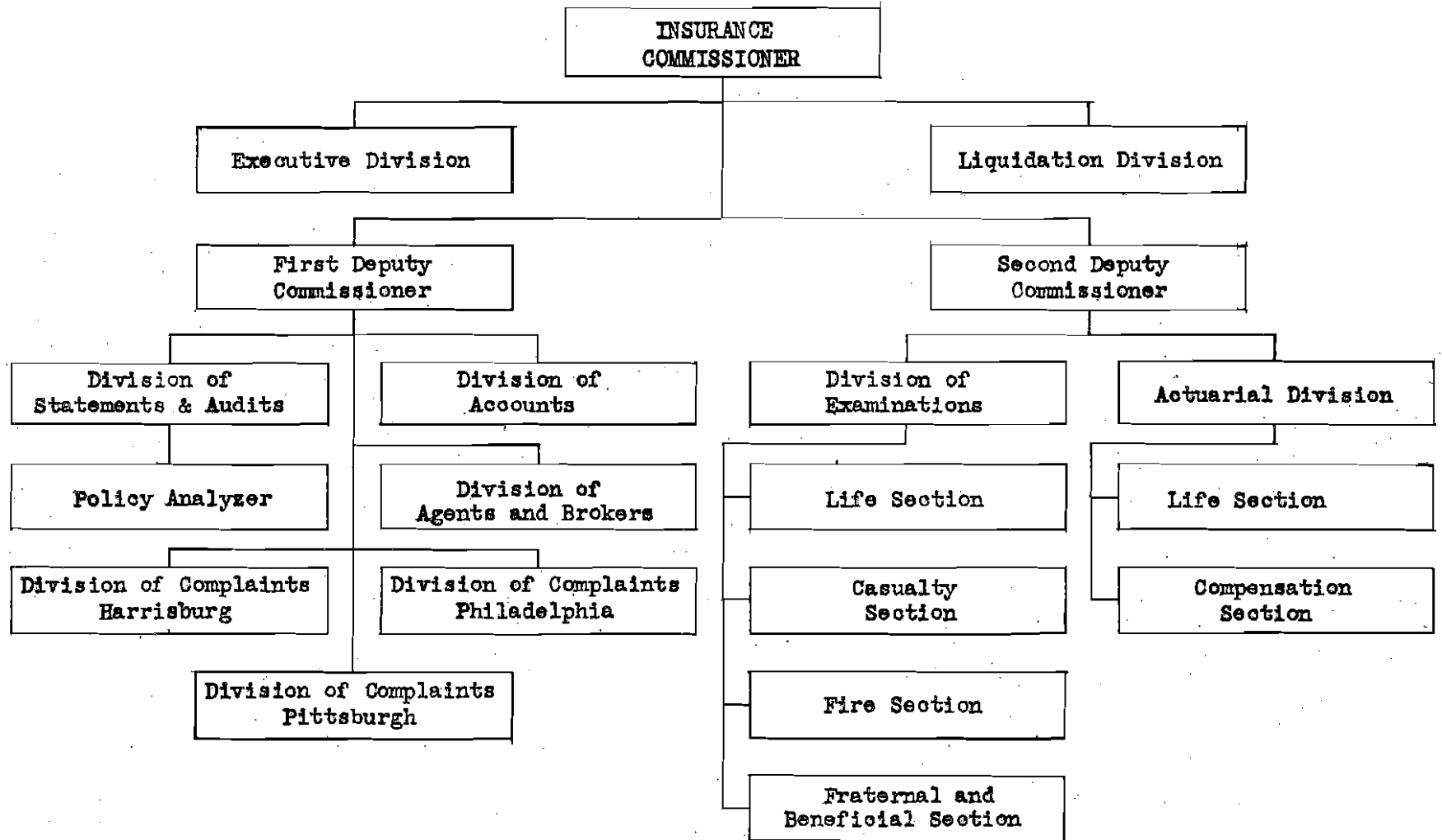
The First Deputy Insurance Commissioner, who is located in Harrisburg, has under his supervision, subject to the direction of the Insurance Commissioner, the Division of Statements and Audits, the Division of Accounts, the Division of Agents and Brokers and the Division of Complaints, the latter comprising three offices, Harrisburg, Philadelphia and Pittsburgh.

The Second Deputy Insurance Commissioner, located at Philadelphia, has under his control, subject to the direction of the Insurance Commissioner, the Division of Examinations (the largest Division in the Department), comprising four sections: Life, Fire, Casualty, and Fraternal and Beneficial. There is also under his control the Actuarial Division, which is composed of two sections: Life Insurance and Workmen's Compensation Insurance.

The activities of the Insurance Department are divided between the Harrisburg and Philadelphia offices, with those divisions under the supervision of the First Deputy Insurance Commissioner located in Harrisburg.

CHART XI-1

ORGANIZATION OF THE INSURANCE DEPARTMENT



and those under the supervision of the Second Deputy Insurance Commissioner located in Philadelphia. There is also the Liquidation Division, which is located in Philadelphia, which operates under the supervision of a Special Deputy Insurance Commissioner.

For the sake of convenience and accessibility to the major writing companies in the State, the policy analyzer of the Division of Statements and Audits is located in the Philadelphia office of the Second Deputy Insurance Commissioner.

The Liquidation Division is located in Philadelphia because past experience has indicated that city to be the most convenient in the performance of its work.

1. Executive Division

The Executive Division consists, in the main, of centralized stenographic and filing units of the Department. It maintains the personnel records in connection with the employes of the entire Department.

2. Division of Accounts

The Division of Accounts is responsible for supervising the distribution of the budget allocation and assembling, recording and transmitting all receipts, requisitions and disbursements to other properly designated departments. The Division is headed by the Comptroller of the Department.

3. Division of Statements and Audits

The applications of all insurance companies, associations and exchanges incorporated under the laws of other States or foreign countries seeking a certificate of authority to transact business, as well as those of domestic companies, are filed with the Division of Statements and Audits. Before the certificate may be issued, the company is investigated and examined to determine whether it has legally and financially complied with the laws of

the Commonwealth regarding the right to transact business in this Commonwealth. The company must indicate the amount of its authorized capital and that portion of it already paid into the treasury. The Division maintains a card system showing all companies registered to do business in this Commonwealth, companies withdrawn, merged, consolidated and dissolved.

An important function is the filing and auditing of the annual financial statements submitted by the companies. These reports enable the Department to detect any discrepancies which might properly subject the companies to pay additional taxes.

All policies, riders and endorsement forms issued in Pennsylvania by all insurance companies, associations, societies and exchanges authorized to transact business in this Commonwealth are analyzed by this Division. It is mandatory upon these insurers that they receive the approval of the Insurance Commissioner of all forms before they can be issued or delivered in this jurisdiction. This work is performed by the Policy Analyzer situated in Philadelphia, as hereinbefore stated.

4. Division of Examinations

All domestic companies, societies, associations and exchanges must be examined by the Division of Examinations of the Insurance Department at least once every three years. The Insurance Commissioner may also examine foreign insurance companies, societies, associations and exchanges authorized to do business in this Commonwealth if he deems it advisable. However, the Commissioner may accept the report of examination made by or upon the authority of the supervising official of any other State. Usually the companies are divided so that an equal number is examined each year. However,

the Department may make more frequent examinations when deemed advisable or may require the submission of monthly, quarterly or semi-annual statements. The chief purpose of these examinations is to determine whether the insurance company, society, association or exchange is able to fulfill its obligations, and whether it has complied with the provisions of the law and any other act relating to its business methods and management and the equity of its plans and its dealing with the policyholders.

The Department, in order to protect the policyholders and conduct such examinations properly, may have free access to all the books and papers of any company and may summon and examine, under oath, the directors, officers, agents and trustees of any company, society, association and exchange. The results of these examinations may be withheld if considered by the Commissioner to be in the public interest.

Every attempt is made not to cause excessive burden to the companies. Thus, before any examiner proceeds, he must have the authorization of the Insurance Commissioner. Generally the examinations are in great detail but often it is only possible to spot-check, that is, to pick items at random and study and examine them. This is usually done in the larger companies where the books and items to be examined are so voluminous.

This Division has sole supervision over title insurance companies which do not receive deposits or engage in any other business which might come under the supervision of the Department of Banking. In the title departments of banking institutions coming under the supervision of the Department of Banking, the Insurance Department regulates and examines only that portion of the business pertaining to title insurance. (12)

Under separate acts, it also examines non-profit medical service companies, non-profit hospitalization associations, and fraternal and beneficial

societies. It also examines rating bureaus. Its annual audit of the State Workmen's Insurance Fund is a most important function in the Division.

The costs of conducting these examinations are assessed against and collected from the companies examined. This includes traveling expenses and per diem charges. A schedule is worked out based on the overhead of the Division and the salaries to be paid to the examiners and other employes. Minimum and maximum rates of per diem charges are established, depending on the annual salary of each examiner. That is, for the higher paid examiner the daily charges assessed against the company are greater than for an examiner in one of the lower brackets. Each per diem charge also includes a proportionate overhead to cover the salary of stenographers, rent, janitor and the salary of the deputy in charge of the Philadelphia office.

This Division is divided into several sections, each being responsible for a particular type of company, namely, life, casualty, fire, and fraternal and beneficial.

The great bulk of the work of this Division reposes upon insurance examiners and assistant insurance examiners.

5. Actuarial Division

The Actuarial Division is divided into two sections: Life and Compensation. The Life Section calculates the reserve liability of each Pennsylvania life insurance company, association and society. This computation is made every year and generally in the case of companies incorporated in other States, the valuations ascertained by the officials of the State of domicile

are accepted by this Commonwealth. The Division assists in the rehabilitation of fraternal beneficial societies and offers advice to such societies when necessary.

The Compensation Section verifies the Workmen's Compensation loss reserves of insurance companies, analyzes Pennsylvania Special Schedule "W", investigates Workmen's Compensation complaints, recommends approval of dividends of mutual compensation companies, and confers with both the Pennsylvania Compensation Rating and Inspection Bureau and the Coal Mine Section thereof on the policies of the Bureau. The work of this Division is not maintained by the companies although they do permit the use of office space by the Compensation Section without any rental charge for purposes of evaluation of their reserves and the approval of all compensation policies issued by the companies authorized to write compensation insurance in Pennsylvania. The Compensation Actuary represents the Insurance Commissioner in the Compensation Rating and Inspection Bureau and in that representative capacity, acts as Chairman of all committees.

6. Division of Complaints

The Division of Complaints investigates complaints, adjusts claims and assists in the examination of applicants for agents and brokers licenses. The work of this Division is conducted in three offices. The chief office is at Harrisburg, with the district offices at Philadelphia and Pittsburgh. Thousands of complaints against licensed and unlicensed companies, agents and brokers are investigated each year through these three offices, and the public is properly protected against unscrupulous practices.

7. Liquidation Division

The Liquidation Division is located in Philadelphia and supervises the liquidation of any insolvent domestic insurance companies, associations or

exchanges which may be taken in possession by the Insurance Commissioner pursuant to an order of the court. It also represents the Insurance Commissioner as Ancillary Receiver for foreign dissolved companies when designated by the court.

Under the law, if any domestic insurance company or any foreign company doing business in this Commonwealth should fail to comply with any provision of law or if its assets are insufficient to justify its continuance in business, its charter or certificate of authority may be revoked and the Attorney General is notified so that he may take proper legal steps. With relation to a domestic insurance company, association or exchange, the Attorney General applies to the Court of Common Pleas of Dauphin County for leave to dissolve the charter and allow the Insurance Commissioner to take possession of its property. Under the law, the Insurance Commissioner may supersede any receiver previously appointed by any court of this Commonwealth and, likewise, supersedes any assignee or trustee previously appointed by any insurance company, association, society or exchange. The affairs of the company are then liquidated by the Insurance Commissioner through his Special Deputy Insurance Commissioner. The Attorney General appoints counsel for the Liquidator.

Upon termination of the liquidation proceedings, the Insurance Commissioner files a complete account in the court where the proceedings were instituted and upon approval, distribution is made. The costs and expenses for conducting these liquidations are paid out of the assets of the dissolved companies. However, a regular appropriation in the form of a revolving fund of \$25,000 is made for the purpose of paying these expenses when an estate is devoid of funds. These expenses, which are treated as prior claims, are refunded when possible.

8. Division of Agents and Brokers

Prior to 1932, the Division of Agents and Brokers consisted of a Division of Agents and a Division of Brokers, each having independent personnel. Subsequent consolidation of these two Divisions, with a reduction in personnel, has resulted in considerable savings. The present Division has direct supervision over the licensing of agents, brokers, excess brokers, public adjusters and public adjusters solicitors. Qualifying examinations are required of all applicants for such licenses. Agents and brokers who wish to qualify must execute an application and file it with the Division. Brokers' applications are submitted directly and agents' applications are endorsed and transmitted by the companies interested. The completed applications are examined and if accepted, the applicant is listed for examination and subsequently is notified to appear at one of the eight locations where examinations are conducted on the third Saturday of each month. These locations are Philadelphia, Harrisburg, Johnstown, Pittsburgh, Erie, Williamsport, Scranton and Hazleton.

Of the total number of examinees, about twenty percent do not appear. Of those examined, twenty percent fail. The cost to the Department of those who fail is at least three times greater than for a man who passes the examination, since additional correspondence, postage, etc., are required. This is also true in the instances where the applicants do not appear.

The licenses of all classes of agents and brokers, as already noted, operate for only one year. These are regularly renewed and the procedure followed is a simplified one. The application form for a renewal of agent's license is a dual card embracing both the application and the license. These blank forms are sent to the companies which fill out the application

on the upper portion of the card as well as names and addresses on the license forms. There is consequently little clerical work required on the forms in the Department other than to affix the signature of the Commissioner, the seal, and the date. The bulk of the clerical work occurs in checking the renewal applications and the recording of licenses in the permanent records of the Department.

Formerly licenses for all forms of agents expired on March 31st. This resulted in a tremendous volume of work at this time of the year, quite often requiring the hiring of temporary employes. To eliminate the peak period, an amendment was made to the Insurance Code which provided that fire insurance licenses should expire on September 30th, casualty and accident and health licenses on November 30th, hospitalization licenses on June 30th, while life insurance licenses should expire, as before, on March 31st. This amendment now permits an even work load for the Division.

An agent who has been licensed continuously for five years prior to the time he makes application for an additional license of the same kind to represent another company is not obliged to take a new examination. If he has taken an examination since November 1, 1927, for life, fire, casualty, and accident and health and has received a passing grade, it is not necessary for him to take another examination for that particular class of business, regardless of how many companies he will represent. Brokers must pass examinations in each of the fields for which they are licensed unless licensed as agents for the kind of authority requested in the broker's license.

As already noted, the questions are prepared in the Insurance Department and this Division conducts the examinations and grades the papers under the supervision of a full-time examination clerk and insurance tester.

The supervisors who are in charge of the examinations in each of the eight localities previously mentioned are from the regular personnel of the Department. They do not devote their full time to this work and are paid only their traveling expenses and salaries as applied to this particular duty. Any applicant who is dissatisfied with his grade or who is disqualified for that reason may appear before the Department and review his paper. Approximately 10,000 applicants are examined annually, but no charge is made for this service. According to the Department, the average cost amounts to 80¢ per person examined.

The table below shows the number of applicants for agents and brokers examinations, the number passing and the number failing.

TABLE XI-A
NUMBER OF APPLICANTS FOR AGENTS AND BROKERS EXAMINATIONS
1934 - 1940

Fiscal Year	Number applicants notified for examination	Number applicants who took examination	Number applicants failing examination
1934-35	19,363	11,478	2,188
1935-36	<u>17,602</u> 36,965	<u>9,922</u> 21,400	<u>1,717</u> 3,906
1936-37	13,426	8,134	1,142
1937-38	<u>10,181</u> 23,607	<u>7,805</u> 15,939	<u>532</u> 1,674
1938-39	10,292	8,046	447
1939-40	<u>10,190</u> 20,482	<u>7,690</u> 15,736	<u>1,531</u> 1,978
Total	81,054	53,075	7,557

PLACES OF EXAMINATION

District No. 1 Counties: Philadelphia, Delaware, Chester, Montgomery, Bucks
PHILADELPHIA

District No. 2 Counties: Dauphin, Lebanon, Lancaster, York, Adams, Cumber-
HARRISBURG land, Perry, Berks, Juniata, Mifflin, Franklin

- District No. 3 Counties: Blair, Bedford, Somerset, Fulton, Huntingdon,
JOHNSTOWN Cambria, Clearfield, Indiana
- District No. 4 Counties: Allegheny, Westmoreland, Fayette, Greene,
PITTSBURGH Washington, Beaver, Lawrence, Armstrong, Butler
- District No. 5 Counties: Erie, Crawford, Mercer, Venango, Clarion,
ERIE Forest, Warren, Jefferson, Elk, McKean
- District No. 6 Counties: Lycoming, Union, Tioga, Potter, Clinton, Cameron,
WILLIAMSPORT Montour, Northumberland, Columbia, Sullivan,
Centre, Snyder
- District No. 7 Counties: Luzerne, Carbon, Schuylkill, Lehigh, Northampton
HAZLETON
- District No. 8 Counties: Bradford, Lackawanna, Susquehanna, Wayne, Pike,
SCRANTON Monroe, Wyoming

D. PERSONNEL

On June 1, 1940, the employes of the Insurance Department totaled 83, receiving aggregate annual salaries of \$180,220. In Table XI-B is shown departmental employes according to personnel title and annual salary.

TABLE XI-B

STATEMENT OF EMPLOYES BY PERSONNEL TITLE AND ANNUAL SALARY
JUNE 1, 1940

Division and Employes	Number	Annual Salaries
<u>EXECUTIVE DIVISION</u>		
Commissioner	1	\$10,000
Deputy Commissioner	1	6,500
Stenographer-Secretary	1	1,620
Sr. Chauffeur Clerk	1	1,380
Stenographer-Secretary	1	1,380
Sr. File Clerk	1	1,140
Sr. Mail Clerk	1	1,020
Comptroller	1	3,000
Sr. Bookkeeper	1	1,860
Stenographer-Secretary	1	1,380
Sr. Typist Clerk	1	1,020
Total	11	\$30,300

TABLE XI-B (Continued)

Division and Employees	Number	Annual Salaries
<u>DIVISION OF STATEMENTS AND AUDITS</u>		
Chief	1	\$4,200
Supervising Policy Analyzer	1	3,000
Auditor	1	2,400
Actuary	1	2,400
Asst. Insurance Statement Examiner	1	1,860
Asst. Insurance Statement Examiner	1	1,860
Asst. Insurance Statement Examiner	1	1,860
Special Sorting Clerk	1	1,620
Stenographer-Secretary	1	1,380
Principal Mimeograph Operator	1	1,140
Sr. Clerk Stenographer	1	1,140
Sr. Clerk Stenographer	1	1,140
Sr. Typist Clerk	1	1,020
Total	13	\$25,020
<u>DIVISION OF AGENTS AND BROKERS</u>		
Chief	1	\$ 4,000
Insurance Tester	1	2,400
Stenographer-Secretary	1	1,380
Corresponding Stenographer	1	1,380
Sr. Invoice Clerk	1	1,380
Sr. Stenographer Clerk	1	1,380
Record Clerk	1	1,200
Stenographer-Clerk	1	1,020
Jr. Record Clerk @ \$1,020	4	4,080
Total	12	\$18,220
<u>DIVISION OF COMPLAINTS</u>		
Chief	1	\$ 3,000
Principal Complaint Investigator	1	2,400
Principal Complaint Investigator	1	2,400
Complaint Investigator	1	1,620
Jr. Complaint Investigator	1	1,380
Corresponding Stenographer	1	1,380
Principal Stenographer Clerk	1	1,380
Stenographer-Secretary	1	1,380
Total	8	\$14,940

TABLE XI-B (Continued)

Division and Employees	Number	Annual Salaries
DIVISION OF EXAMINATIONS		
Deputy Insurance Commissioner	1	\$6,000
Principal Life Insurance Examiner	1	4,200
Principal Fraternal & Beneficial Insurance Examiner	1	4,200
Sr. Fire Insurance Examiner	1	4,200
Sr. Insurance Examiner	1	3,000
Sr. Fire Insurance Examiner	1	3,000
Sr. Fraternal & Beneficial Ins. Examiner ..	1	3,000
Sr. Casualty Insurance Examiner	1	3,000
Sr. Life Insurance Examiner	1	3,000
Insurance Examiner @ \$2,400	8	19,200
Asst. Insurance Examiner @ \$1,860	8	14,880
Corresponding Stenographer	1	1,380
Principal Stenographer	1	1,380
Sr. Typist Stenographer @ \$1,140	2	2,280
Jr. Reception Clerk	1	1,020
Sr. Typist Clerk	1	1,020
Total	31	\$74,760
ACTUARIAL DIVISION		
Acting Chief Life Actuary	1	\$ 4,200
Advanced Compensation Actuary	1	4,200
Compensation Actuary	1	2,400
Assistant Life Actuary	1	1,860
Principal Key Punch Operator	1	1,140
Principal Key Punch Operator	1	1,140
Sr. File Clerk	1	1,020
Sr. File Clerk	1	1,020
Total	8	\$16,980
Grand Total	83	\$180,220

E. FINANCES

The Insurance Department derives sufficient revenue from the licenses and fees collected to pay the entire cost of operation, including the expenditures on its behalf by the Department of Property and Supplies. In the biennium 1939-41, it is estimated that the revenue of the Insurance De-

partment will exceed the gross cost of operating the Department by \$259,650. The estimate for the 1937-39 biennium indicated an excess of revenue totaling only \$189,046. The General Fund also receives, in the form of insurance premium taxes, approximately \$542,000 from domestic companies and \$12,082,000 from foreign companies. Thus, the revenue the Commonwealth receives from insurance of any sort is about \$12,500,000 over and above the cost of operating the Department.

In connection with any attempt to analyze the cost of operation of the Insurance Department, it is important to know something about the number of companies, both domestic and foreign, engaged in business in the State, and the volume of business transacted. For example, as of May 1, 1939, there were 1,057 companies operating in Pennsylvania, of which 484 were domestic insurance companies and 573 were companies incorporated under the laws of other States and foreign countries. The number of domestic and foreign companies by type is indicated in the following table:

TABLE XI-C
NUMBER AND TYPE OF INSURANCE COMPANIES IN PENNSYLVANIA
MAY 1, 1939

Type	Number
<u>DOMESTIC</u>	
Life Insurance Companies	18
Stock and Mutual Fire Companies	281
Stock and Mutual Casualty Companies	28
Fraternal Beneficial, Title, Hospital Companies, etc.	157
<u>FOREIGN</u>	
Life Insurance Companies	86
Fire and Marine Companies	237
Casualty Companies	106
Fraternal Reciprocal or Assessment Companies	86
Companies of other Countries	58
Total	1,057

There were taxes collected in Pennsylvania for the fiscal year ending May 31, 1939, in the sum of \$6,792,015.54. In the ensuing table the sum of \$492,560.39, collected as license fees, etc., is set against the figure of \$230,532.17, representing the cost of the Insurance Department maintenance. The cost of the Department and revenue derived from licenses, fees, etc., broken down into divisions, is as follows:

TABLE XI-D
EXPENDITURES OF INSURANCE DEPARTMENT
FISCAL YEAR ENDING MAY 31, 1939

Division	Gross Cost	Revenue Derived	Net Cost
Executive	\$20,023.95	\$ --	\$ 20,023.95
Agents and Brokers	29,980.35	324,952.62	294,972.27*
Complaints Division	18,640.07	--	18,640.07
Audits and Statements	32,979.24	27,346.10	5,633.14
Accounting Division	8,230.83	--	8,230.83
Examining Division	99,233.61	98,417.08	816.53
Actuarial Division	21,444.12	41,844.59	29,400.47*
Total	\$230,532.17	\$492,560.39	\$262,028.22*

* Excess of receipts over expenditures.

In Table XI-E is presented a statement of revenues derived by the Commonwealth from the operations of the Insurance Department as compared with expenditures for a four year period.

Companies are required to pay a minimum annual filing fee of \$20.00 when presenting financial statements and a greater amount if the retaliatory features of the Act apply. Other fees collected by this Division are as follows: filing of copy of charter \$25.00; company license \$2.00; certification charges for various papers \$1.00 each, and a charge of 20¢ per folio for each copy of any paper filed in the Department, with an additional

TABLE XI-E

INSURANCE REVENUES DERIVED BY COMMONWEALTH
AND INSURANCE DEPARTMENT EXPENDITURES
JUNE 1, 1937 TO MAY 31, 1940

Year	Licenses & Fees Collected by Insurance Dept.	Taxes Collected by Treasury Dept.	Total	Expenses of Dept.
1937	\$418,495.62	\$6,506,531.18	\$6,925,026.80	\$ -- *
1938	496,852.08	6,812,817.15	7,309,669.23	299,628.47
1939	336,116.20	6,933,044.32	7,269,160.52	336,850.88
1940	492,560.39	6,792,015.54	7,284,575.93	230,532.17

* Not reported.

charge of \$1.00 for certification. The total receipts from these sources permit the Division to be more than self-sustaining.

In addition to the above, all securities required to be deposited with the Insurance Department are receipted by this Division, and the record of the deposit thereof with the State Treasurer is kept and maintained by it, as well as the withdrawals therefrom, substitutions therefor, and the clipping of coupons or other evidences of interest attached thereto.

The revenues derived from the agents and brokers licenses for the past three years were as follows:

TABLE XI-F

NUMBER OF AGENTS AND BROKERS LICENSES ISSUED AND REVENUES DERIVED
1938, 1939, 1940

Year	Agents Licenses		Brokers Licenses	
	Number Issued	Revenue Derived	Number Issued	Revenue Derived
1938	150,919	\$224,886.09	7,689	\$77,401.35
1939	153,017	234,216.46	8,460	80,356.47
1940	153,107	236,538.85	7,996	81,171.94

The fee for agents licenses for domestic companies is 50¢. For a foreign company, the fee is \$2.00 and may be greater if other States provide for a greater fee for Pennsylvania agents.

An individual brokers license fee is \$10.00; incorporated brokerage companies or firms, \$25.00, with the privilege of licensing three active officers or members. Public adjusters, as well as excess insurance brokers, pay annual fees of \$100.00; adjuster solicitors, \$50.00.

FOOTNOTES

- (1) 1873, P.L. 20
- (2) 1933, P.L. 798
- (3) 1935, P.L. 1092
- (4) 1937, P.L. 1643
- (5) 1937, P.L. 1948 and 1980
- (6) 1937, P.L. 2532
- (7) 1939, P.L. 1121 and 1125
- (8) Administrative Code, Section 443
- (9) 1929, P.L. 1738
- (10) 1929, P.L. 1723
- (11) 1921, P.L. 789, Section 218
- (12) 1933, P.L. 798

CHAPTER XII

DEPARTMENT OF JUSTICE

The first Constitution of Pennsylvania, that of 1776, provided for the appointment of an Attorney General. (1) However, the two State Constitutions which followed -- those of 1790 and 1838 -- contained no mention of such an office. Yet, during the period that these two Constitutions were on force there was always an Attorney General functioning in the Commonwealth. The present Constitution, which went into effect in 1874, provides for an Attorney General as part of the Executive Department of the State Government. (2)

A. FUNCTION

The Attorney General is the chief law officer of the Commonwealth. As such he heads the Department of Justice. This Department is the legal office of the executive branch of the State Government. The Department handles or directs the legal business of the Governor and the administrative departments, boards and commissions, and is the legal representative of the Commonwealth. The Department of Justice bears somewhat the same relationship to the State as does a law office to a corporation which has retained it to do all its legal work.

B. POWERS AND DUTIES

To fulfill its function as the legal office of the Executive Branch of the State government, the Department of Justice possesses the following powers and duties. (3)

1. To furnish legal advice to the Governor and all administrative departments, boards, commissions or officers of the State Government.
2. To handle, supervise, direct or control the legal business of every administrative department, board, commission or officer.
3. To represent the Commonwealth, or any of its administrative departments, boards, commissions or officers in litigation to which the Commonwealth or any administrative section thereof is a party.

4. To collect, by suit or otherwise, all debts, taxes or accounts, due the Commonwealth and which any department, board or commission places with the Department for collection.
5. To prepare for submission to the General Assembly revisions and codifications of laws.
6. To take, with the approval of the Governor, reasonable means to enforce the laws of the Commonwealth and to investigate any violations or alleged violations of such laws.
7. To prosecute, in the name of the Commonwealth, all writs of quo warranto or mandamus or other extraordinary legal remedies.
8. To approve charters of insurance companies.
9. To approve the surety on fidelity bonds given by officers or employes of the Commonwealth.
10. To search titles to land purchased by the Commonwealth.
11. Upon request of the Insurance Commissioner or the Secretary of Banking to institute proceedings against and apply for receivers for and dissolution of illegally conducted and insolvent domestic companies, associations and exchanges, coming under the jurisdiction of these two officers.
12. To supersede the District Attorney of any county when the President Judge of the district so requests.
13. To cooperate, through the Board of Commissioners on Uniform State Laws, with the National Conference of Commissioners on Uniform State Laws.
14. Through the Board of Pardons, to supervise paroled inmates of the State penitentiaries and the Huntingdon Industrial School. (4)
15. Through the Board of Pardons, to hear applications for remissions of fines and forfeitures, and granting of reprieves, commutations of sentences, and pardons except in cases of impeachment.

(5)

The Supreme Court of the State has declared that in addition to the above enumerated statutory powers, the Attorney General is vested with the powers and attributes which were conferred upon Attorney Generals at common law before such time as county district attorneys came into being. (Before this time the Attorney General was the prosecuting officer in the State. He performed this function by appointing deputy attorneys general in each

county of the State who conducted the prosecutions. Later provision was made for the election of the district attorneys who succeeded to all the powers the deputy attorneys general had theretofore.) These common law powers include the right to investigate criminal proceedings in the counties; to sign indictments; to appear before the grand jury and submit testimony; to appear in court and try criminal cases on the Commonwealth's behalf; to supersede and set aside the county district attorney when in the Attorney General's judgment, such action may be necessary.

C. ORGANIZATION AND OPERATIONS

As is indicated in Chart XII-1, page 1204, the Department of Justice is not organized on a bureau - division basis. Its work is performed either by the Department proper or under its administrative boards.

1. Department Proper

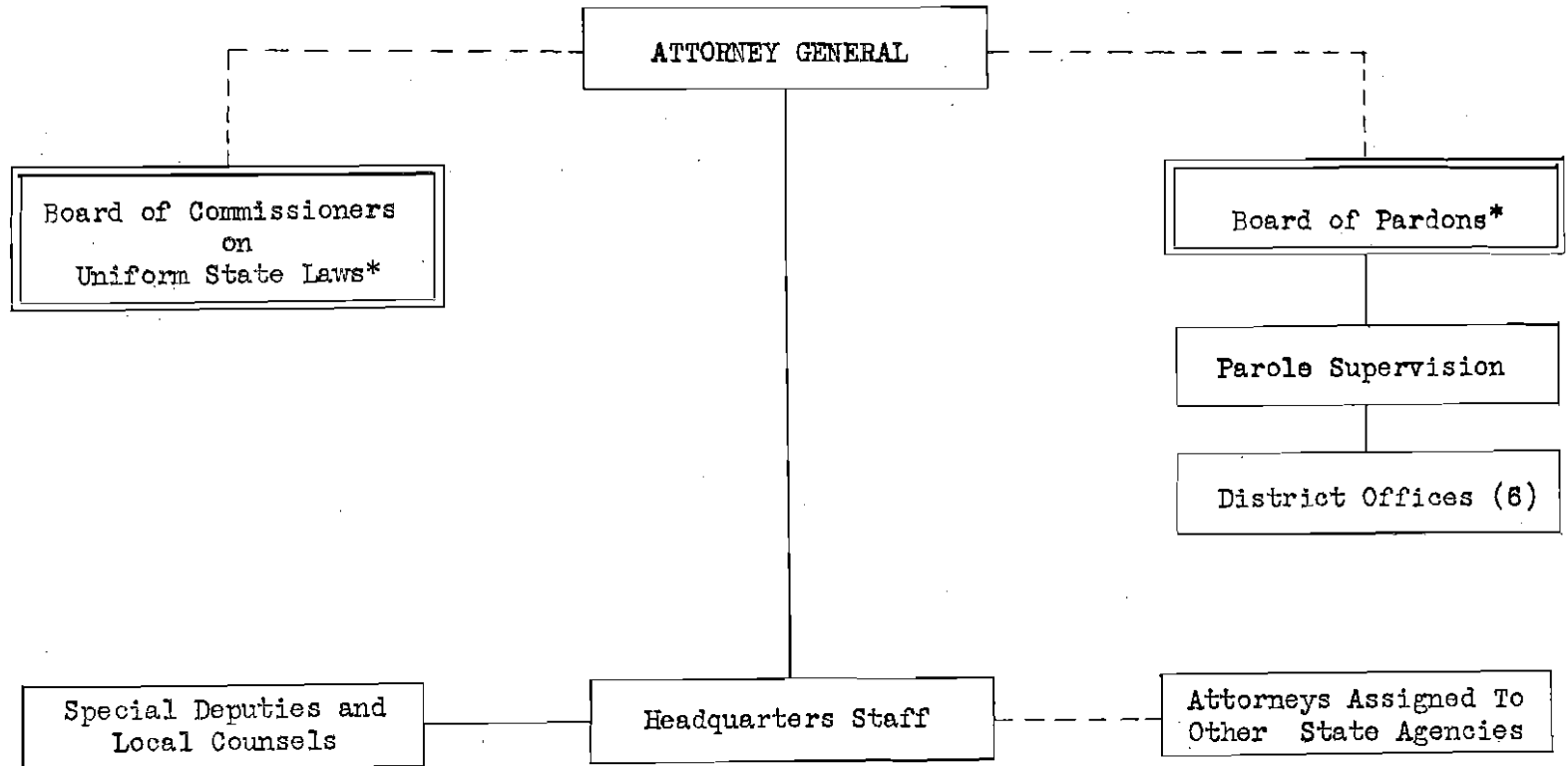
The Department makes a distinction in its organization between what is termed the administrative section and the special deputies and local counsel section. Actually, this distinction is primarily one of personnel, as is described more fully in the section devoted to that phase. Both sections' activities are directed along the following lines of legal work performed by the Department.

a. Rendering Legal Advice

The rendering of legal advice to the Governor and the administrative sections of the State Government is one of the primary tasks of the Department of Justice. When any officer, department, board or commission is confronted with a legal problem they submit it for consideration by the Department. Following a study of the question, the Department delivers its opinion indicating what policy or course of action should be followed by the advice-seeking officer or agency.

CHART XII-1

ORGANIZATION OF THE DEPARTMENT OF JUSTICE



* Departmental Administrative Board

Problems upon which the advice of the Department is requested, cover all fields of State activity. One of the most frequent is the interpretation of a State law. An agency may desire a statement of its powers and duties under a newly-enacted bill. It may request a decision as to the applicability of a particular provision to a situation with which it is confronted. A department may request advice on whether certain contemplated procedures or operations are legal, or what right of action it has under particular circumstances. These and many other similar problems are constantly being presented to the Department of Justice for its decision.

Before the Department renders an opinion interpreting any appropriation act or act authorizing the expenditure of money, it notifies the Auditor General and Treasury Department of the question, and affords to these departments an opportunity to present their views on the problem. This procedure is in accordance with a requirement of the Administrative
(6)
Code.

Where a State agency or officer has requested and received an opinion from the Department of Justice, that agency or officer is legally obligated to follow such advice. When an official proceeds in accordance with a decision of the Department of Justice, he cannot be held personally liable, either upon his official bond or otherwise for the consequences of his
(6)
action.

b. Conducting Litigations and Prosecutions

A second important activity of the Department of Justice is the conducting of litigations to which the State or any of its officials or agencies are parties. This work includes defending the constitutionality of Pennsylvania laws challenged in the State or Federal courts. Where litigation is begun as a result of any action by a State department, board

or commission or officer, the Department of Justice is called in for advice and assistance. Litigation by a State officer or agency against a private party, in accordance with a particular State law, is conducted by the Department of Justice. The Department also handles cases involving collections on officer's surety bonds or insurance policies of the Commonwealth. Any litigation thus arising and to which the State is a party falls under the jurisdiction of the Department, as it is the legal representative of the Commonwealth.

The Department of Justice also acts in a prosecuting capacity. It handles grand jury cases in which the State is concerned. It conducts prosecutions arising out of the violations of State laws, and has power, with the approval of the Governor, to investigate any violations or alleged violations of such laws. The Department may proceed against State officers or employes where their actions are not in accordance with law. Under his common law power, the Attorney General may prosecute in the county courts and may supersede county district attorneys when he deems it necessary, or is requested to do so by the president judge of the district.

Another form of prosecution with which the Department of Justice is charged, is the prosecution of writs of quo-warranto. Upon receipt of a complaint or petition requesting the Attorney General to institute writs of quo-warranto (a writ requiring an officer to show by what right he exercised any office, franchise or liberty) or other extraordinary action, a day is fixed for hearing, and notice given to the parties of the application on the time and place of hearing. Petitioners must serve copies of petitions or complaints upon the respondent at least 10 days before the date of hearing unless otherwise directed. The respondent then files a

formal answer and both parties are expected to file a memorandum of legal authorities. If a prima-facie case is made out, the Attorney General allows or grants the application, otherwise it is refused.

A further type of litigation frequently handled by the Department of Justice stems from formal requests submitted by the Secretary of Banking or the Insurance Commissioner, to proceed against insolvent and illegally conducted domestic insurance companies, trust companies, saving fund societies, and building and loan associations. The Department institutes such proceedings and applies for receivers to wind up the affairs of such companies and for their dissolution.

These and other similar actions constitute the litigation and prosecution function of the Department of Justice. In other of the Department's activities discussed in detail below, the conducting of litigations and prosecutions is an essential part of the task.

c. Assisting in Collection of State Revenues

The Department of Justice performs considerable work in assisting in the collection of State revenues. This includes inheritance tax work, collecting delinquent taxes, accounts and debts and handling tax appeals.

The Department's activity in regard to inheritance taxes primarily consists of reviewing the accounts of estates filed in the Orphans' Courts for audit. The purpose of reviewing these accounts is to insure that any succeeding life estates are appraised for transfer inheritance tax purposes, and that claims against the estate (which have the effect of decreasing the net value of the taxable estate and thus reducing the tax to be paid) are justifiable and legitimate claims. This review helps the State to receive the full amount to which it is legally entitled. In counties where the Department has local counsels employed on a salary

basis, one of the important portions of their job is to review all such accounts filed in their county. A county Register of Wills may request assistance in collecting an inheritance tax. This request is made to the Department of Revenue, which transmits it to the Department of Justice. If the county is one in which the Department has a salaried local counsel, this counsel assists the Register. If the county is one in which there is no salaried local counsel, the Department employs, on a fee basis, a local attorney to assist the Register. Occasionally, in such counties, a local attorney may be engaged to review the account of an important estate even though the Register of Wills has not requested assistance. This inheritance tax work is valuable in increasing the revenues from this source.

The work of the Department of Justice in collecting delinquent revenues due the Commonwealth is based on section 512 in the Administrative Code which provides "...whenever any taxes or other accounts of any kind whatsoever due the Commonwealth remain overdue and unpaid for a period of ninety days, it shall be the duty of such department, board, commission, or officer, to refer the same to the Department of Justice." In actual practice the Department of Revenue first attempts to collect the account without legal assistance. When it fails, it certifies the account to the Department of Justice. This Department, in turn, refers the matter to its local representative who proceeds to collect the account or institute the proper proceedings. These delinquent accounts include liquid fuel, capital and corporate loans taxes. The Department is also charged with the duty of collecting amounts owed the Commonwealth for the maintenance of patients in mental hospitals. Some of these costs are owed by counties, others by legally responsible individuals.

Another way in which the Department of Justice assists in collecting State revenue, is in defending tax appeals. When appeals from taxes are

filed, the Department of Revenue notifies the Department of Justice. If the appeal is to be heard in a local court, the Department refers the case to its local counsel who handles the case under the direction and supervision of the Harrisburg office. The local counsel is advised on policy so that the Department will have a uniform policy before the courts. If a further appeal is taken, it is usually handled by the central office. Corporation tax appeals are treated differently. As they are all heard in the Dauphin County Court, they are first lodged with the Department of Justice, which then files them in the Dauphin County Courts. These cases are handled by headquarters attorneys.

d. Legislative Work

A major function of the Department of Justice is its legislative work, of which there are several types. The Department drafts bills. However, as it is the legal office of the executive branch of the State Government, its bill drafting is almost entirely confined to bills for the Governor or administrative departments, boards or commissions, while the drafting of bills for the legislative branch is primarily done by the Legislative Reference Bureau. However, upon request of any legislator or legislative committee, the Department of Justice will give legislative advice.

A second phase of the Department's legislative work is the reviewing of all legislation prior to submission for the Governor's approval. After a bill has passed both houses, it is studied by the Department of Justice. A detailed report on the bill is prepared, containing opinions as to its constitutionality and legal implications and other pertinent comments. This report accompanies the bill to the Governor, and serves to guide his disposition of it.

Another aspect of the legislative work of the Department of Justice is the revising and codifying of laws. The Department is occasionally charged with the codifying of laws relating to a specific subject and submitting this codification for the action of the General Assembly. In the 1931-33 biennium, the Department of Justice revised, and in some instances codified, the laws relating to corporations, banking, building and loan associations, insurance and schools. However, the Legislature did not enact the revisions of the insurance and school laws. Since 1935, the Department has been engaged in revising the criminal, insurance and public utility laws.

Other legislative duties of the Department arise from the fact that the Attorney General is one of the State officers required to approve the correction of any technical defects, misspelled words, typographical errors, or misuse of the singular and plural forms, which may be discovered in bills that have been finally enacted. ⁽⁷⁾ Such changes, however, must not affect the meaning, content or substance of the law.

e. Title Approval

The Department of Justice must pass on all titles to land acquired by the Commonwealth for the purpose of insuring that a valid and satisfactory title has been acquired. Titles to land purchased by those State agencies which do not have a significant volume of real estate purchases are entirely handled by the Department of Justice. If such real estate is in counties where the Department employs a salaried attorney, this local counsel makes the search, while in counties where the Department is not represented by a salaried attorney, this work is done by a local lawyer retained on a fee basis. Titles to lands purchased by State agencies which have a significant volume of purchases - such as the Department of Forests and

Waters - are generally searched by the purchasing agency. Such departments generally have a regular staff who do this work.

Regardless whether the title is searched by a salaried local counsel or by a local attorney engaged on a fee basis, or whether the title is searched by employes of the purchasing agency, all searches are submitted to a deputy attorney general located in the Harrisburg office. He reviews the titles and, if satisfactory, approves them.

f. Approving Surety Bonds

(8)

The Administrative Code provides that certain administrative officers and employes must execute in favor of the State, fidelity bonds conditioned for the faithful discharge of duties. Before such bonds are filed with the State Treasurer they are submitted to the Department of Justice for examination of the terms of the bonds and the security thereof. If everything is satisfactory, the bond is approved.

The Department also investigates the bonds furnished by persons receiving contracts from the Department of Property and Supplies. Such bonds are not acceptable unless approved by the Attorney General.

g. Approving Insurance Company Charters

When an insurance company desires to secure or renew a charter, it applies to the Department of Insurance, submitting articles of agreement. These articles are analyzed by the Department of Insurance to determine if they comply with the laws relating to the companies and are not inconsistent with the State and Federal Constitutions. If the Department of Justice is satisfied that these conditions have been met, the Attorney General certifies his approval of the articles to the Governor. No charter may be granted or renewed without the approval of the Attorney General.

h. Counsel to Workmen's Compensation Claimants

The Department of Justice performs a unique service in rendering legal counsel to workmen's compensation claimants who cannot afford their own counsel. While there is no legal authorization for this work, the Department has been performing it for many years.

It has three regular attorneys - one located in Philadelphia, another in Pittsburgh, and a third in Scranton - whose sole function in the Department is the rendering of such free aid. Claimants unable to afford counsel apply to these attorneys, or to the Department, or are referred by the Workmen's Compensation Fund.

i. Special Assignments

Occasionally, the Legislature or the Governor makes a special assignment to the Attorney General or the Department of Justice. Such an assignment was made by the 1939 General Assembly, which directed and authorized the Attorney General to take steps to resist increases and secure reductions on freight or transportation charges on anthracite and bituminous coal. The sum of \$100,000 was appropriated for this purpose, (\$50,000 for the anthracite study and \$50,000 for the bituminous study).⁽⁹⁾

The Department is now studying the problem, and negotiations have been carried on with the railroad carriers to secure a reduction in rates. These negotiations have generally proved unproductive, however, and complaints to the Interstate Commerce Commission are contemplated. In the anthracite region, the Attorney General intervened and became a party to a rate proceeding before the Interstate Commerce Commission by a number of coal companies.

j. Other Activities

While the above discussed subjects cover the main fields of activity of the Department of Justice, it is not all inclusive. Since the

Department is the legal office for the executive branch of the State Government, it performs or controls any and all legal work that may arise in connection with the activities performed by the several administrative departments, boards, commissions, or officers.

2. Administrative Boards

The Department of Justice has two departmental administrative boards. One of these, the Board of Pardons, possesses an extensive organization. The other board, the Board of Commissioners on Uniform State Laws, is a consulting and cooperative board without any organization other than the Board itself.

a. Board of Pardons

The State Constitution vests in the Governor the power to grant pardons, commute sentences, grant reprieves, etc. but provides that, ".... no pardon shall be granted, nor sentence commuted except upon the recommendation in writing of the Lieutenant Governor, Secretary of the Commonwealth, Attorney General and Secretary of Internal Affairs, or any three of them, after full hearing, and upon due public notice and an open session, and such recommendations, with the reasons therefore at length, shall be recorded and filed in the office of the Secretary of the Commonwealth."⁽¹⁰⁾

While this provision does not actually create a Board of Pardons, it establishes the foundation for one. Upon this foundation, the Administrative Code⁽¹¹⁾ creates such a Board of Pardons as an administrative board in the Department of Justice. The Board is granted the power to hear applications for the remission of fines and forfeitures, and the granting of reprieves, commutations of sentences, and pardons, except in cases of impeachment. The Board is authorized to make recommendations in writing thereon to the Governor.

The Board of Pardon's power to recommend commutation of sentences extends only to those persons confined in State penal institutions. However, its power of recommending pardons covers all persons sentenced by any court in the Commonwealth, whether they are confined in State or county institutions or industrial reformatories and protectories. The Board does not concern itself with applications for probation; these are granted by the county judges.

The Board possesses review and approval powers regarding paroles granted criminals confined in State penal institutions. The Boards of Trustees of the State penitentiaries meet monthly and consider granting paroles to all prisoners who are serving an indeterminate sentence and whose minimum term has expired within three months. The Boards of Trustees forward their parole recommendations to the Board of Pardons, which may invite representatives of the penitentiaries or reformatories for consultation when considering cases from these institutions. If the Board concurs in a recommendation after reviewing a case, a written recommendation is made for the release of the prisoner, effective upon the expiration of the minimum term of the sentence. This recommendation is then sent to the Governor for his approval or disapproval. Such a procedure does not apply to the paroling of offenders in reformatories, as this is done by the Board of Trustees of the reformatory and does not clear through the Board of Pardons.

The Board of Pardons holds regular meetings and hearings. All papers filed with the Board are under the control of the Department of Justice, except the written reasons of the action of the Board in recommending pardons and commutations. These reasons are under the control of and technically filed in the office of the Secretary of the Commonwealth, although actually in the possession of the Board of Pardon's office. Copies of the

reasons for recommending to the Governor the commutation or pardon of any applicant are also filed with the Clerk of the House of Representatives and the Secretary of the Senate, and become a part of the public records of the Commonwealth.

In the year 1939, there were 1012 cases placed on the Board's calendar. Of this number, 84 cases were either withdrawn or continued into 1940, there being a total of 928 cases argued before the Board.

The Board commuted 107 sentences and granted 56 pardons, these two types of action respectively accounted for 11.53% and 6.03% of the cases. While the Board heard ten applications for clemency asking a change of sentence from death to life imprisonment, it refused all such pleas. It granted commutations of sentences to 11 prisoners serving life imprisonment out of the 73 prisoners who applied for such clemency.

(1) Parole Supervision
(4)

A 1929 Act vested in the Board of Pardons the supervision of the conduct of all prisoners released on parole, under the procedure described above, from the State penitentiaries and the Pennsylvania Industrial Reformatory. This Act also provided for the appointment by the Attorney General of a Supervisor of Paroles to administer the parole work.

For purposes of parole supervision, the State is divided into six districts, each with an office. District offices are located in Philadelphia, Pittsburgh, Harrisburg, Wilkes Barre, Bellefonte and Erie. The Supervisor of Paroles directs activities from the headquarters office in Harrisburg. Each of the district offices is staffed with parole agents. These agents are assigned a number of parolees to supervise in accordance with rules and regulations established by the Board of Pardons. In 1939 the average number of parole cases handled by each agent was 157.

The supervision work of the agents entails receiving periodic reports from parolees, investigating their actions and conduct, and aiding in their rehabilitation and adjustment, etc. Detailed records are kept on all cases. Parole agents possess the necessary authority to secure information which they may need and to detail parolees for violations of parole. However, these agents do not possess the authority to return for violation of parole a parolee to the place of confinement from which he was released until they have received specific authority to do so from the Board of Pardons.

In addition to supervising parolees from Pennsylvania penitentiaries and the State Industrial School, the parole agents supervise a number of parolees from other states under terms of an Interstate Compact. This is done on a reciprocal basis; the other states supervising Pennsylvania parolees permitted to reside out of the State.

A nine year resume of parole activities over the last nine years indicates the scope of this work. From November 30, 1930 to December 31, 1939, the parole supervision section received 16,838 cases for supervision. During this nine year period 2,725 of these cases were returned to the place of confinement from which they were released, 8,460 cases were discharged for having complied with the restrictions placed upon them by the Board of Pardons, 288 parolees died and 76 were pardoned. Subtracting these decreases totaling 11,549 from the total of 16,838 cases received, leaves 5,289 active Pennsylvania cases under supervision on December 31, 1939. As of this date, the agents were also supervising 531 cases for other states, making a total of 5,820 active cases.

An indication of the yearly work of this section is obtained by considering the case statistics for the calendar year 1939. On January 1, 1939 there were 5,072 Pennsylvania cases under supervision. During the

year 1,725 cases were added, 1,026 cases were discharged, 445 were returned, 34 died, and 3 were pardoned. These reductions in cases totaled 1,508 producing a net increase of 217 cases, and a total domestic case load of 5,289 as of December 31, 1939. During the year there was a net increase of 82 cases from other states, making a total active case load at the end of the year of 5,280.

This case record is summarized below in tabular form.

TABLE XII-A

DEPARTMENT OF JUSTICE
PAROLE SUPERVISION CASE RECORD
NOVEMBER 30, 1930 to DECEMBER 31, 1939

Case Distribution	Nov. 30, 1930 to Jan. 1, 1939.	Jan. 1, 1939 to Dec. 31, 1939	Nov. 30, 1930 to Dec. 31, 1939
Pennsylvania Cases Received...	<u>15,113</u>	<u>1,725</u>	<u>16,838</u>
Pennsylvania Case Losses:			
Discharged.....	7,434	1,026	8,460
Returns.....	2,280	445	2,725
Deaths.....	254	34	288
Pardons.....	<u>73</u>	<u>3</u>	<u>76</u>
Total Losses.....	<u>10,041</u>	<u>1,508</u>	<u>11,549</u>
Active Pennsylvania Cases.....	5,072	217	5,289
Cases Supervised for Other States.....	449	82	531
Total Active Cases.	5,521	299	5,820

In Table XII-B, page 1218, is presented an analysis of the 445 cases returned to the original place of imprisonment during 1939.

TABLE XII-B

DEPARTMENT OF JUSTICE
REASONS FOR RETURN OF PAROLEES
IN 1939

Reason for Return	Number Returned			
	Eastern State Penitentiary	Western State Pen.	Penna. Indus. School	Total
General Violations.....	34	19	53	106
Voluntary Surrender.....	2	--	1	3
Predatory Crimes.....	98	44	110	252
Sex Crimes.....	13	1	3	17
Crimes of Violence.....	19	2	5	26
Miscellaneous.....	20	10	11	41
Total.....	186	76	183	445

b. Board of Commissioners on Uniform State Laws

For over half a century there has existed in the United States an organization titled the National Conference of Commissioners on Uniform State Laws. The object of this organization is to promote uniformity among the laws of the various states. It drafts model laws on common subjects and endeavors to have these laws adopted by the legislatures of the several states.

The Conference is composed of representatives from every State. Pennsylvania's representatives are legally designated in the Administrative Code as the Board of Commissioners on Uniform State Laws, an administrative board in the Department of Justice. The Board is charged with examining such subjects as it deems necessary, and to ascertain the best means of effecting an assimilation and uniformity of state legislation throughout the country. The members of the Board attend the annual meetings of the National Conference of Commissioners on uniform State laws. They are authorized to join

with it in such measures as may be deemed most expedient to advance these objects.

Of the many uniform laws recommended by the Conference, covering some 50 or more subjects, Pennsylvania ranks high among the States in the number adopted. The General Assembly of the State has enacted 23 of the model laws. Only three other states have adopted more uniform laws than Pennsylvania.
(14)

D. PERSONNEL

While the Department of Justice has no organizational sections, other than the Department proper and the administrative boards, it makes certain distinctions in its personnel.

1. Department Proper

The Department proper controls and directs three groups of employes. First, there are the employes in the Harrisburg or headquarters office. Secondly, there are the employes which are compensated by the Department but are not located in the Harrisburg office. Thirdly, there are those attorneys who are assigned to other agencies of the State Government and who are compensated by the agencies to which they are assigned.

a. Headquarters Staff

Heading the entire Department is the Attorney General. He is appointed by the Governor, with the consent of two-thirds of the Senate, and serves during the pleasure of the Governor. He receives an annual salary of \$12,000.
(15)

The staff of the headquarters office consists of the legal employes plus the general and clerical employes necessary to the functioning of the office.

The Department follows a policy of specialization among its headquarters attorneys. Matters pertaining to a particular subject are referred to

the same attorney, in order that he may become experienced in the subject and can handle it more efficiently and accurately. Table XII-C indicates the general plan of assignment:

TABLE XII-C

DEPARTMENT OF JUSTICE
 ASSIGNMENTS OF DEPUTIES
 BY DEPARTMENTS AND SUBJECTS

Title	Assignment
Deputy Attorney General.....	Department of Agriculture Department of Forests and Waters Board of Fish Commissioners Pennsylvania Game Commission Special Criminal Investigations Inquiries Involving Criminal Procedure and the Interpretation of Criminal Laws.
Deputy Attorney General.....	Department of Public Instruction inclu- ding all professional licensing and examining boards.
Deputy Attorney General.....	Department of Banking Department of Insurance
Deputy Attorney General.....	Department of Mines Supervision over all delinquent collec- tions, escheat work, investment bond defaults, etc. Special assignments.
Deputy Attorney General.....	Department of Health Department of Commerce Governor's Office All matters pertaining to notaries pub- lic, justices of the peace, aldermen, constables, civil officers, etc., their terms of office and duties. All matters involving municipalities and municipal officers.
Deputy Attorney General.....	Department of Public Assistance Department of Labor and Industry

TABLE XII-C
(Continued)

Title	Assignment
Deputy Attorney General.....	Treasury Department Auditor General's Department Extraditions Pennsylvania Liquor Control Board Pennsylvania Motor Police
Deputy Attorney General.....	Department of Property and Supplies Department of Military Affairs Department of Internal Affairs The General State Authority All Title and Deed Work
Deputy Attorney General.....	Inheritance Tax Work Mercantile Tax Work Personal Property Tax Work Budget Office Legislative Work Legislative Officers and Commissions Consultations with deputies re various phases of departmental work.
Deputy Attorney General.....	Corporation Tax Work Board of Finance and Revenue
Deputy Attorney General.....	Department of Welfare Department of State Inquiries pertaining to problems of social welfare.
Assistant Deputy Attorney General	Assists deputies handling tax work
Assistant Deputy Attorney General	Department of Highways Department of Revenue - Bureau of Motor Vehicles only Public Utility Commission
Principal Legal Assistant.....	Docket Work Court Detail Research
Assistant Deputy Attorney General	Bid Openings Inspection of all contracts, leases, agreements, bonds, proposals, etc.
Principal Legal Assistant.....	Assists deputy handling delinquent collections, escheats, etc.

Table XII-D shows the staff of the Harrisburg Office of the Department of Justice as of June 1, 1940:

TABLE XII-D

DEPARTMENT OF JUSTICE
SUMMARY OF PERSONNEL AND SALARIES PAID
IN HARRISBURG OFFICE-JUNE 1, 1940

Personnel Classification	Number of Employees	Annual Salaries
Attorney General.....	1	\$ 12,000
Deputy Attorneys General (\$6,000).....	2	12,000
Deputy Attorneys General (\$5,000).....	10	50,000
Special Deputy Attorney General.....	1	5,000
Assistant Deputy Attorney General.....	1	4,200
Assistant Deputy Attorney General.....	1	3,200
Assistant Deputy Attorney General.....	1	2,400
Principal Legal Assistant.....	1	3,300
Principal Legal Assistant.....	1	2,400
Comptroller.....	1	2,400
Senior Editor.....	1	2,400
Principal Stenographer Secretary.....	1	2,100
Advanced Stenographer Secretary.....	1	1,860
Correspondent Stenographer.....	1	1,500
Correspondent Stenographer.....	1	1,380
Principal Stenographer Clerk.....	1	1,500
Principal Stenographer Clerks (\$1,380).....	10	13,800
Head File Clerk.....	1	1,380
Senior Clerk.....	1	1,380
Advanced File Clerk.....	1	1,380
Senior Stenographer Clerk.....	1	1,320
Senior Stenographer Clerks (\$1,200).....	3	3,600
Advanced File Clerk.....	1	1,140
Senior Stenographer Clerk.....	1	1,140
Senior File Clerks (\$1,020).....	2	2,040
Junior Clerk.....	1	1,020
Total.....	48	\$135,840

b. Field Representatives

As was previously indicated, the Department has attorneys in individual counties to handle the work of the Department in those counties. In the larger counties these attorneys are employed on a salary basis,

while in the smaller counties they are employed on a fee basis, as the situation demands.

As of June 1, 1940 the Department employed the following special deputies and local counsels on a salaried basis:

TABLE XII-E
DEPARTMENT OF JUSTICE
SUMMARY OF SPECIAL DEPUTIES AND LOCAL COUNSEL
ASSIGNED TO WORK IN COUNTIES
JUNE 1, 1940

Personnel Classification	Number of Employees	Annual Salaries
Deputy Attorney General.....	1	\$ 5,000
Special Deputy Attorneys General (\$5,000).....	3	15,000
Special Deputy Attorneys General (\$3,600).....	2	7,200
Attorneys (\$3,600).....	3	10,800
Attorney.....	1	3,500
Attorneys (\$3,000).....	2	6,000
Attorneys (\$2,500).....	6	15,000
Attorneys (\$2,400).....	2	4,800
Attorneys (\$2,000).....	2	4,000
Total.....	22	\$71,300

c. Attorneys Assigned to and Compensated by Other State Agencies

There are some state agencies which require full time legal services from one or more attorneys. In such instances the Attorney General assigns to these agencies, the required number of attorneys. However, while they are employed, assigned and, in the final analysis, responsible to the Attorney General, these attorneys are compensated by the agency to which they are assigned and technically, are employees of that agency.

The following indicates the Deputy Attorneys General, Special Deputy Attorneys General and legal assistants appointed by the Attorney General and assigned to various agencies of the State Government, and compensated by the agencies to which assigned, as of June 1, 1940.

TABLE XII-F

DEPARTMENT OF JUSTICE
 LEGAL EMPLOYEES APPOINTED BY THE ATTORNEY GENERAL
 ASSIGNED TO VARIOUS DEPARTMENTS, BOARDS & COMMISSIONS
 AND PAID BY AGENCY ASSIGNED TO

Departmental Assignments and Personnel Classification	Number of Employees	Annual Salaries
<u>Department of Labor and Industry:</u>		
<u>State Workmen's Insurance Fund</u>		
Deputy Attorney General.....	1	\$ 6,000
Advanced Legal Assistants (\$2,400).....	10	24,000
Senior Assistant Counsel.....	1	3,600
Principal Legal Assistant.....	1	2,100
Total.....	<u>13</u>	<u>\$35,700</u>
<u>Workmen's Compensation Board</u>		
Principal Legal Clerks (\$2,100).....	2	\$ 4,200
Special Legal Clerks (\$2,400).....	2	4,800
Principal Legal Assistant.....	1	3,000
Total.....	<u>5</u>	<u>\$12,000</u>
<u>Pennsylvania Labor Relations Board</u>		
Special Solicitor.....	1	\$ 5,000
<u>Board of Review</u>		
Assistant Counsel.....	1	\$ 3,300
Assistant Counsel.....	1	2,700
Total.....	<u>2</u>	<u>\$ 6,000</u>
<u>Unemployment Compensation & Employment Service</u>		
Special Deputy Attorneys General (\$6,000)....	2	\$12,000
Executive Assistant.....	1	3,600
Field Prosecutors (\$2,100).....	6	12,600
Advanced Legal Assistants (\$2,400).....	4	9,600
Advanced Legal Assistants (\$2,700).....	2	5,400
Advanced Legal Assistants (\$3,000).....	2	6,000
Principal Legal Assistants (\$3,000).....	2	6,000
Attorney.....	1	2,700
Senior Attorneys (\$3,000).....	2	6,000
Total.....	<u>22</u>	<u>\$63,900</u>
<u>Department of Property and Supplies</u>		
Head Legal Clerk.....	1	\$ 2,400

TABLE XII-F
(Continued)

Departmental Assignments and Personnel Classification	Number of Employees	Annual Salaries
<u>Pennsylvania Liquor Control Board</u>		
Deputy Attorney General.....	1	\$ 6,000
Special Deputy Attorney General.....	1	5,000
Special Deputy Attorneys General (\$4,000).....	6	24,000
Assistant Special Deputy Attorney General.....	1	3,000
Total.....	<u>9</u>	<u>\$38,000</u>
<u>Department of Highways</u>		
Senior Counsel.....	1	\$ 5,300
Counsel.....	1	4,200
Principal Legal Clerk.....	1	3,000
Total.....	<u>3</u>	<u>\$12,500</u>
<u>Department of Revenue</u>		
Special Deputy Attorney General.....	1	\$ 4,200
Counsel.....	1	3,600
Advanced Corporation Taxing Officer.....	1	3,600
Total.....	<u>3</u>	<u>\$11,400</u>
<u>Henrietta Garrett Estate</u>		
Counsel (\$7,500).....	2	\$15,000
Counsel.....	1	3,000
Total.....	<u>3</u>	<u>\$18,000</u>
<u>Milk Control Commission</u>		
Deputy Attorney General.....	1	\$ 5,000
Assistant Deputy Attorney General.....	1	4,000
Assistant Deputy Attorney General.....	1	3,600
Total.....	<u>3</u>	<u>\$12,600</u>
<u>Pennsylvania Public Utility Commission</u>		
Chief Counsel.....	1	\$ 7,500
Counsel (\$5,000).....	2	10,000
Counsel.....	1	4,200
Principal Legal Assistant.....	1	3,600
Principal Legal Assistant.....	1	3,000
Legal Assistant.....	1	3,600
Legal Assistant.....	1	3,000
Head Legal Assistant.....	1	3,600
Total.....	<u>9</u>	<u>\$38,500</u>

TABLE XII-F
(Continued)

Departmental Assignments and Personnel Classification	Number of Employees	Annual Salaries
<u>Department of Forests and Waters</u>		
Counsel.....	<u>1</u>	<u>\$ 5,000</u>
<u>Department of Public Instruction</u>		
Counsel.....	<u>1</u>	<u>\$ 1,800</u>
<u>Insurance Department - Liquidation Division</u>		
Counsel.....	<u>1</u>	<u>\$ 5,000</u>
<u>Pennsylvania Turnpike Commission</u>		
Deputy Attorney General.....	1	\$ 5,000
Grand Total.....	78	\$272,800

2. Administrative Boards

As was previously indicated, of the two administrative boards in the Department of Justice, one has an extensive organization and staff while the other does not.

a. Board of Pardons

The Board of Pardons consists of the Lieutenant Governor, the Secretary of the Commonwealth, the Attorney General and the Secretary of Internal Affairs. (16) This is the one administrative board in the Commonwealth upon which an officer may not be represented by his deputy. All members of the Board must sit in person.

The Board of Pardons has a Secretary who receives \$3,000 per year. In addition, as of June 1, 1940, the Board had two employees to perform the nec-

essary clerical work, as follows:

<u>Personnel Classification</u>	<u>Number of Employees</u>	<u>Annual Salaries</u>
Senior Stenographer Clerk.....	1	\$ 1,140
Senior Clerk-Typist.....	1	1,020
Total.....	2	<u>\$ 2,160</u>

(1) Parole Supervision

Chief employe of the Parole Supervision section is the Supervisor of Paroles. Each district office is headed by a senior parole agent who has under him a number of junior parole agents and the necessary complement of clerical employes. As of June 1, 1940, the following employes were on the parole supervision staff. (At that time there were several vacancies).

TABLE XII-G
DEPARTMENT OF JUSTICE
EMPLOYEES OF THE PAROLE SUPERVISION STAFF
JUNE 1, 1940

<u>Personnel Classification</u>	<u>Number of Employees</u>	<u>Annual Salaries</u>
Supervisor of Paroles.....	1	\$ 5,000
Senior Parole Agent.....	1	3,000
Senior Parole Agents (\$2,400).....	3	7,200
Junior Parole Agents (\$2,040).....	3	6,120
Junior Parole Agents (\$1,860).....	26	48,360
Senior Stenographer Secretary.....	1	1,620
Senior Stenographer Clerk.....	1	1,380
Principal Clerk Stenographer.....	1	1,380
Senior Stenographer Clerk.....	1	1,200
Senior Stenographer Clerks (\$1,140).....	10	11,400
Typist Clerks (\$1,020).....	2	2,040
Total.....	50	<u>\$88,700</u>

b. Board of Commissioners on Uniform State Laws

The Board of Commissioners on Uniform State Laws consists of three persons learned in the law and appointed by the Governor, and the Attorney

General, ex officio. The terms of the members are four years from the dates of their respective appointments. The Board has no staff of employees.

3. Summary of Personnel

As of June 1, 1940, the Department of Justice was staffed with the following regular salaried personnel:

TABLE XII-H

DEPARTMENT OF JUSTICE
SUMMARY OF PERSONNEL AND ANNUAL SALARIES
JUNE 1, 1940

Section	Number of Employees	Annual Salaries
Headquarters Staff.....	48*	\$135,840*
Field Representatives.....	22	71,300
Board of Pardons.....	2	2,160
Parole Supervision.....	50	88,700
Total.....	122	\$ 298,000

* Includes Attorney General at \$12,000 per year.

In addition there were 78 attorneys with annual salaries of \$272,800 assigned to other branches of the State Government and compensated by those branches. Also, when a situation requires, local attorneys are employed on a fee basis to handle the Department's work in the smaller counties.

E. FINANCES

The nature of the work of the Department of Justice is not such as to cause any complexity of finances. It is primarily a service agency to the State Government and therefore, has little opportunity to produce any income.

1. Department Proper

The expenses of the Department of Justice are divided between the administrative expenses and those of the special deputies and local counsel.

a. Administrative

The 1937-39 budget originally appropriated \$302,500 for the expenses of the Administrative section. The Special Session of 1938 made a deficiency appropriation of \$8,000 which was used for printing. A further deficiency appropriation of \$30,000 was made by the 1939 session of the Legislature. Of the \$340,500 thus appropriated, the Administrative section spent \$340,495, distributed as follows:

TABLE XII-J

DEPARTMENT OF JUSTICE
EXPENDITURES OF ADMINISTRATIVE SECTION
BY OBJECT CLASSIFICATION
1937-39 BIENNIUM

Object	Amount
Salaries.....	\$232,184
Wages.....	9,838
Fees.....	38,173
Printing, Binding, etc.....	25,105
Food.....	6
Materials and Supplies.....	995
Traveling Expenses.....	9,782
Motor Vehicle Supplies and Repairs.....	2,270
Freight, Express and Cartage.....	33
Postage.....	1,360
Telephone and Telegraph.....	8,438
Contracted Repairs.....	306
Rent of Equipment.....	283
Insurance and Fidelity Bonds.....	1,566
Other Maintenance Service.....	402
Equipment.....	4,881
Advance Requisition.....	4,873
Total.....	\$340,495

b. Special Deputies and Local Counsel

The appropriations for special deputies and local counsel followed closely the pattern of those of the administrative section. The original appropriation in the 1937-39 biennium budget totaled \$225,000. This was

increased during the 1938 Special Session by \$42,000 and further increased by a deficiency appropriation of \$43,522 in the 1939 Session. This brought the total appropriation for the biennium to \$310,522. The Department expended this entire amount, upon the following basis:

TABLE XII-K
DEPARTMENT OF JUSTICE
EXPENDITURES FOR SPECIAL DEPUTIES AND LOCAL COUNSEL
1937-39 BIENNIUM

Object	Amount
Salaries.....	\$192,364
Fees.....	112,914
Traveling Expenses.....	3,340
Postage.....	548
Telephone and Telegraph.....	306
Wages.....	1,050
Total.....	\$310,522

Combining the figures for the Administrative Section and those for special deputies and local counsel indicates that during the 1937-39 biennium the Department of Justice proper expended \$651,017 out of appropriations of \$651,022. To this must be added the salary of the Attorney General which amounted to \$23,951 for the biennium, thus producing total expenditures for the Department proper of \$674,968.

The money the Department of Justice collects on delinquent accounts, or helps collect through its inheritance tax and tax appeal work is not credited to the account of the Department. The only revenue of the Department proper stems from attorney and litigation fees that it receives. In the 1937-39 biennium, these amounted to \$18,848. Deducting this from the total expenditures of \$674,968 produces a net cost of \$656,120.

2. Administrative Boards

The difference that was evident between the Board of Pardons and the Board of Commissioners on Uniform State Laws as far as organization and personnel also extends to finances.

a. Board of Pardons

The 1937-39 budget appropriated \$21,000 for the Board of Pardons. The Board expended only \$19,228 of this allotment, as follows:

TABLE XII-L

DEPARTMENT OF JUSTICE
EXPENDITURES OF BOARD OF PARDONS
1937-39 BIENNIUM

Object	Amount
Salaries.....	\$10,440
Fees.....	347
Printing and Binding.....	3,819
Materials and Supplies.....	116
Traveling Expenses.....	307
Postage.....	1,150
Telephone and Telegraph.....	304
Advertising.....	2,434
Contracted Repairs.....	3
Equipment.....	308
Total.....	\$19,228

The Board of Pardons makes certain charges. A \$1.00 application fee is charged, and a \$10.00 fee is charged for filing. During the 1937-39 biennium, these fees amounted to \$22,730. This exceeded the expenses of the Board by \$3,500, thus making it a self-supporting agency.

(1) Parole Supervision

Two appropriations were made for parole supervision in the 1937-39 biennium. The original budget appropriation was \$261,000 and this

was increased to \$276,000 in the 1939 session by a deficiency appropriation of \$15,000. Of this amount the Department expended \$272,853 upon the following object classification basis set forth in Table XII-M. No revenue is received from Parole Supervision.

TABLE XII-M
DEPARTMENT OF JUSTICE
EXPENDITURES FOR PAROLE SUPERVISION
BY OBJECT CLASSIFICATION
1937-39 BIENNIUM

Object	Amount
Salaries.....	\$187,051
Wages.....	1,699
Printing, Binding, etc.....	2,384
Food.....	135
Materials and Supplies.....	366
Traveling Expenses.....	35,093
Motor Vehicles Supplies and Hire.....	15,384
Freight, Cartage and Express.....	57
Postage.....	5,507
Telephone and Telegraph.....	6,008
Light, Heat and Power.....	104
Contracted Repairs.....	106
Rent of Real Estate.....	15,565
Rent of Equipment.....	183
Insurance, Surety Bonds.....	900
Other Maintenance Service.....	106
Equipment.....	2,205
Total.....	\$272,853

b. Board of Commissioners on Uniform State Laws

The chief expenses of the Board of Commissioners on Uniform State Laws are the traveling expenses of the members in attending the annual National Conference of such Commissioners. The amount spent is somewhat dependent upon the location of the meeting. A portion of the money is used as a subsidy to the work of the Conference. During the 1937-39 biennium, \$1,228 was expended for traveling expenses and \$1,050 for subsidies,

making total expenditures of \$2,278 out of an appropriation of \$2,500.

3. Summary of Finances

Thus, during the 1937-39 biennium the Department of Justice expended \$969,326 out of appropriations of \$984,522. During this period revenues of \$41,578 were received reducing the net expenditures to \$927,748. In the 1937-39 biennium budget there was an appropriation of \$10,000 to revise the insurance and utility laws but no expenditures were made from this item.

For 1939-41 the sum of \$1,086,000 was appropriated. In addition to the items of expense enumerated above there were three additional appropriation items. Two appropriations of \$50,000 each were made for the anthracite and bituminous coal freight rates studies. The sum of \$100,000 was appropriated for the Grand Jury Investigation of 1939. Receipts of \$15,000 and \$24,000 from attorney and litigation fees and Board of Pardon fees, respectively, was estimated, thus producing net expenditures of \$1,047,000. These figures are shown in Table XII-N, page 1234.

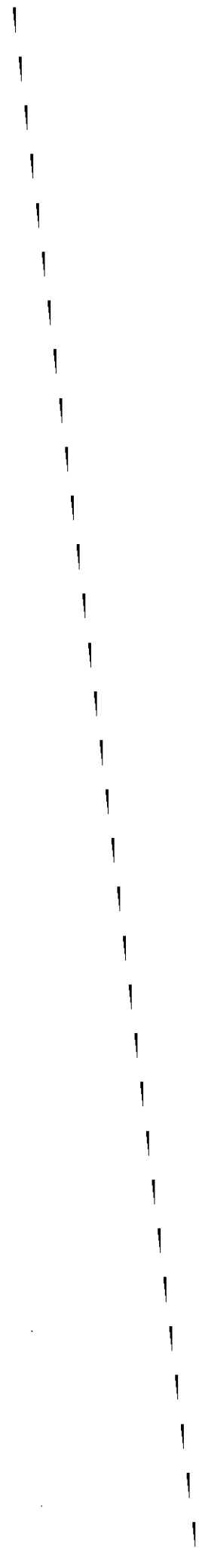
TABLE XII-N

DEPARTMENT OF JUSTICE
 APPROPRIATIONS AND EXPENDITURES
 1937-39 AND 1939-41 BIENNIUMS

Item	1937-39 Appropriations and Estimates	1937-39 Actual Ex- penditures and Receipts	1939-41 Appropriations and Estimates
<u>Expenditures</u>			
Salary of Attorney General.....	\$ 24,000	\$ 23,951	\$ 24,000
Administrative Section.....	340,500	340,495	302,500
Special Deputies and Local Counsel	310,522	310,522	275,000
Board of Pardons.....	21,000	19,228	21,000
Parole Supervision.....	276,000	272,853	261,000
Board of Commissioners on Uniform State Laws.....	2,500	2,278	2,500
Revision of Insurance and Utility Laws.....	10,000	--	--
Coal Freight Rate Studies.....	--	--	100,000
Grand Jury Investigation.....	--	--	100,000
Total.....	<u>\$984,522</u>	<u>\$969,326</u>	<u>\$1,086,000</u>
<u>Less Receipts</u>			
Attorney and Litigation Fees.....	\$ 25,000	\$ 18,848	\$ 15,000
Board of Pardon Fees.....	24,000	22,730	24,000
Total.....	<u>\$ 49,000</u>	<u>\$ 41,578</u>	<u>\$ 39,000</u>
Net Expenditures.....	<u>\$935,522</u>	<u>\$927,748</u>	<u>\$1,047,000</u>

FOOTNOTES

- (1) Constitution 1776, Section 20
- (2) Constitution, Article IV, Section 1
- (3) Administrative Code, Sections 901 to 910, 2410 and 219
- (4) 1929 P. L. 1184
- (5) Commonwealth ex al. Minird, et al, vs. Margiotti, 326 Pennsylvania 17 (1936)
- (6) Administrative Code, Section 512
- (7) 1933 P. L. 946
- (8) Administrative Code, Section 219
- (9) 1939 P. L. 1113 and 1115
- (10) Constitution, Article IV, Section 9
- (11) Administrative Code, Section 202
- (12) Administrative Code, Section 910
- (13) Administrative Code, Section 202
- (14) State Government, "Record of Uniform State Laws Enacted," Inside Back Cover, Volume XIII, Number 8, August, 1940.
- (15) Administrative Code, Sections 207, 208 and 209.
- (16) Constitution, Article IV, Section 9; Administrative Code, Section 202.



CHAPTER XIII

DEPARTMENT OF LABOR AND INDUSTRY

First official recognition, in Pennsylvania, that State governments have a primary responsibility in the care, welfare, and protection of its industrial workers, came with the passage of the so-called "Factory Act"⁽¹⁾ in 1889. This Act provided for the appointment of a factory inspector and six deputies. Later, in 1905, the Legislature passed a "Boiler Inspection Act,"⁽²⁾ and still later, in 1913, the Department of Labor and Industry was created.⁽³⁾

Since 1913, matters concerning employers, employes, and their inter-relationship, have come up for deliberation at almost every session of the Legislature. Many acts were passed affecting industry, and the scope of the Department of Labor and Industry's activities expanded rapidly. Today, considering personnel and range of influence, it is one of the largest and most important departments in Pennsylvania's governmental set-up.

A. FUNCTION

The Department of Labor and Industry is concerned chiefly with the protection of the life of the worker. It prescribes and enforces safety rules and regulations, administers the various laws with regard to same, as well as those laws concerned with hours, wages, and conditions of work, and, in general, looks after the welfare of employes. Included among the more important laws administered by the Department are those having to do with unemployment compensation, employment service, minimum wages for women and minors, hour laws for all classes of workers, industrial home work, workmen's compensation, occupational disease, accident reporting, safety, and industrial health.

In carrying out its varied activities, the Department maintains relationships with industry, with educational institutions, with State and Federal agencies, and with the general public. It plays a leading part in matters of national concern such as production for national defense, settlement of strikes, etc.

B. POWERS AND DUTIES

Major powers and duties of the Department of Labor and Industry, as outlined in the Administrative Code, include the following:

1. In relation to inspection and administration:
 - a. To inspect every room, building, or place within the State where labor is being performed, and all buildings where public assemblies are held.
 - b. To receive, examine, and approve plans for all buildings of more than two stories and all places of assembly outside of cities of the 1st, 2nd, and 2nd-A classes.
 - c. To receive and check plans for elevator installations outside of cities of 1st and 2nd classes, and to issue permits for erection and repair of elevators.
 - d. To file reports of inspection of elevators.
 - e. To inspect boilers and to receive and check reports of inspection of boilers.
 - f. To examine and license motion picture projectionists and apprentices.
 - g. To receive reports of industrial accidents, to direct the investigation and to prescribe means for the prevention of such accidents.
 - h. To issue orders for removing or safe-guarding against industrial hazards.
2. In relation to investigations:
 - a. To make investigations and surveys upon any subject within the Department's jurisdiction, on its own initiative or on request of the Industrial Board.
3. In relation to statistics:
 - a. To collect, compile, and transmit to the Department of Pro-

perty and Supplies for publication, statistics relating to labor and industry, organizations of employes, and organizations of employers.

4. In relation to rules and regulations:
 - a. To make rules and regulations, subject to approval by the Industrial Board, for carrying into effect the laws regulating the labor of persons, and the construction, ventilation, and equipment of places where labor is performed or public assemblies held, and to enforce all such rules and regulations.
5. In relation to mediation and arbitration:
 - a. To send a representative to any locality where an industrial controversy exists and endeavor to effect an amicable settlement by mediation. If such settlement cannot be effected and the dispute is submitted for arbitration, to select, on request of the parties to the dispute, an impartial person to act as chairman of the Board of Arbitration, in the event the representatives of employer and employes fail to name such a person.
6. In relation to women and children:
 - a. To make studies and investigations of the special problems connected with the labor of women and children.
 - b. To create the necessary organization and appoint an adequate number of inspectors to enforce the laws and rules and regulations relating to the work of women and children.
7. In relation to workmen's compensation:
 - a. To administer and enforce the laws relating to workmen's compensation.
 - b. To receive and classify reports of all accidents; to receive and approve or disapprove agreements, supplemental agreements, receipts, final receipts, and other papers in workmen's compensation cases, which have heretofore been subject to the approval of the Workmen's Compensation Board, and to notify the parties of its approval or disapproval within 30 days after the receipt of such agreements, receipts, or other papers.
 - c. To follow up all cases in which workmen's compensation agreements have been filed, and see that such agreements are fulfilled.
 - d. To advise injured workmen of their rights under the workmen's compensation laws.

- e. From time to time, to divide the State into such number of workmen's compensation districts as it may, with the approval of the Executive Board, deem advisable for the proper administration of the Workmen's Compensation Laws.
 - f. To receive and refer to the Workmen's Compensation Board claims in contested cases, and mail decisions of the Workmen's Compensation Board and of Workmen's Compensation Referees, in all contested cases, to claimants and defendants.
 - g. To render to the Workmen's Compensation Board any reasonable assistance requested by the Board in the conduct of its work.
 - h. To prepare and issue to the Auditor General certificates or requisitions for the payment of workmen's compensation to injured employes of the Commonwealth, except in cases in which the Commonwealth's liability therefore is covered by insurance.
8. In relation to rehabilitation:
- a. To aid persons injured in industrial pursuits; to arrange for medical treatment and procure artificial limbs and appliances to enable them to engage in remunerative occupations.
 - b. To make surveys to ascertain the number and condition of physically handicapped persons.
 - c. To cooperate with the Department of Public Instruction in arranging for training courses in the public schools or other educational institutions, and in industrial or agricultural establishments, for persons injured in industrial pursuits.
 - d. To provide maintenance for such injured persons, during such training, to such extent as the Department may have funds available for the purpose.
9. In relation to employment and unemployment:
- a. To endeavor to bring together employers seeking employes and applicants for employment.
 - b. To supervise all public and private employment agencies.
 - c. To report on the extent of unemployment, the remedy therefor, and the means for the prevention thereof.
 - d. To establish employment offices or labor exchanges at convenient places throughout the Commonwealth.

- e. To promote the intelligent distribution of labor and, when necessary, to assist in securing transportation for employes desiring to go to places where work is available.
10. State Workmen's Insurance Board - Powers and Duties:
- a. To administer the State Workmen's Insurance Fund.
 - b. To determine the amount of premiums which subscribers to the State Workmen's Insurance Fund shall pay, and to fix the premiums for insurance.
 - c. To make all contracts necessary for supplying medical, hospital, and surgical services which the employer is required to furnish during the first 14 days after disability begins, as provided in section 306, sub-section (e), Article 3, 1915, P. L. 736.
 - d. To inspect all property and premises of any subscriber, and to examine from time to time the books, records, and payrolls of any subscriber or intending subscriber to determine the amount of premium payable to such subscriber or intending subscriber.
 - e. To make reasonable rules and regulations for the prevention of injuries upon the premises of subscribers; and to refuse to insure or to terminate the insurance of any subscriber who refuses to permit such examinations or disregards such rules or regulations.
11. Workmen's Compensation Board - Powers and Duties:
- a. To make all proper and necessary rules and regulations for the legal and judicial procedure of the Bureau of Workmen's Compensation, and to hear and determine promptly all petitions and appeals.
 - b. To divide the Commonwealth into workmen's compensation districts, which shall, as near as may be practicable, be of compact and contiguous territory.
 - c. To conduct any investigation deemed necessary to ascertain the facts of any claim or any other matter properly before the Board.
12. Workmen's Compensation Referees - Powers and Duties:
- a. To hear such claims for compensation as are assigned to them by the Workmen's Compensation Board, and to perform such duties as may be required by the Board or by law.

- b. To conduct any investigation deemed necessary to ascertain the facts of any claim or any other matter properly before such Referees.

13. Industrial Board - Powers and Duties:

- a. To meet at least once each month to consider such matters as are brought before it or are requested by the Secretary of Labor and Industry.
- b. To hold hearings with reference to the application by the Department of the laws affecting labor, upon appeal of employes, employers, or the public, and, after such hearings, to make recommendations to the Department.
- c. To approve or disapprove the rules and regulations established by the Department and make suggestions to the Department for the formulation of such rules and regulations.
- d. To consider, study, and investigate the conduct of the work of the Department.

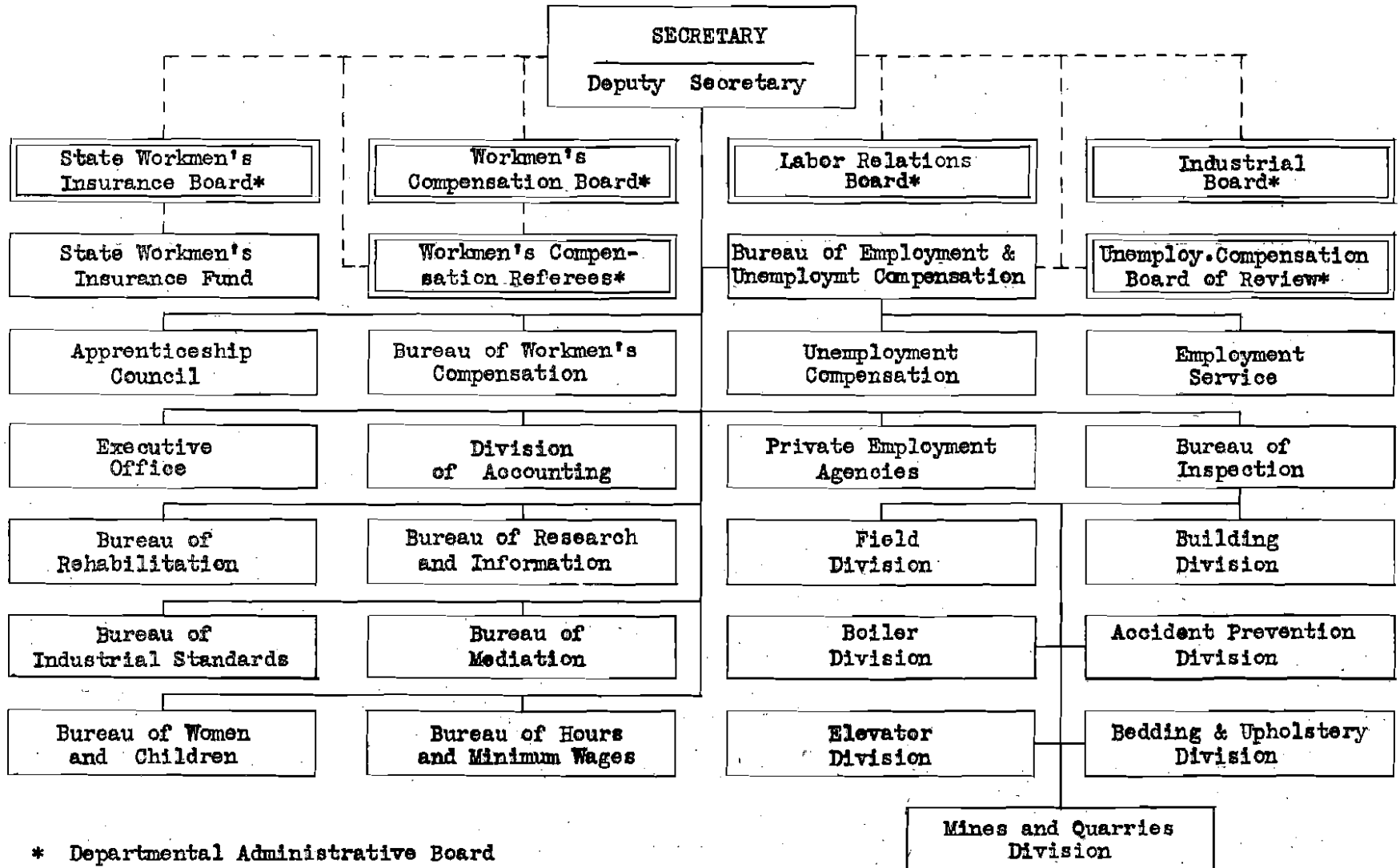
C. ORGANIZATION AND OPERATIONS

The chief executive officer of the Department of Labor and Industry is the Secretary who is appointed by the Governor for a term of four years, and who receives a salary, set by statute, of \$10,000 per year. Serving under the Secretary, and acting as his representative when occasion demands, is a Deputy Secretary who receives a salary of \$7,000 per year. In the absence of the Secretary from the Department, the Deputy Secretary exercises all the powers and performs all the duties vested by law in the head of the Department except the power to appoint deputies, bureau chiefs, assistants, or other employes. In addition to his responsibilities as chief administrative officer of the Department, the Secretary is by law chairman of the State Workmen's Insurance Board and of the Industrial Board, and is a member of the Workmen's Compensation Board.

For administrative purposes, the work of the Department is divided

CHART XIII-1

ORGANIZATION OF THE DEPARTMENT OF LABOR AND INDUSTRY



* Departmental Administrative Board

among a number of boards, bureaus, and divisions. Organization Chart XIII-1, page 1307 shows the present set-up and the inter-relationship of the various groups.

1. The Executive Office

This office includes the staffs of the Secretary and the Deputy Secretary and is responsible for the general administrative work of the Department. Functions pertaining to personnel, supplies, equipment, duplicating, mailing, budgeting and departmental receipts and expenditures are performed under the immediate supervision of this office. Directly responsible to the Executive Office is the Accounting Division.

a. The Accounting Division

The Accounting Division is the fiscal unit of the Department. It is responsible for the preparation of budgets and the regulation of expenditures within the limits specified in the budget, as finally approved. It makes up the payrolls and furnishes all accounting figures and reports required by the Governor's Budget Office. Accounts of all appropriations, receipts, and expenditures are kept, and monthly cost reports are prepared showing expenditures by bureaus, divisions, functions, etc. It handles the procurement of supplies, acting in liaison with the Department of Property and Supplies, and maintains the Department storeroom. This Division also acts as agent for the Department of Revenue in the collection of fees and other receipts from departmental activities.

2. The Labor Relations Board

This Board, known as the "Pennsylvania Labor Relations Board," was created as a departmental administrative board in the Department of Labor and Industry, by an act of the Legislature in 1937, (4) as amended in 1939. (5) It consists of three members, appointed by the Governor with the advice.

and consent of the Senate. Original members were appointed for two, four and six years respectively, but their successors in office serve for six years. The chairman of the Board receives \$7,500 per year and the other members \$7,000 per year each. Employees of the Board are appointed by the Secretary of Labor and Industry.

Consideration and passage of the Creating Act was based on the Legislature's findings that there existed "a growing inequality of bargaining power between employer and employe," which was "substantially and adversely affecting the general welfare of the State," and that "such inequality makes for industrial instability and depressed purchasing power, leading more directly to the creation of sweat-shops, an increased disparity between production and consumption, and a tendency to produce and aggravate recurrent business depressions. Protection by law of the employe's right to organization and collective bargaining is recognized as a means to the restoration of equality of bargaining power between employers and employes and as removing potential sources of industrial strife and unrest." The Act therefore, establishes a far reaching policy which is expressed in the Act as follows: "In the interpretation and application of this Act and otherwise, it is hereby declared to be the public policy of the State to encourage the practice and procedure of collective bargaining and to protect the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection, free from the interference, restraint or coercion of their employers."

In view of the State policy specifically mentioned in the Act, the work of the Board consists in the prevention of certain unfair labor prac-

tices enumerated in the Act and in the certification, by means of employee elections or other methods of determination of the representatives that have been selected by a majority of the employees in an appropriate unit. In this work the Board operates as an independent quasi-judicial body. The power of the Board to prevent unfair labor practices is exclusive and is not affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise. Being concerned primarily in the protection of legal rights, the work of the Board generally does not run along the lines of mediation and arbitration. Activity of the latter sort is administered by the Department of Labor and Industry under the provisions of the "Pennsylvania Labor Mediation Act."

3. The Industrial Board

When the Department of Labor and Industry was created in 1913, the same Act created the Industrial Board, with powers and duties as outlined earlier in this chapter.

Membership consists of the Secretary of Labor and Industry, who serves as chairman, and four associate members appointed by the Governor, with the consent of the Senate. Associate members must include one employer of labor, one wage earner, and one woman. The four associate members are appointed for four-year terms, and receive \$15.00 per day while in the performance of their official duties.

The Board investigates and reports on all matters concerning the Department of Labor and Industry which have to do with the enforcement and the effect of the provisions of all laws which the Department has imposed upon it to enforce, and prescribes rules and regulations in connection therewith.

In making investigations, the Board, when necessary, has all details

ascertained and verified by competent experts. Any agency of the Department in a position to contribute pertinent data may be called upon to assist. For example, when petitions are received for relief from laws or regulations in specific cases or in general application, full and complete information covering all the facts and circumstances is accumulated and compiled for presentation.

The Board devotes much of its time to making routine investigations of safety devices for the purpose of approving or disapproving same, and in building up safety codes that are both adequate and reasonable.

4. The Apprenticeship Council

The Pennsylvania Apprenticeship Council, started in 1939 and functioning under the direct supervision of the Executive Office, was not created by the Legislature. Under the present set-up, it is referred to as a "co-operative, mutual, or free-will entity."

Composition of the Council comprises six members appointed by the Governor on the recommendation of the Secretary of Labor and Industry, who in turn receives nominations from central labor bodies and manufacturing-contractor organizations. Three of the members represent labor and three industry. They serve without compensation other than allowance for transportation and lodging and \$10.00 for each monthly meeting.

As the name suggests, the Council's deliberations have to do with apprentices and apprentice-helpers. An apprentice is defined as "a worker, not less than 16 years of age, engaged under direct journeyman supervision, and according to a prescribed series of work processes, graded to coincide increasing trade maturity in learning a skilled occupation that requires, during the learning process, several years of reasonably continued employment prior to the time that the worker may be considered a qualified workman." Legally, apprenticeship is recognized only if recorded in a written

contract, indenture, or agreement, in which, in return for services rendered, the employer promises to teach the worker the processes of his trade.

An apprentice-helper is defined as a worker whose "duties are not performed under organized instruction or contractual relationship." The progress of such work depends on his own initiative and the cooperation of the worker whom he aids.

Meetings of the Council, held monthly, are open and visitors are welcome. Their unbiased, constructive views are solicited. Places of meetings are now rotated and may be in any part of the State where immediate problems are of local importance.

5. Private Employment Agency Licences

This Division, functioning under the Executive Office, exists for the especial purpose of exercising a supervisory control over private employment agencies. Administration of the laws ⁽⁶⁾ regulating the operation of these agencies is a responsibility of the Division.

Agencies are required to obtain licenses before being permitted to operate. Applications for these licenses are sent to the Secretary of Labor and Industry and issuances are made through this Division. Fees charged are dependent upon classification. "A" and "B" licenses require a fee of \$100.00, and a "C" license \$200.00. Classes are as follows:

- Class "A" covers domestic and common labor
- Class "B" covers professional and technical help
- Class "C" covers those agencies supplying help under both classifications, "A" and "B" and any other occupations not specifically listed in the law as coming under "A" or "B".

All agencies are inspected several times a month to see that posted and scheduled rates are adhered to, and that no improper placements are made or fees collected when employment has not been furnished.

The following Table shows the number of licenses issued yearly since June 1, 1927 (June 1 to May 31 of each succeeding year).

TABLE XIII-A

DEPARTMENT OF LABOR AND INDUSTRY
 LICENSES ISSUED BY DIVISION OF EMPLOYMENT AGENCY LICENSES
 1928 to 1941

Fiscal Year (Ending May 31)	Number of Licenses
1928.....	368
1929.....	352
1930.....	275
1931.....	227
1932.....	158
1933.....	119
1934.....	132
1935.....	121
1936.....	119
1937.....	144
1938.....	198
1939.....	185
1940.....	207
1941.....	225*

* Estimated

6. Bureau of Workmen's Compensation

The Bureau of Workmen's Compensation of the Department of Labor and Industry was created by an Act of the Legislature in 1915, (7) to provide for the administration of the Workmen's Compensation Act, (8) passed earlier in the same session. In general, this Bureau is responsible for the administration and enforcement of the Workmen's Compensation Law and the Occupational Disease Act. These duties include the administration of the Industrial Accident Reporting Law, and such duties connected with the enforcement of the Law relating to workmen's compensation as advising injured workmen of their rights, approving or disapproving agreements, receipts, and other papers in compensation cases, notifying the parties at interest, receiving and classifying reports of all industrial acci-

dents, auditing compensation agreements and receipts for the protection of the interests of the parties concerned, the investigation of questionable cases, as well as fatal and member-loss cases, the keeping of records of employers carrying compensation insurance, passing on applications for insurance exemption, enforcing insurance coverage, instituting prosecutions for violation of the Law, and the assignment of petitions in contested cases to the several referees employed for this work.

To carry on these activities, there has been set up, in addition to the office of the Director and the Assistant Director, a series of eight divisions, as follows: Insurance Coverage, Indexing, Accident and Agreement, Approval, Coding, Filing, Auditing, and Petition. An extensive force is employed for making investigations and adjustments. In addition to offices in Philadelphia and Pittsburgh, both of which require several employes and clerks, investigators or adjusters are stationed at the following points throughout the Commonwealth: Shamokin, Pottsville, Greensburg, Wilkes-Barre, Harrisburg, Altoona, and Kittanning.

The Director is the general supervising officer, while the special work of the Assistant Director is to supervise the adjusters and the field force. He himself acts as adjuster in the Harrisburg and York districts. There are nine districts. Adjusters notify injured employes of their rights as well as the dependants of employes fatally injured. He assists them in entering into agreements with employers, and investigates requests for commutation on the part of such dependants. In the course of his duties, it may be necessary for him to contact the employer and the insurance carrier as well.

The duties of the Insurance Coverage Division are largely indicated by its name. It is concerned chiefly with the enforcement of the Law

which requires employers to insure against compensation claims. When an accident occurs, the Indexing Division receives the report, and assigns a number to the case for the purpose of making out the card and folder. A notification of this number is sent to the insurance carrier concerned, and a form letter is sent to the injured worker indicating the rights and benefits to which he is entitled under the law, and the steps which he must take in order to obtain same. This is done under authority of the (9) Administrative Code.

The Accident and Agreement Division is very largely the record division, having charge of the cross-index cards which are made out as soon as the accident reports come in and are filed alphabetically, according to the name of the employer and employe. Each card bears a summary of the particular case with which it deals. Many accidents do not involve compensation. For those that do, a folder is made up and marked with the number assigned to the case when the accident was reported. While the case is open and compensation is being paid, it is kept in an open file. As soon as the case is closed, the record is transferred to the closed file.

The Approval Division is charged with the handling of agreements for all cases. It computes the weekly wage to which the employe is entitled and approves or disapproves agreements submitted to it. Even though the employe may be satisfied with the compensation offered, the Division is obliged, under the law, to notify him of his rights if it feels that the compensation as offered is not based upon the proper weekly wage. Continuous employment on the basis of $5\frac{1}{2}$ days per week is usually assumed. Many agreements, however, are based on part-time employment.

The Coding Division performs the first step in the statistical work, by classifying accident reports and compensation agreements according to the statistical bases set up by the Bureau of Research and Information. While the work of this Division does not in any way duplicate the work of the Bureau of Research and Information, the two are very closely related.

All files are kept in the Filing Division, except the duplicate files which are kept in the Petition Division. Through this Division, it is possible to ascertain every reference that is made to the referees, and the disposition of all cases by the referees. It is also possible to ascertain rather easily, how many undisposed cases rest with the referees, the date on which reference to the referee was made, and when the matter was disposed of.

The Auditing Division examines all folders periodically to ascertain whether proper receipts for compensation payments have been filed. Carriers are required to send in, every three months, a receipt for such payments, in order that this Division may be certain that payments are being made in accordance with the agreement, or, if the case was contested, in accordance with the award.

Finally, the Petition Division receives all claim petitions filed after the parties at interest have failed to arrive at an agreement. These are docketed and assigned to various referees. The Division receives decisions as made and reports to the parties at interest.

The activities of the Bureau of Workmen's Compensation in administering the Law should be clearly distinguished from the judicial functions of the Workmen's Compensation Board. Generally speaking, the volume of judicial work which must be performed by the referees or by the Board is direct-

ly dependent upon the success with which the Bureau administers the Law. When an accident occurs, the law requires that, if the disability is of two days' duration or more, an accident report must be filed with the Bureau by the employer. If the accident is compensable, the injured party is advised to enter into an agreement, if possible; if not, he is notified of his right to file a claim petition, which should immediately take the case before a referee. When the report of the accident is received, on a form furnished by the Bureau, the Bureau notifies the claimant of his rights by means of a form letter of the type previously referred to.

When a signed agreement is received by the Bureau, it is carefully examined to see whether or not it complies with the Law, as far as compensation which the employe is entitled to is concerned. If it does not comply with the Law, the defects are stated and an attempt is made to have another agreement entered into. Both the insurance company and the employe are notified of the objections to the original agreement. This procedure is followed whether or not the employe is satisfied with the compensation provided for in the original agreement.

(10)

The 1939 Law specifies that the employe, for total disability, is entitled to $66\frac{2}{3}\%$ of his weekly wage, provided, however, that the amount is not less than \$9.00 nor more than \$15.00 per week, and does not exceed the aggregate sum of \$7,500. For partial disability, it is specified that employes may receive $66\frac{2}{3}\%$ of the difference between earnings before and after the injury. Such compensation may not exceed \$15.00 per week but continues for the duration of the partial disability, up to a total of 300 weeks after the seventh day of disability.

For all disability resulting from permanent injuries, compensation in the major classifications is exclusively as follows:

- a. For the loss of a hand -- $66\frac{2}{3}\%$ of wages during 165 weeks.
- b. For the loss of an arm -- $66\frac{2}{3}\%$ of wages during 215 weeks.
- c. For the loss of a foot -- $66\frac{2}{3}\%$ of wages during 150 weeks.
- d. For the loss of a leg -- $66\frac{2}{3}\%$ of wages during 215 weeks.
- e. For the loss of an eye -- $66\frac{2}{3}\%$ of wages during 125 weeks.
- f. For the complete loss of hearing in both ears -- $66\frac{2}{3}\%$ of wages during 150 weeks.
- g. For the loss of a thumb -- $66\frac{2}{3}\%$ of wages during 60 weeks.
- h. For the loss of an index finger -- $66\frac{2}{3}\%$ of wages during 35 weeks.
- i. For other injuries, specifically mentioned in the 1939 Act -- generally $66\frac{2}{3}\%$ of wages for a varying number of weeks.

7. Workmen's Compensation Referees

Appointment of Workmen's Referees was authorized by legislation passed (11) in 1915 and 1919. These appointments, made by the Secretary of Labor and Industry with the approval of the Governor, may not exceed 14 in number. Referees, after appointment, are assigned to various districts. A supervisory referee, who acts as consultant, is also appointed, bringing the total to 15. The supervisor receives \$6,000 per year and the others \$5,000 per year each. In addition to salaries paid, each referee is reimbursed for expenses incurred during performance of duties.

Referees perform their respective duties independently of the Secretary of Labor and Industry. (12) They conduct hearings on all original petitions assigned to them by the Workmen's Compensation Board, and make such inquiries and investigations as may be necessary to ascertain pertinent facts. On the basis of testimony presented at hearings and the data obtained through investigations, decisions are made on each case. In addition, the referee may be required by the Workmen's Compensation Board to supply information pertaining to a case being heard by the Board. In the latter instance, the referee merely acts as an informant and is not required to decide the case.

8. Workmen's Compensation Board

(13)
This Board was created in 1915 for the express purpose of direct-

ing and supervising the work of the Bureau of Workmen's Compensation. It consists of three members appointed by the Governor, with the approval of the Senate, for four-year terms. The Secretary of Labor and Industry is a member *ex officio*. One of the members, designated as chairman by the Governor, receives a salary of \$9,000 per year, and the other two members receive \$8,500 each.

The Board is the final arbiter of Workmen's Compensation cases. Its decisions can be appealed only to the Courts. Duties include deciding on appeals from decisions of referees, and consideration of petitions for commutation of benefits, determination of counsel fees, further medical treatment, etc. Although the Board itself has a quasi-judicial status, the necessary administrative work is handled by the staff of the Secretary of the Board, which is a unit of the Department of Labor and Industry. District offices are maintained in eleven cities throughout the Commonwealth as follows: Philadelphia, Pottsville, Scranton, Lancaster, Williamsport, Altoona, Kane, Pittsburgh, Wilkes-Barre, Uniontown, and DuBois.

9. State Workmen's Insurance Fund

The State Workmen's Insurance Fund, established in 1915 under the terms of the original Workmen's Compensation Act, is probably the most nearly independent unit of the Department of Labor and Industry. It is, in fact, an independent self-sustaining insurance company, writing workmen's compensation insurance in Pennsylvania. It functions through a home office in Harrisburg and nine district offices located in Philadelphia, Harrisburg, Wilkes-Barre, Pottsville, Sunbury, Johnstown, Greensburg, Pittsburgh, and Erie.

Although the Fund operates as a unit of the Department of Labor and Industry, it is governed by the State Workmen's Insurance Board. This Board is composed of the Secretary of Labor and Industry, who serves as chairman ex officio, the State Treasurer, and the Insurance Commissioner.

The Fund began operations on January 1, 1916, aided by two appropriations by the State Legislature; the first in 1916 for \$300,000, and the second in 1917 for \$200,000. These two appropriations, made to defray the initial expense of organization and early administration, were repaid in 1921.

The State Fund was created for the purpose of providing compensation insurance for injuries sustained by employes of employers coming under the Act. The Compensation Act requires that every employer liable under the Act must insure the payment of compensation in the State Workmen's Insurance Fund, or in another authorized company or association. The Fund's primary purpose, therefore, is one of public service, to the employer, on the one hand, and to the injured workmen and their families, on the other.

The Fund functions much the same as any other insurance company, with one major exception - it cannot assume any selectivity in assuming risks. Since the privilege of selection is one of the fundamental principles of all insurance, it is obvious that the State Fund is operating at a disadvantage in the insurance field. A "bad" risk may be refused by other companies, but it must be accepted by the Fund. This is an important part of the public service offered by the Fund as a governmental agency, since employers in hazardous as well as non-hazardous industries must have insurance. The needs of both types of risk are met by the State Fund.

Administration of the Fund is under a Manager and an Assistant Manager appointed by the State Workmen's Insurance Board with the approval of

the Governor. A legal adviser interprets the Law under which the Fund operates, and advises the management and Board on all legal matters pertaining thereto. The Accounting Section is responsible for the maintenance of the general records of the Fund, keeping accounts of cash received and disbursed, individual policy-holders' ledger accounts, the auditing of payrolls, and credit and collection routine. The Underwriting Section handles applications for new policies and the renewal of established policies, as well as cancellations. Classifications, rates, and estimates of premiums are worked out in this Section, as well as the billing and adjustments of premiums.

The general policy files are maintained by the Filing Section, which also receives and distributes incoming mail. The Inspection Section operates in the commercial policy field (other than coal), along safety engineering lines, to further the prevention of accidents. Its function includes the maintaining of fair and equitable rates on commercial policies. The Claim Section passes upon all claims for compensation, medical, hospital, and funeral expenses filed against the Fund. Its staff, working in conjunction with the Legal Section, represents the Fund in all disputed cases taken before referees and the Board. In it are maintained the records of all claims filed and the records of disbursements for claim payments. The Statistical Section keeps tabulated records of premiums received, loss claims assumed, and loss claim payments, arranged as to individuals, policy classifications, etc. Detailed records of premiums charged and losses assumed are furnished to the rating bureaus through this Section.

While the State Fund is not in direct competition with private companies, its success depends largely on the type of service rendered to claimants and policy holders. It does enjoy certain definite advantages

such as freedom from taxation on premiums received, freedom from commissions or acquisition fees, freedom from assessment liability on policyholders, and freedom from expenses in the inspection of commercial risks. There are, on the other hand, certain factors which operate to off-set these advantages, such as being obliged to accept risks which a private company would be at liberty to refuse.

On June 1, 1940, the total number of employes on the State Fund payroll was 291. Aggregate salaries amounted to \$452,218.00.

The following Table shows the number of policies in force, as of December 31st, for the years 1936 to 1939 inclusive.

TABLE XIII-B

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
POLICIES IN FORCE
1936 TO 1939

Year December 31	Number
1936.....	30,775
1937.....	34,915
1938.....	30,940
1939.....	24,457

Accidents reported for the years 1936 to 1939 inclusive are shown below:

TABLE XIII-C

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
ACCIDENTS REPORTED
1936 TO 1939

Year	Total Number	Number Fatal	Others Compensable	Medical Only
1936.....	39,515	162	23,818	15,535
1937.....	40,743	162	23,959	16,622
1938.....	31,043	117	17,314	13,612
1939.....	26,540	125	14,949	11,466

10. Bureau of Employment and Unemployment Compensation

This Bureau was created to carry out the provisions of the Unemployment Compensation Law passed by a Special Session of the Legislature in (14) 1936, in order that Pennsylvania might qualify for participation in this aspect of the Federal Social Security Program.

The chief administrative officer is the Executive Director. Under him are two Associate Directors, one in charge of the Unemployment Compensation Division, and the other in charge of the Employment Service Division. Also functioning in conjunction and cooperation with the Executive office is a departmental administrative board known as the Unemployment Compensation Board or Review.

Activities of the Bureau cover the entire State. An idea of the extensiveness of these activities may be gained from the fact that the total number of employes, including the numerous field offices, totaled 3,339 on June 1, 1940.

The Bureau functions as a semi-independent unit of the Department of Labor and Industry. It administers a system for setting aside reserves to be used for the benefit of persons unemployed through no fault of their own, and operates a State-wide public employment service. This system and employment service are based on a declaration of public policy aptly expressed in the Unemployment Compensation Act, referred to above, as follows: "Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of the Commonwealth. Involuntary unemployment and its resulting burden of indigency falls with crushing force upon the unemployed worker, and ultimately upon the Commonwealth and its political subdivisions in the form of poor relief assistance. Security against unemployment and the spread of indigency can best

be provided by the systematic setting aside of financial reserves to be used as compensation for loss of wages by employes during periods when they become unemployed through no fault of their own."

The work of the administrative office is divided among seven major sections as follows: Office Management; Standards, Methods, and Planning; Training; Legal; Fiscal; Public Information; and Research and Statistics. The name of each section indicates the functional responsibility.

a. Division of Unemployment Compensation

In administering the provisions of the Unemployment Compensation Law, this Division, under an Associate Director of the Bureau, works in close cooperation with the Social Security Board, making such reports in such form and containing such information as the Social Security Board may, from time to time, require. It is authorized to, and does, enter into reciprocal arrangements and compacts with the proper authorities of other states and the Federal Government for the purpose of carrying out the objectives of the unemployment acts of this and other states and the Federal Social Security Act.

Title IX of the Federal Social Security Act provides that employers of eight or more persons pay taxes on their payrolls at the following rates: 1% for the year 1936, 2% for the year 1937, 3% for the year 1938, and 3% for each year thereafter. Pennsylvania's Unemployment Compensation Act accepts the provisions of the Federal Act but its coverage is all-inclusive. Instead of collecting contributions only from employers of eight or more persons, Pennsylvania collects from employers of one or more persons. Classes of employment excepted by the Federal Social Security Act are also excepted from coverage by the Pennsylvania Act. Because of the extensive

coverage in Pennsylvania, it is estimated that more than 3,000,000 workers will ultimately be eligible for benefits under the Act and that fully 175,000 employers will eventually become contributors to the Compensation Fund.

The following Table shows the number of contributing employers by months for the year 1940, and the number of employes affected:

TABLE XIII-D

DEPARTMENT OF LABOR AND INDUSTRY
CONTRIBUTING EMPLOYERS AND EMPLOYES AFFECTED
BY MONTHS DURING 1940

1940	Number Employers	Number of Employes*
January.....	144,800	2,233,700
February.....	144,584	2,217,500
March.....	144,145	2,228,000
April.....	143,592	2,205,600
May.....	144,858	2,218,200
June.....	146,779	2,251,800
July.....	147,732	2,259,500
August.....	150,021	2,293,300
September.....	150,637	2,345,700
October.....	150,026	2,398,800
November.....	149,642	2,462,400
December.....	145,293	2,542,600

* Estimated

The Federal Act makes no provisions for the payment of benefits but provides only for the collection of the tax. Consequently, it is necessary for the individual states to organize and operate the machinery for making Unemployment Compensation effective within their respective confines.

Unemployment Compensation benefits under the Pennsylvania Law are limited to a maximum of \$15.00 per week for a total of not more than 13 weeks and a minimum of \$7.50 per week based on past earnings and accumulated reserves. Between the time of unemployment caused by no fault of the worker and benefits, there is a waiting period of three weeks, extended

to six weeks if caused by a labor dispute.

Claims filed for Unemployment Compensation benefits by months for the year 1940, and total pending, are shown in Table XIII-E.

TABLE XIII-E

DEPARTMENT OF LABOR AND INDUSTRY
UNEMPLOYMENT COMPENSATION
MONTHLY NUMBER OF CLAIMS
AND TOTAL PENDING
1940

Month	Number Filed	Total Pending
January.....	65,826	605,167
February.....	54,382	585,463
March.....	61,345	618,617
April.....	63,939	707,513
May.....	62,257	667,165
June.....	49,513	537,385
July.....	53,215	620,952
August.....	42,043	502,361
September....	28,788	372,051
October.....	30,847	367,193
November.....	22,653	258,999
December.....	*	*

* Not available at time of compilation.

b. Division of Employment Service

The administration of this Division is also under the immediate supervision of an Associate Director of the Bureau. Functionally, the work is divided among an Office Management Section, a Clearance Section, twelve District Offices, and some ninety local offices scattered over the entire State. On June 1, 1940, employes in this Division totaled 1,580.

The Division of Employment Service really serves a dual purpose. It assists unemployed persons in obtaining jobs and employers in obtaining workers. It also serves as an integral part of the machinery for administering unemployment compensation. Comprehensive files containing essential data for all registered persons are maintained. These facilitate the task of referring applicants on the basis of their qualifications to pos-

sible places of employment. The service is free to both employers and employes. Registration is voluntary, except that it is a requirement for the receipt of unemployment compensation benefits. The Division is affiliated with the United States Employment Service.

The following Table shows the number of applications on file and the number of placements made during each month of 1940:

TABLE XIII-F
DEPARTMENT OF LABOR AND INDUSTRY
MONTHLY NUMBER OF EMPLOYMENT APPLICATIONS ON FILE
AND PLACEMENTS MADE
1940

Month	Active Applications On File	Placements Made
January.....	432,622	9,634
February.....	421,567	8,931
March.....	282,407	9,762
April.....	355,039	12,654
May.....	356,204	16,950
June.....	372,175	13,418
July.....	385,636	12,453
August.....	379,425	12,779
September....	345,166	13,883
October.....	310,041	16,821
November.....	308,189	12,911
December.....	*	*

*Not available up to time of compilation.

11. Unemployment Compensation Board of Review

The Unemployment Compensation Law provided for the creation of a departmental administrative board, known as the Board of Review, composed of three members, appointed by the Governor with the consent of the Senate, for terms of six years. One member, designated by the Governor as chairman, receives an annual salary of \$9,000, and the other two members \$8,500 each.

The Board hears appeals arising from claims for compensation, undertakes investigations, and takes such action with respect to disposition of appeals as it deems necessary, consistent with the provisions of the Unemployment Compensation Law. In addition to its function of adjudicating disputes arising over questions of unemployment compensation benefits, the Board performs another major function relating to the selection and organization of personnel in the Divisions of Unemployment Compensation and Employment Service. It receives applications from persons desiring to qualify for civil service appointments, conducts examinations for such positions, and certifies to the Secretary of Labor and Industry, lists of names of persons receiving passing marks. Names are ranked, according to mark, from the highest down. The Board also hears appeals in all cases of employes engaged in the administration of the Act, who are given notice of dismissal, suspension or furlough.

On authority granted to it by the Act, the Board may create State-wide and local Advisory Councils whose function it would be to aid and advise the Department in formulating policies, in discussing problems relating to the administration of the Act, in assuring impartiality and freedom from political influence in the administration of the Act, in taking steps to reduce and prevent unemployment, and in making studies relating to partial and seasonal unemployment. Members of these Councils would be appointed by the Board and would serve without pay but be reimbursed for expenses incurred in the discharge of their duties. Each such Council would be composed of the same number of employer and employe representatives, and there would also be members representing the general public. Except for a brief period, however, the Board has not exercised its authority in this connection, and no Advisory Councils are in existence at the present time.

Because of the extensive work involved in exercising the "appeals" function, as described above, the Board utilizes a staff of "referees" who conduct hearings, make investigations, and render decisions. Decisions of referees may, however, be appealed to the Board of Review.

The following Table shows the number of appeals handled by the Board of Review during the calendar years 1939 and 1940:

TABLE XIII-G

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF APPEALS TO BOARD OF REVIEW
1939 AND 1940

Type	1939	1940
Civil Service.....	178	80
Unemployment Compensation..	822	552
Total.....	1,000	632

12. Bureau of Rehabilitation

The Bureau of Rehabilitation was originally established in 1919 by legislative authorizations, and re-constituted by the Administrative Code of 1923, (15) for the purpose of rendering physically disabled persons fit (16) to engage in remunerative occupations. The Act of March 2, 1921, directed the Department of Labor and Industry, through the Bureau of Rehabilitation, to formulate a plan of cooperation with the State Board of Education for the purposes of administering the rehabilitation acts, accepting the benefits of the Federal Vocational Rehabilitation Act, and cooperating with the Federal Board for Vocational Education.

The Bureau is empowered to aid any person who is totally or partially incapacitated for remunerative employment by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury, or disease, regardless of the financial standing of the individual. The Bureau may

arrange for medical treatment for such persons, and procure artificial limbs and appliances. It may make surveys to ascertain the number and condition of physically handicapped persons within the Commonwealth. It may arrange for training courses in selected occupations in the public schools, other educational institutions, or any industrial or agricultural establishment. It may provide maintenance for such injured persons during the period of training, to the extent that the Department's funds permit.

The Bureau is headed by a Director and an Assistant Director, in which position a vacancy now exists. Besides the central office, there are eight field offices located in the following cities: Harrisburg, Philadelphia, Pittsburgh, Altoona, Wilkes-Barre, DuBois, Erie, and Reading. Each is under the direction of an adjuster, equipped with necessary stenographical and other assistance. The field offices serve as bases for visiting handicapped persons, investigating such cases with a view toward determining eligibility, contacting training agencies, and performing necessary follow-up work.

The names of disabled persons are reported to the Bureau or to one of the district offices by the Workmen's Compensation Bureau, by social and educational agencies, by interested persons, or by the disabled person who may apply directly. The disabled person is contacted by a representative of the Bureau who determines his eligibility and assists in the development of a plan which will meet his needs and suit his abilities. Such services as will enable him to enter employment are then provided, such as assistance in securing physical restoration, vocational training for the job selected, assistance in securing employment, or assistance in establishing vocational permanency.

The work of the Bureau is supported in part by Federal funds. The

Federal Board of Vocational Education matches State funds for all expenditure items, except equipment and the salary of one employe, who does not meet Federal qualifications. Total expenditures, actual, for the 1937-39 biennium were \$666,854.

13. Bureau of Inspection

The Bureau of Inspection was established in 1913 as the principal unit of the newly created Department of Labor and Industry, and was reorganized under the provisions of the Administrative Code of 1929. (17)

The Bureau is charged with the responsibility of enforcing laws pertaining to the safety and working conditions of employes, places of public assembly, elevators, boilers, and bedding and upholstery.

For administrative purposes, the Bureau is organized into seven divisions: a Field Division responsible for general inspection; and 6 divisions each of which is devoted to inspection work of a specialized character, namely, Boilers, Elevators, Mines and Quarries, Buildings, Accident Prevention, and Bedding and Upholstery.

The total number of employes in the Bureau is 175 including the Director. Total actual expenditures for the 1937-39 biennium were \$1,021,462 or approximately 20 per cent of total departmental expenditures.

a. General Inspection

The general inspection work of the Bureau is in charge of the Director and his administrative staff of 4 persons. The 81 employes engaged in general inspection work are distributed among 7 field offices located at Philadelphia, Hazleton, Lancaster, Williamsport, Altoona, Pittsburgh, and Titusville. Each is under the direction of a District Supervisor and is staffed with inspectors and necessary clerical assistants.

These field inspectors are responsible for a variety of activities. They inspect buildings in which groups of people congregate, for facility of exit, under the Fire and Panic Act. They inspect factories and other industrial establishments for defective tools or equipment, sanitation and lighting facilities, safety guards on machinery, and general working conditions. In addition, they inspect bakeries, restaurants, theatres, and schools for certain features.

These Industrial and Building Inspectors are required to inspect all industrial establishments within their assigned territory which come under the Department's jurisdiction. To be efficient, each inspector must have some knowledge of engineering and construction work in order to apply the various safety laws and regulations. It is necessary that he be a safety engineer in the fullest extent of the term. His job is not only one of enforcing the law but in selling safety to both employers and employes. He is required to promote educational safety programs in addition to securing reasonable enforcement of the Law. He is required to be conversant with the latest developments in industrial safety and health and to be prepared to make recommendations in eliminating all unsafe conditions in the various establishments visited.

Under the requirements of the Fire and Panic Act, the Industrial and Building Inspection force was charged with the duties of eliminating unsafe conditions in public buildings, schools, churches, dance halls, etc. It is required to inspect theatres and auditoriums with respect to such matters as adequacy of fire escapes, aisle space, and emergency lighting systems. An attempt is made to inspect such public buildings at least once a year.

The general inspection service includes the supervision of schools and other public buildings constructed and maintained by local government agencies. Schools are inspected for means of egress and for fire alarm systems, and where they have auditoriums, for emergency lighting systems, and other factors relating to safety.

b. Boiler Division

The inspection of boilers in Pennsylvania developed from a small beginning in 1913 when the Factory Act of 1905 was amended to require that all boilers destined for use in this Commonwealth after July 1, 1916, should be built in accordance with the rules of the American Society of Mechanical Engineers.

(19)

The present Boiler Law requires the inspection of all unfired pressure vessels and high pressure boilers with the exception of those inspected by the Federal Government. The Department of Labor and Industry is empowered to formulate rules and regulations for the construction, installation, maintenance, operation, and inspection of boilers used or destined for use in Pennsylvania. It has done so in the Boiler Code adopted by the Industrial Board. Every boiler is required to be inspected during its construction and at least once a year during use. Inspections by insurance companies authorized to insure boilers are accepted by the Department. All uninsured boilers are inspected by departmental inspectors who are commissioned after examination. All boilers are required to be registered with the Department.

The fee for the certificate of operation for all insured or uninsured boilers is \$1.00. Additional fees are charged for inspections by the Department. Such fees amounted in the 1937-39 biennium to \$112,442, which exceeded the operating expenses of the Division for the biennium.

The 1937 amendments to the Boiler Law extended the State's responsibility to include boilers located in Philadelphia, Scranton, and Erie; required the annual inspection of all low pressure heating boilers in theatres, hospitals, schools, and colleges; and extended the State's authority to cover the construction, installation, and inspection of unfired pressure vessels throughout the Commonwealth.

The Division employs 21 persons including the Chief. The following Table, page 1335, shows the number of State boiler inspections and visits, the total number of insurance inspections, and costs of the Division. In 1939, more than 84,000 inspections were made, 6,827 of them by the State. The average cost of State inspections was \$2.76.

c. The Elevator Division

The Department of Labor and Industry is directed by the Administrative Code to receive and check plans for elevator installations, to issue permits for the erection and repair of elevators, and to file reports of inspection of elevators received from inspectors employed by the Department or from inspectors holding certificates of competency issued (20) by the Department. The standards to be met are set forth in the Elevator Code adopted by the Industrial Board.

All elevators are required to be registered with the Department of Labor and Industry, to be certificated for operation, and to be inspected by employes of insurance companies authorized to insure elevators against loss from accident or, if uninsured, by inspectors of the Department. Passenger elevators and escalators are required to be inspected 4 times a year; freight elevators, at least twice a year; dumb-waiters, hoists and other lifting apparatus, at least once a year; and building hoists,

TABLE XIII-H

DEPARTMENT OF LABOR AND INDUSTRY
BUREAU OF INSPECTION - BOILER DIVISION
RECORD OF BOILER INSPECTIONS AND AVERAGE COSTS*
1935 TO 1939

	1935		1936		1937		1938		1939	
	Visit	Insp.	Visit	Insp.	Visit	Insp.	Visit	Insp.	Visit	Insp.
Inspector A	614	724	705	723	316	489				
Inspector B	418	486	380	609	157	402	682	343	640	1,328
Inspector C	488	1,567	586	1,553	496	1,704	502	1,714	535	1,608
Inspector D	302	730	383	766	268	901	262	894	281	949
Inspector E	411	693	434	777	393	743	348	785	412	789
Inspector F	480	1,308	542	1,271	493	1,243	466	1,189	541	1,120
Inspector G	468	829	372	791	336	885	229	883	198	833
Total State Inspection.....	3,181	6,337	3,402	6,490	2,459	6,367	2,489	5,808	2,607	6,627
Total Insurance Inspections..		30,239		31,324		41,722		70,360		77,757
Grand Total Inspections.....		36,576		37,814		48,089		76,168		84,384
Average Cost of State Insp...		\$3.23		\$3.30		\$3.01		\$3.21		\$2.84
Total Cost Field Inspection..		20,468.10		21,445.88		19,190.01		18,666.19		18,844.60
Total Cost of Section.....		30,744.10		32,704.04		48,330.81		51,843.95		47,122.47

* Including salaries and travel expenses only.

at the time of erection.

In the case of new installations and repairs, detailed plans and specifications must be submitted to the Department for approval. Such application must be accompanied by the following fees: Dumb-waiters, \$5.00; freight elevators, \$7.50; and passenger elevators, \$10.00. If the plans are approved, a permit is issued and the apparatus is inspected upon installation for final approval.

Inspectors are empowered to discontinue the operation, within 24 hours, of elevators which, in their judgement, are dangerous to life or property, or are being operated without the certificates required.

The fee for the certificate of operation for all insured and uninsured elevators is \$1.00. Additional fees are charged for inspections by Department inspectors. The amendment of 1937 to the Elevator Law extended its provisions to the cities of Philadelphia, Pittsburgh, and Scranton. The work of the Division was thereby increased approximately 175%, with a resultant increase in the force of inspectors.

The Elevator Division employs 32 persons, including the Chief.

For the 1937-39 biennium, plans-approval fees amounted to more than \$6,000, inspection fees to more than \$89,000.

d. Mines and Quarries Division

The Division of Mines and Quarries is authorized to see that all pits, quarries, mines other than coal mines, trenches, excavations, and similar operations are properly shored, braced, and otherwise guarded, and to insure adequate protection to workers employed therein. The industries inspected by this Division include substantial operations above ground, such as explosives plants, cement, lime, brick and clay industries. The great majority of quarry operations under its jurisdiction are of the

exposed type, unlike coal mining.

(23)
The Division also administers the Explosives Law of 1937. One of the principal features of this Act is the provision that storage of explosives in any magazines is illegal unless a license has been obtained from the Department. Such licenses are issued only after an inspection of the magazines to determine whether or not they comply with the requirements of the rules and regulations formulated and established by the Department. The license fees are prescribed by the Department, according to the quantity of explosives to be stored in the magazine, and may not be less than \$2.50 nor more than \$25.00. Receipts from such licenses amounted to \$16,767.50 in the 1937-39 biennium.

The Division employs a Chief, 6 inspectors, and a clerk.

e. Buildings Division

The Building Inspection Division is responsible for the enforcement of the regulations of the Fire and Panic Act. (24) This Act empowers the Department to regulate 5 classes of public buildings, excepting those in cities of the 1st, 2nd, and 2nd-A classes, with respect to such matters as type of construction and materials used, fireproofing, ways of egress, aisles, stairs and fire escapes, exits, emergency lighting systems, fire alarm systems, sprinkler systems, electrical equipment, heating apparatus, number of occupants, ventilation, seating arrangement, etc.

A recent opinion of the Attorney General construed the provisions of the General Safety Law of 1937 so as to give the Department of Labor and Industry jurisdiction over all buildings in the Commonwealth, including those in cities of the 1st, 2nd, and 2nd-A classes. This authority, however, is still to be clarified.

The five classes of buildings coming under the Division's jurisdic-

tion include: (1) factories, mercantile buildings, hotels, hospitals, schools, warehouses, and garages; (2) theatres; (3) public halls, dance halls, churches, and other auditoriums; (4) tenement and apartment houses; and (5) grandstands and stadiums.

Whenever such buildings become dangerous because of structure or other defects, they are closed to further occupancy until all recommendations of the Department to eliminate hazardous conditions have been complied with.

The regulations of the Department are enforced for new or remodeled or altered buildings by requiring all plans and specifications to be submitted to the Department for approval. A charge is made equal to the actual cost of making the necessary examination of drawings and specifications, but not exceeding \$25.00. Before any building so newly erected or altered may be used or opened for occupancy, the Department must issue a permit of occupancy or use.

The provisions of the Act are now applicable to buildings owned in whole or in part by the Commonwealth or any political subdivision. (25)

A record of plans approved, during the 1936 to 1940 period, by the Buildings Division is shown in Table XIII-J, page 1339.

A special function of the Buildings Division is the approval of emergency lighting systems and fire alarm systems, which are required in public buildings. Systems already installed are inspected; and the plans for systems to be installed in new buildings are examined and approved. No fee is charged. A record of emergency lighting and fire alarm plans approved since 1936 follows in Table XIII-K, page 1339.

Another special function of the Buildings Division is the licensing of motion picture projectionists. No person may project any motion picture, until he has obtained a license from the Department, after passing

TABLE XIII-J

DEPARTMENT OF LABOR AND INDUSTRY
BUILDINGS DIVISION
TYPE AND NUMBER OF PLANS APPROVED
1936 TO 1940

Type	Number Approved				
	1936	1937	1938	1939	1940
Buildings.....	1,051	1,235	1,249	1,263	2,148
Theaters.....	34	38	32	43	39
Fire Escapes.....	224	546	391	305	410
Bakeries <u>1/</u>	--	--	--	--	--
Wash Rooms and Toilets...	--	--	--	--	--
Exhaust Systems <u>2/</u>	--	--	--	--	--
Miscellaneous.....	265	444	545	649	636
Total.....	1,574	2,263	2,217	2,260	3,233

1/ After September 1933 Bakeries were not included in our records due to the Bakery Act being transferred to the Department of Agriculture for enforcement.

2/ After December 1934 plans were not approved for Exhaust systems by executive order from Director, due to there being no provision for it in Fire and Panic Act.

TABLE XIII-K

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF EMERGENCY LIGHTING
AND FIRE ALARM PLANS APPROVED
BY BUILDINGS DIVISION
1935 TO 1940

Type	Number Approved					
	1935	1936	1937	1938	1939	1940
Emergency Lighting.....	238	283	326	357	239	358
Fire Alarm Class "A".....	247	208	209	220	76	110
Fire Alarm Class "B".....	92	49	96	77	29	19
Total.....	577	540	631	654	344	487

an examination prescribed by the Department. Any license may be suspended or revoked for due cause, but only after a hearing before the Secretary of Labor and Industry.

The schedule of fees for motion picture projectionists follows:

Application for examination as a projectionist.....	\$2.00
Certificate of competency - commercial.....	5.00
Certificate of competency - non-commercial.....	2.00
Apprentice projectionist's license.....	3.00
Renewal of commercial license.....	5.00
Renewal of non-commercial license.....	2.00
Renewal of apprentice license.....	1.00

A statement of the number of licenses issued to motion picture projectionists is found in Table XIII-L.

TABLE XIII-L

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF LICENSES ISSUED TO
MOTION PICTURE PROJECTIONISTS
BY BUILDINGS DIVISION
1936 TO 1940

Type	Number Issued				
	1936	1937	1938	1939	1940
Theatrical Licenses.....	174	176	149	140	476
Theatrical Renewals.....	2,094	1,390	2,652	1,610	1,581
Non-Theatrical Licenses ^{1/}	1,146	2,301	1,277	2,146	4,101
Non-Theatrical Renewals	144	109	330	246	114
Provisional Licenses... ^{2/}	--	--	--	--	--
Apprentice Licenses.....	184	214	193	146	166
Apprentice Renewals.....	29	33	48	27	26
Duplicate Licenses.....	16	14	9	14	13
Total.....	3,787	4,237	4,658	4,329	6,477

^{1/} This group is divided into four classes. The figures given are totals of the four classes for the year.

^{2/} Provisional licenses were discontinued starting September 1, 1933 when the fees for licensing went into effect.

On June 1, 1940 the Buildings Division personnel consisted of a Chief, a building inspector, 3 draftsmen, and 7 stenographers and clerks receiving aggregate annual salaries of \$17,820.

The receipts of this Division for the 1937-39 biennium included \$20,614 in building plans-approval fees, and \$26,460 in projectionist examination and license fees.

f. Accident Prevention Division

The Accident Prevention Division is primarily a promotional agency interested in industrial safety and the elimination of industrial injuries. Its work is performed by direct contact with industry and indirectly through the factory inspection division and various local safety organizations.

In connection with its safety educational program, the Division reviews all industrial injuries which are reported to the Bureau of Workmen's Compensation and selects certain ones for investigation on the basis of violations of labor laws and regulations, and good safety practice. Where violations are found, an order is issued to eliminate the hazard, or, in the case of flagrant violations, legal proceedings are instituted.

Accident statistics are studied and analyzed in order to determine accident causes by industrial groups and in order to secure information which will assist in directing the efforts of the inspectors in accident prevention work.

This Division also sponsors and promotes Industrial Group Contests and the annual State-wide accident prevention contests. Together with safety organizations, the Division sponsors and conducts hundreds of plant safety meetings in which employes participate.

The Division makes recommendations for the revision of safety regulations on the basis of its accident investigation work and study of safety literature.

The Accident Prevention Division personnel consists of a Supervisor, a stenographer clerk, a typist clerk, and a code clerk.

g. Bedding and Upholstery Division

The Division of Bedding and Upholstery regulates the manufacture and sale of bedding and upholstered furniture; prohibits use of certain filling materials unless properly sterilized by an approved process, and requires a permit for such process; and requires a statement of filling material to be printed on an attached tag on all articles of bedding and upholstered furniture, such tag to bear the bedding and upholstery stamps sold by the Department. This Division also inspects every place in the State where making, remaking, renovating, or selling of bedding or upholstered furniture is carried on.

(26)

Under the 1937 Bedding and Upholstery Law, second hand material is prohibited in manufacturing. A complete record of all articles sterilized is required and an initial fee of \$25.00 and an annual renewal fee of \$1.00 is required for sterilizing permits. Auctioneers are required to pay an initial fee of \$5.00 and an annual renewal fee of \$1.00 for a certificate to sterilize. The minimum fine for conviction of a violation was increased from \$10.00 to \$50.00, and the maximum fine from \$50.00 to \$100.00. A record of prosecution information from 1933 to 1940 is shown in Table XIII-M, page 134 .

The Division maintains a staff of inspectors to aid in the enforcement of the Law, and a laboratory for the testing of materials used in the manufacturing or renovation of upholstered articles. In practice, these inspectors are required to see that all materials going into bedding, mattresses, and upholstered furniture are clean and sanitary, and to see that proper tags with the adhesive stamps are attached to each article. These

inspectors are, in fact, detectives; they not only inspect bedding material and extract samples of the filling used in finished products, but they have to discover, largely for themselves, where work of this character is being done.

Until 1923, no fee was charged for inspection work. Since that date, this service has been supported by the sale of stamps at 1¢ each. ⁽²⁷⁾ The Law requires one stamp to be attached to the tag placed on each article sold.

All bedding and upholstery fees amounted, in the 1937-39 biennium, to \$109,506. The Division is much more than self-sustaining.

The personnel of the Division consists of a chief, 8 inspectors, a laboratory assistant, and 2 clerks.

TABLE XIII-M

DEPARTMENT OF LABOR AND INDUSTRY
NUMBER OF PROSECUTIONS AUTHORIZED AND
AMOUNT OF FINES IMPOSED BY
BEDDING AND UPHOLSTERY DIVISION
1933 TO 1940

Year (Ending May 31)	Prosecutions Authorized	Fines Imposed
1933-34.....	66	\$ 935.00
1934-35.....	33	740.00
1935-36.....	26	565.00
1936-37.....	22	405.00
1937-38.....	10	120.00
1938-39.....	--	--
1939-40.....	4	100.00
Total.....	161	\$2,865.00

Of the 161 prosecutions authorized, 140 were closed by the payment of fines, 10 cases were closed without imposition of fines but with the settlement of prosecution costs, while 11 cases were withdrawn or dismissed.

14. Bureau of Industrial Standards

The Administrative Code of 1929 provides that "subject to approval by the Industrial Board, the Department of Labor and Industry shall have the power to make rules and regulations for carrying into effect the laws regulating the labor of persons within this Commonwealth, and the construction, ventilation, and equipment of the rooms, buildings, or places where such labor is performed or where public assemblies are held...." (28)

The Bureau of Industrial Standards was established, under this authority, as the agency charged with performing the technical work of code-making. As such, its work is closely interrelated with that of the Industrial Board.

Other activities related to code-making have been delegated to the Bureau because its activities deal directly with the technical information contained in the safety regulation codes. These other activities include: investigation of petitions submitted to the Industrial Board wherein relief from requirements of the regulations is requested; drafting of amendments to codes to keep them up-to-date in light of modern practices and new methods; drafting of administrative rulings for guidance of the Department in administering various laws and regulations; testing of all safety devices submitted to the Department for approval; and development of methods to transmit to the field inspectors the required technical knowledge for proper administration of laws and regulations.

The detailed work of code development comprises the most important work of the Bureau. This requires a high degree of technical knowledge and considerable tact to draft codes that are accepted by the industries regulated as fair, impartial, and adequate. The Department had in effect, as of December, 1939, fifty-nine different safety codes. These cover every

type of hazard such as guarding of machinery, shoring of trenches, protection for window cleaners, protection against hazards in the manufacture and storage of explosives and fireworks, specifications for construction of ladders and scaffolds, detailed specifications for construction of boilers and elevators as well as codes governing the construction of all types of public buildings. Pennsylvania has always been noted for the excellence of its safety codes and for the prominent part it has played in fostering the development of these codes or regulations.

The work of this Bureau does not embrace enforcement of the law; rather, it determines in detail the manner in which the Bureau of Inspection shall apply and enforce laws and regulations. Problems of enforcement may come before the Bureau for decision in several ways. Statistical evidence may show the occurrence of an unreasonable number of accidents in the operation of a particular machine. Manufacturers must obtain approval for new devices before commercial production is undertaken. Labor organizations, insurance representatives, or other interested persons may bring problems to the attention of the Bureau. The Bureau is equipped to handle technical problems of either a mechanical or a chemical nature.

Another important activity of the Bureau of Industrial Standards is with reference to occupational disease hazards. The Bureau cooperates with the Bureau of Inspection in making inspections where it is suspected occupational disease hazards exist. These inspections include collection and analysis of air samples for poisonous dusts and other atmospheric contaminants, and other tests for presence of industrial poisons in whatever form they may be found.

The Bureau is under the direction of an engineer, and the staff consists of a draftsman and 2 stenographer-clerks. The internal organization of the Bureau consists of two divisions; engineering, and industrial hygiene and sanitation. All work dealing with safety regulations and their application is referred to the engineering division, and that dealing with occupational hazards is handled by the Industrial Sanitation Division.

Total expenditures for the Bureau of Industrial Standards for 1937-39 were \$45,510.

15. Bureau of Research and Information

The Administrative Code of 1923 provided that "the Department of Labor and Industry shall have the power to collect, compile, and publish statistics relating to labor and industry, to organizations of employes, and to organizations of employers." (29) In line with this authorization, the Bureau of Research and Information was established as a separate and distinct agency to carry on statistical work for the entire Department.

To assist in administrative problems, data are compiled, tabulations made, special studies conducted, council given, and legislation analyzed.

In addition to gathering current data and making special studies, the Bureau is responsible for coordinating the statistical activities of other bureaus, within the Department of Labor and Industry. It edits and analyzes the statistical reports of the bureaus and prepares them for submission to the Secretary.

The Bureau is organized into 5 divisions: Research and Reports Division, Tabulating Division, Duplicating Division, Division of Negro Research and Planning, and the Library.

The Research and Reports Division prepares 3 regular statistical reports which are published monthly: Employment and Payrolls in Pennsylvania

industries, Building Operations in Pennsylvania, and Industrial Accidents in Pennsylvania.

The Employment and Payrolls report shows the fluctuations in employment, payrolls, average hours, and average earnings in the major industries by months. The collection of this data has for some years been a joint function of this Bureau, the United States Bureau of Labor Statistics, and the Federal Reserve Bank of Philadelphia, which makes the tabulations prepared from these reports available to the Bureau for consolidation with reports from non-manufacturing firms. Since January of 1938, under a contractual agreement between the United States Bureau of Labor Statistics and the Department, the Bureau of Research and Information has collected and tabulated all reports from more than 2,000 non-manufacturing firms, and has immediately transmitted them to the Bureau of Labor Statistics for inclusion in national totals.

The Building Operation report shows the trend in the number, value and type of proposed building projects in the State. The preparation of this report involves a monthly collection of building permit data from nearly 300 municipalities in the State and a tabulation and analysis of these collected data. Here, too, a cooperative arrangement exists with the United States Bureau of Labor Statistics.

The Industrial Accidents report shows the trend in the number of fatal and non-fatal accidents. As the result of a new accident-cause code which was arranged by the Bureau of Workmen's Compensation with the United States Bureau of Labor Statistics, the Bureau of Research and Information has been able, since January, 1938 to collect much more detailed information as to cause, type, and nature, of accidents. These statistics are of valuable administrative use to the Department's Bureau of Inspection in accident pre-

vention work.

An annual summary for each of these reports is made in December and an annual supplementary statistical report is published for the Industrial Accidents Report.

Beginning in 1938, the Bureau undertook a new statistical function, given impetus by the Minimum Wage Act, of collecting retail prices for the purposes of making cost of living studies and preparing minimum wage budgets. The price data which are collected in three cities -- Connellsville, Johnstown, and Lancaster -- have fulfilled the requirements of the wage board in setting minimum fair wages and also of the cost of living studies. The cost-of-living data has been continued and is published quarterly for the three cities named, and also for Philadelphia, Pittsburgh, and Scranton, for which cities the United States Bureau of Labor Statistics collects the data.

In addition to these regular reports, the Bureau's research work includes the prosecution of special studies referred to it by the Secretary of the Department. In 1940, these consisted of a study of data on wage collection laws, a survey of hourly earnings of women and minors employed in Pennsylvania laundries, an occupational survey of Negroes in the State, and a breakdown of the Bureau's State-wide employment and payroll estimates of Pennsylvania industries into county figures showing average weekly and hourly earnings and average hours worked per week.

The Tabulating Division is a service Division for all units of the Department. As a part of its duties, it maintains a complete list of all Pennsylvania employers with a record of their industrial accidents since January 1, 1938. Tabulating cards, bearing data pertaining to injuries, are prepared by the Bureau of Workmen's Compensation, but the work of

classification and tabulation is done by the Tabulating Division by means of its mechanical facilities.

The Duplicating Division is, like the Tabulating Division, a service unit for the entire Department, with the exception of the Bureau of Employment and Unemployment Compensation and the State Workmen's Insurance Fund. All mimeographing, multigraphing, addressographing and work of a similar nature are performed by this Division. Incidental to the chief functions of the Division are the servicing of departmental mail; the assembling, folding, fastening and addressing of reports and orders, formal opinions and other material; proofreading; and the numbering of bedding and upholstery stamps. Table XIII-N shows that during the year beginning June 1, 1939, over 5,000,000 letters and forms were mimeographed, over 500,000 multigraphed; that 294,000 envelopes and letters were addressed, 32,000 stencils cut, and over 4,000,000 pieces of material assembled and fastened.

TABLE XIII-N

DEPARTMENT OF LABOR AND INDUSTRY
ANALYSIS OF EMPLOYEES' TIME, AND THE VOLUME OF WORK HANDLED
BY THE DUPLICATING DIVISION
FISCAL YEAR 1939-40

Type of Work	Percentage of time of Employees Required	Percentage of Actual Volume of Work	Number of Pieces of Material Handled
Bedding and Upholstery Stamps (7,566,300)..	20	2.8	302,652
Mimeographing letters, forms, etc.....	28	48.3	5,230,868
Multigraphing letters, forms and cards.....	14	4.9	532,000
Addressing envelopes, letters and forms....	12	2.7	294,000
Elio-Stencils cut for mailing lists. (Additions and changes.....	6	0.3	32,800
Assembling and fastening all work having more than one page.....	16	38.2	4,138,053
Envelopes stuffed for mailing.....	2	1.4	156,000
Letters folded for mailing.....	2	1.4	156,000
Total.....	100	100.0	10,842,373

The Division of Negro Research and Planning was organized in October, 1939 as the State Advisory Council on Negro Affairs for the purpose of assisting Negroes in their search for employment. Toward this end, the Department has the cooperation of the Department of Public Assistance and County Boards of Assistance, and the machinery of the State Employment Service. Surveys made by the Division in 1940 included an investigation of the role of the Negro in the National Defense Program. The Division has conducted a Vocational Education Program for Defense by press releases to all major Negro newspapers in the United States and by a special bulletin outlining the State's Vocational Education Program to more than 250 Negro leaders in Pennsylvania. Other functions performed by the Division have included the sponsoring of the Annual Conference on the Vocational Industrial Problems of Negroes in Pennsylvania and the publication of a monthly bulletin, The Bronzeman.

Actual expenditures for the Bureau of Research and Information in the 1937-39 biennium were slightly more than \$120,000. Comparative expenditures for the bienniums 1933-35, 1935-37, and 1937-39, and for the 1940 fiscal year, for the several divisions of this Bureau are shown in Table XIII-0, page 1351.

16. Bureau of Women and Children

The Bureau of Women and Children was established in 1925, under the authority of the Administrative Code which empowers the Department of Labor and Industry: (a) to make studies and investigations of the special problems connected with the labor of women and children; and (b) to create the necessary organization, and to appoint an adequate number of inspectors, to enforce the laws and rules and regulations relating to the work
(30)
of women and children.

TABLE XIII-O

DEPARTMENT OF LABOR AND INDUSTRY
EXPENDITURES OF BUREAU OF RESEARCH AND INFORMATION

Divisions	Biennium			
	1933-35	1935-37	1937-39	1939-41 ^{f/}
Administration	\$13,950.86 ^{a/}	\$6,331.07 ^{b/}	\$21,886.55	\$7,411.37
Research and Planning .	--	3,690.00	23,714.09	7,530.03
Reports	18,149.60 ^{a/}	13,095.47	26,221.14	12,568.08
Tabulating	21,950.00 ^{a/}	22,989.00	28,037.50 ^{c/}	14,153.00
Duplicating	2,567.00 ^{d/}	12,685.00	14,210.00	7,117.00
Library and Publicity .	588.00 ^{d/}	5,640.00	6,840.00	3,587.00 ^{e/}
Total	\$57,205.46	\$64,430.54	\$120,909.28	\$52,366.48

a/ Estimated - Actual figures not available.

b/ The Director of Employment at an annual salary of \$6,000 was named Acting Director of Research and Information, at no cost to the Research Bureau.

c/ January 1, 1938, 80-column tabulating equipment was installed to replace 45-column used previously, which, naturally increased monthly rentals.

d/ Beginning January 1, 1935, the Bureau was reorganized and the Divisions of Duplicating and Library transferred from the Executive Bureau and added to the Bureau of Research and Information.

e/ Includes publication of Department bulletin which, prior to December, 1939, was a function of the Executive Bureau.

f/ One year only (June 1, 1939 to May 31, 1940)

The Bureau is charged with the administration and enforcement of the Women's Labor Law, the Child Labor Law, and the Industrial Homework Law. Its powers and duties include the improvement of standards of employment for women and children workers; the enforcement of regulations governing hours and conditions of labor of women and minors; the enforcement of regulations governing industrial home work, by licensing and supervising employers distributing such work, and by inspection of homes in which such work is conducted; the investigation of accidents to minors under 18 to determine illegality of employment and eligibility for payment of double indemnity as provided by the Child Labor Law.

The Bureau is organized into three principal divisions: Research, Industrial Homework, and Minors' Accidents.

The primary function of the Bureau is that of making studies of the working conditions of women and children. These comprise the work of the Research Division. The nature of the surveys has been determined by outstanding problems in the field. Numerous studies have been published, some having served as the basis for legislative action. Investigations are carried on in specific industries and trades where conditions destructive to established labor standards and the welfare of women and children workers are known to exist, as, for instance, in the manufacture of men's and women's garments, in the service industries, in household employment, and in commercialized agriculture.

The problem of industrial home work as an administrative problem was entrusted to the Bureau of Women and Children because it demanded a type of inspection of homes and contacts with employers which could not be included in routine factory inspection. A sharp reduction in the number of

firms engaging in the practice of sending work into the homes was effected by requiring payment of high fees for such practices under the Industrial Home Work Law. (31) Unfortunately, the National Defense Program has been responsible for an increase in such home work. All employers and contractors who deliver materials for home work are obliged to procure permits from the Department. The employer's fee is \$200.00 for original issuance and \$50.00 to \$200.00, depending on number of home workers employed, for each annual renewal of the permit. Contractors pay a fee of \$25.00 for the issuance of a permit.

The work of actual enforcement, through inspection and prosecution, was transferred from the General Inspection Division of the Bureau of Inspection to the Bureau of Women and Children in 1940. Such industrial inspection work as is performed by this Bureau is limited to service industries wherein women are almost exclusively employed, such as laundries, beauty parlors, hotels, restaurants, etc. Table XIII-P, shows a record of prosecutions for violation of the Women's Labor Law for the years 1933 to 1940, inclusive.

TABLE XIII-P
DEPARTMENT OF LABOR AND INDUSTRY
VIOLATIONS OF THE WOMEN'S LABOR LAW
PROSECUTION RECORD - JUNE 1, 1933 TO JANUARY, 1941

Fiscal Year (Ending May 31)	Prosecutions Authorized	Total Amount of Fines
1934.....	468	\$14,330.00
1935.....	144	3,945.00
1936.....	281	2,352.00
1937.....	549	7,725.00
1938.....	170	2,435.00
1939.....	113	1,560.00
1940.....	159	2,270.00
1941 a/.....	54	1,035.00
Total.....	1,938	\$35,652.00

a/ Incomplete, covers period from June 1, 1940 to January, 1941

Of the 1938 prosecutions authorized, 1,378 were closed by payment of fines, 357 were terminated by payment of prosecution costs without fines, while 250 cases were withdrawn or dismissed.

The Bureau is administered by a Director whose staff of 13 includes 7 home work investigators, a report analyst, clerical assistants, and several inspectors.

Expenditures for 1937-39 totaled \$70,595.00.

17. Bureau of Mediation

The work of this Bureau is predicated on the belief that it is good public policy "to encourage employers and employes by their representatives to make and maintain agreements concerning wages, hours, and conditions of employment, and to settle all controversies arising out of the application of such agreements."⁽³²⁾

This Bureau was originally created as a Bureau of Mediation and Arbitration in 1913, and was re-established under the Administrative Code of 1929 which authorized it to endeavor to effect amicable settlements of industrial controversies.⁽³³⁾

Several avenues are available for the resolution of industrial disputes. The parties or either party to a controversy between employers and employes may invoke the services of the Department, or the Department may proffer its services in controversies with respect to hours, wages, or conditions of employment. The Department thereupon communicates with the parties involved and uses its best efforts by mediation, through a representative of the Secretary of Labor and Industry, to bring them in agreement.

At the request of both the employer and employes, the Department may set up a commission or panel of citizens to mediate. The members of such commission serve without compensation.

Should a controversy not be adjusted through mediation, such controversy may, by agreement of the parties, be submitted to arbitration, one person to be selected by the employer, one by the employees, and a third by the representatives of the employer and employees. In the event such appointment is not made, the Department may select the third person to arbitrate the matter. Submission of a controversy for arbitration is not mandatory. If the request for appointment of the third arbitrator is made to the Department of Labor and Industry, the procedure is for either the employer or employees or both parties to pay for the services of the arbitrator so selected.

That mediation is a successful means of settling industrial disputes can be seen by an examination of the record of the Bureau of Mediation. From January to November 15, 1939, 229 disputes, involving 38,035 workers, were reported to the Bureau. Of these disputes, there were 153 strikes involving 24,449 employees, 70 controversies involving 13,338 employees, and 5 lockouts involving 248 employees. The Bureau was successful in settling 53 controversies before reaching the strike stage, and effected early termination of 101 strikes and 2 lockouts.

The staff of the Bureau consists of 3 advance mediators, 3 senior mediators and 2 stenographer clerks.

This mediation service cost the Commonwealth \$76,353 for the 1937-39 biennium.

18. Bureau of Hours and Minimum Wages

The Bureau of Hours and Minimum Wages was created in 1937 to administer the Minimum Fair Wage Law for women and minors and the amended Women's Labor Law.

(34)

Its personnel consists of an investigator, a statistical clerk, and clerical assistants. There is a vacancy in the directorship.

At the present time, this Bureau is operating in close cooperation with the Bureau of Women and Children.

D. PERSONNEL

The following Table summarizes the personnel of the Department of Labor and Industry, and shows the total salaries paid, as of June 1, 1940.

TABLE XIII-Q

DEPARTMENT OF LABOR AND INDUSTRY
SUMMARY OF PERSONNEL AND SALARIES PAID
BY ORGANIZATIONAL UNITS AS
OF JUNE 1, 1940

Organizational Unit	Number of Employees	Annual Salaries
<u>Executive Office:</u>		
Administrative Division.....	13	\$ 38,492
Accounting Division.....	18	23,700
Division of Private Employment Agency		
Licenses.....	7	13,380
Industrial Board.....	4	7,980
Pennsylvania Labor Relations Board.....	44	103,180
Total.....	86	\$186,732
<u>Bureau of Workmen's Compensation:</u>		
Administrative Division.....	4	\$ 12,780
Insurance Coverage Division.....	4	8,160
Accident Reports Division.....	43	47,160
Petitions Division.....	10	11,760
Agreements Division.....	10	11,880
Adjusting and Investigating Division.....	23	37,140
Occupational Disease Survey.....	2	4,860
Total.....	96	\$133,740
<u>Workmen's Compensation Referees</u>	68	\$158,860
<u>Workmen's Compensation Board</u>	29	\$ 67,640
<u>State Workmen's Insurance Fund</u>	291	\$452,218

TABLE XIII-Q
(Continued)

Organizational Unit	Number of Employees	Annual Salaries
<u>Bureau of Employment & Unemployment Compensation</u>		
Board of Review.....	99	\$ 218,660
Executive Office.....	330	495,485
Division of Unemployment Compensation.....	1330	1,749,515
Division of Employment Service.....	1580	2,388,600
Total.....	3339	\$4,852,260
<u>Bureau of Rehabilitation</u>	46	\$71,460
<u>Bureau of Inspection</u>		
Administrative.....	5	\$ 10,540
General Inspection Division.....	81	143,880
Boiler Division.....	21	28,560
Elevator Division.....	32	53,820
Mines and Quarries.....	8	15,780
Building Division.....	12	17,820
Accident Prevention.....	4	5,460
Bedding and Upholstery Division.....	12	19,980
Total.....	175	\$ 295,840
<u>Bureau of Industrial Standards</u>	4	\$ 7,260
<u>Bureau of Women & Children</u>	14	\$ 24,340
<u>Bureau of Research & Information</u>	26	\$ 38,220
<u>Bureau of Mediation</u>	8	\$ 18,660
<u>Bureau of Hours & Minimum Wages</u>	7	\$ 9,420
Grand Total.....	4,189	\$6,316,650

Of the 4,189 persons comprising the total personnel of the Department of Labor and Industry on June 1, 1940, 80%, or 3,339, worked in the Bureau of Unemployment Compensation and Employment Service. The following Table summarizes the personnel, by divisions, in that Bureau.

TABLE XIII-R

DEPARTMENT OF LABOR AND INDUSTRY
BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION
SUMMARY OF PERSONNEL AND SALARIES PAID
BY ORGANIZATIONAL UNITS
AS OF JUNE 1, 1940

Organizational Unit	Number of Employees	Annual Salaries
<u>Board of Review</u>	<u>99</u>	<u>\$ 218,660</u>
<u>Executive Director's Office</u>		
Administrative Office.....	14	\$ 37,185
Personnel Section.....	13	16,740
Training Section.....	11	28,145
Standards, Methods, & Planning Section.....	5	9,135
Office Management Section.....	140	150,500
Research & Statistics Section.....	49	79,660
Fiscal Control Section.....	50	76,710
Legal Section.....	42	85,275
Public Relations Section.....	<u>6</u>	<u>12,135</u>
Total.....	<u>330</u>	<u>\$ 495,485</u>
<u>Division of Unemployment Compensation</u>		
Administrative Office.....	62	\$ 76,130
Accounting & Auditing Section:-		
Excluding Field Force.....	413	515,155
Field Force.....	210	400,360
Benefit Payment Section.....	<u>645</u>	<u>757,870</u>
Total.....	<u>1330</u>	<u>\$1,749,515</u>
<u>Division of Employment Service</u>		
Administrative Office.....	21	\$ 59,300
District Offices.....	1559	3,329,300
Number 1	65	92,160
Number 2	36	49,380
Number 3	34	49,860
Number 4	136	213,420
Number 5	79	120,840
Number 6	78	116,160
Number 7	105	160,800
Number 8	269	370,320
Number 9	144	221,740
Number 10	83	130,620
Number 11	98	156,040
Number 12	<u>432</u>	<u>647,960</u>
Total.....	<u>1580</u>	<u>\$2,388,600</u>
Grand Total.....	<u>3,339</u>	<u>\$4,852,260</u>

E. FINANCES

Although the cost of operating the Department of Labor and Industry is paid for largely from appropriations made to it by the General Assembly, some of the units derive funds from other sources. For example, the Bureau of Inspection is largely self-supporting through collection of fees for inspection services, and the administrative costs of the Division of Unemployment Compensation are paid for out of Federal funds. Appropriations made by the State for operation of the Employment Service Division are matched by the Federal Government. The Division of Private Employment Agency Licenses is more than self-sustaining.

1. Income From Inspection Services

Substantial revenues are derived from various inspection services. In Table XIII-S, page 1360, is set forth a statement of these revenues for the last two bienniums and the first year of the current biennium, and the expenses involved.

2. Income From Employment Agency Licenses

Licensing of private employment agencies is a self-sustaining activity. Total receipts over total expenditures varies from year to year. Table XIII-T, page 1361, compares yearly receipts with expenditures, since June 1, 1927.

3. Departmental Appropriations

Appropriations made by the General Assembly to the Department of Labor and Industry for the last three bienniums were as shown in Table XIII-U, page 1361.

TABLE XIII-S

DEPARTMENT OF LABOR AND INDUSTRY
INSPECTION SERVICE RECEIPTS AND EXPENSES
BIENNIUMS 1935-37 TO 1939-41

Service	1935-1937		1937-1939		1939-1941*	
	Receipts	Expenses	Receipts	Expenses	Receipts	Expenses
Boiler Inspection Fees.....	\$ 84,860.17		\$112,442.00		\$ 90,547.27	
Boiler Inspection Fines.....	243.00		631.00		149.00	
Total Boiler Receipts.....	\$ 85,103.17	\$ 63,328.38	\$113,073.00	\$100,174.76	\$ 90,696.27	\$ 47,122.47
Elevator Inspection Fees.....	\$ 48,150.72		\$ 89,138.47		\$ 57,119.00	
Elevator Plans Approval Fees..	3,047.50		6,127.50		3,035.00	
Elevator Inspection Fines.....	181.00		354.00		400.00	
Total Elevator Receipts....	\$ 51,379.22	\$ 49,429.04	\$ 95,619.97	\$148,070.95	\$ 60,554.00	\$ 68,201.87
Explosive Storage Permit Fees.	--	\$ 40,529.50	\$ 16,767.50	\$ 57,547.28	\$ 9,615.00	\$ 20,302.36
Building Plans Approval Fees..	\$ 17,504.00		\$ 20,613.75		\$ 11,528.00	
Projectionist Exam & License Fees.....	24,392.10		26,460.10		12,924.00	
Factory Act Fines.....	470.00		50.00		50.00	
Fire Alarm & Panic Fines.....	350.00		205.00		160.00	
Total Building Receipts....	\$ 42,716.10	\$ 22,495.56	\$ 47,328.85	\$ 65,047.66	\$ 24,662.00	\$ 25,464.29
Bedding & Upholstery Fees.....	\$117,117.10		\$109,506.13		\$ 73,250.00	
Bedding & Upholstery Fines....	980.00		120.00		100.00	
Total.....	\$118,097.10	\$ 51,743.56	\$109,626.13	\$ 73,410.23	\$ 73,350.00	\$ 27,787.01
Grand Total.....	\$297,295.59	\$227,526.04	\$382,415.45	\$444,250.88	\$258,877.27	\$188,878.00

* One year only (June 1, 1939 to May 31, 1940).

TABLE XIII-T

DEPARTMENT OF LABOR AND INDUSTRY
PRIVATE EMPLOYMENT AGENCY LICENSES
RECEIPTS AND EXPENDITURES

Fiscal Year Ending May 31	Receipts	Expenditures
1928	\$18,400.00	\$ 7,606.54
1929	17,600.00	7,607.56
1930	31,970.00 <u>a/</u>	8,480.06
1931	25,905.00	9,607.37
1932	18,700.00	9,983.86
1933	13,800.00	9,294.13
1934	14,005.00	6,047.39 <u>d/</u>
1935	13,800.00	4,745.30
1936	13,700.00	4,258.24
1937	16,205.00 <u>b/</u>	5,002.77
1938	22,000.00	6,642.19
1939	20,900.00	8,064.54
1940	23,205.00	11,815.14
1941	27,700.00 <u>c/</u>	12,500.00 <u>d/</u>

a/ Act No. 438, May 2, 1929, P.L. 1260 went into effect October 1, 1929, increasing fees, etc.

b/ Act No. 438 was amended by Act No. 240, May 25, 1937, P.L. 899, to include theatrical booking agencies.

c/ Estimated.

d/ Salaries of the Director and part of the office staff were paid from Federal employment funds or other allocations from 1933 to 1939.

Note: Prior to October 1, 1929, the license fee was \$50.00. Many undesirables were licensed prior to that time. The Depression of 1929-30 is reflected in the gradual drop in receipts from 1930 to 1938. With the present industrial spurt and war defense programs a number of new commercial employment agencies are being organized and there is every indication of a substantial increase in that field. Closer administration of theatrical booking agents and nurses' registries is bringing increase in these two classes.

TABLE XIII-U

DEPARTMENT OF LABOR AND INDUSTRY
BIENNIAL APPROPRIATIONS 1933-35 TO 1937-39

Biennium	Amount
1933-35 <u>a/</u>	\$1,957,000.00
1935-37 <u>a/</u>	1,955,116.26 <u>b/</u>
1937-39	4,373,500.00

a/ During these periods, additional appropriations were made to the Department of Property and Supplies for the Department of Labor and Industry.

b/ Includes \$50,000 appropriated for payment to the Unemployment Administration Fund.

The following Table XIII-V, shows the expenditures of the Department of Labor and Industry, by departmental sub-divisions, for the last three bienniums:

TABLE XIII-V

DEPARTMENT OF LABOR AND INDUSTRY
BIENNIAL EXPENDITURES
1933-35 TO 1937-39

Bureau or Division	Biennium		
	1933-35	1935-37	1937-39
Executive Bureau.....	\$ 104,597.35	\$ 82,242.51	\$ 238,530.82
Employment Service.....	150,859.25	108,316.50	978,219.75*
Inspection.....	643,560.58	613,549.73	1,021,462.10
Industrial Standards.....	51,741.27	42,716.60	45,510.27
Industrial Board.....	3,937.98	3,517.73	15,803.33
Mediation.....	36,025.74	59,741.82	76,353.08
Women and Children.....	46,469.67	47,811.67	70,595.24
Pennsylvania Labor Relations Board.....	--	--	373,724.44
Hours & Minimum Wages.....	--	--	237,701.05
Rehabilitation - General.....	248,377.16	421,845.47	628,461.33*
Rehabilitation - Deaf.....	--	--	38,392.29*
Workmen's Compensation Board.....	123,689.70	127,790.15	161,939.19
Workmen's Compensation Ref....	308,242.45	330,186.79	412,411.37
Workmen's Compensation Bureau	228,164.19	236,501.75	563,579.86
Research and Information.....	40,328.46	47,628.08	120,301.17
Workmen's Compensation to Injured State Employees.....	20,413.73	10,357.12	4,371.54
Occupational Disease Survey..	--	--	117,431.16
Storeroom.....	--	--	13,733.05
Total.....	\$2,006,407.53	\$2,132,205.92	\$5,118,521.04

* Includes expenditures from Federal funds as follows:

Employment Service.... \$491,955.13
 Rehabilitation:
 General..... \$324,692.52
 Deaf..... \$8,500.00

4. Unemployment Compensation Contributions and Benefit Payments

Contributions by employers to the Unemployment Compensation Fund have shown a steady increase since 1937. In view of these increases, it is interesting to note that total benefits paid to employes have just as steadily decreased during the same period, reflecting a marked improvement in employment. From 1937 to 1940 inclusive, because of the favorable influence mentioned above, the Fund balance has risen from \$70,152,958.53 to \$132,393,967.85. The following Table XIII-W presents the figures for the four years involved:

TABLE XIII-W

DEPARTMENT OF LABOR AND INDUSTRY
CONTRIBUTIONS BY EMPLOYERS, BENEFIT PAYMENTS TO THE UNEMPLOYED
AND BALANCE IN THE UNEMPLOYMENT COMPENSATION FUND
1937 TO 1940 INCLUSIVE

Year	Total Contributions and Interest a/	Total Benefits Paid	Balance in Fund (December 31)
1937.....	\$ 70,152,958.53	\$ --	\$ 70,152,958.53
1938.....	71,581,566.21	71,553,159.05	70,181,365.69
1939.....	80,407,613.83	54,594,544.60	95,994,434.92
1940.....	86,034,963.63	44,260,798.98	132,393,967.85
Total.....	\$308,177,102.20	\$170,408,502.63	\$132,393,967.85 ^{b/}

a/ Includes Penalty Interest.

b/ Does not include \$5,374,631.72 transferred to Railroad Unemployment Compensation Authorities.

Month by month variations for the year 1940, in employers' contributions, benefits paid, etc., are shown in Table XIII-Y, page 1364.

5. Expenditures of Unemployment Compensation Bureau

Administrative expenditures of the Bureau of Employment and Unemployment Compensation are paid for principally out of moneys received from the Federal Government.

An analysis of operation costs, by functions on a yearly basis, was not available at the time of writing this chapter. Costs for October, 1940

TABLE XIII-Y
DEPARTMENT OF LABOR AND INDUSTRY
CONTRIBUTIONS BY EMPLOYERS AND BENEFIT PAYMENTS TO THE UNEMPLOYED
BY CALENDAR MONTHS FOR THE YEAR 1940

Month	Receipts			Benefit Payments	Balance in Fund
	Contributions	Interest	Total		
January	\$ 4,714,722.49	\$545,060.89	\$5,259,783.38	\$ 4,024,506.50	\$ 97,229,711.80
February	18,316,256.06	--	18,316,256.06	4,017,219.00	111,528,748.86
March	425,674.80	--	425,674.80	4,207,155.75	107,747,267.91
April	1,492,759.94	628,880.84	2,121,640.78	4,615,856.80	105,253,051.89
May	17,767,638.72	--	17,767,638.72	5,304,598.40	117,716,092.21
June	476,598.66	--	476,598.66	3,909,225.15	114,283,465.72
July	3,705,735.22	675,627.25	4,381,362.47	4,474,767.00	114,190,061.19
August	15,877,276.85	--	15,877,276.85	4,054,669.15	126,012,668.59
September	360,484.65	--	360,484.65	2,918,355.75	123,454,797.49
October	5,104,811.61	733,471.29	5,838,282.90	2,726,743.85	126,566,336.54
November	14,502,945.55	--	14,502,945.55	1,881,052.48	133,813,597.89*
December	707,018.81	--	707,018.81	2,126,648.85	131,069,600.60**
Total	\$83,451,923.36	\$2,583,040.27	\$86,034,963.63	\$44,260,798.98	

* Transferred to Railroad Unemployment Insurance Account - \$5,374,631.72
 ** Transferred to Railroad Unemployment Insurance Account - 1,324,367.25

were compiled, however, and percentages computed. Although variations occur from month to month and year to year, the percentage figures for October are considered to be fairly representative and should apply to other months and yearly operations in general. The following Table presents the figures referred to, for the Bureau of Employment and Unemployment Compensation:

TABLE XIII-Z
DEPARTMENT OF LABOR AND INDUSTRY
EXPENDITURES OF THE
BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION
DURING OCTOBER, 1940

Function	Total Expenditures *	Per Cent of Total Bureau Expenditures	Per Cent of Func- tional Ex- penditures
<u>Administrative</u>			
Interstate and Federal Activities.	\$ 5,010.64	1.30	18.28
Advisory Councils.....	4,829.62	1.25	17.62
Appeals.....	11,810.54	3.07	43.07
Office Conferences, etc.....	<u>5,760.44</u>	<u>1.49</u>	<u>21.03</u>
Total.....	<u>\$27,411.24</u>	<u>7.11</u>	<u>100.00</u>
<u>Staff Functions</u>			
Legal.....	\$ 7,727.63	2.01	10.87
Storeroom & Budget Activities.....	7,871.39	2.06	11.07
Personnel, Welfare & Training.....	9,361.89	2.43	13.16
Research & Statistics.....	11,325.34	2.94	15.93
Procedure & Planning.....	5,048.52	1.30	7.10
Informational Service.....	1,148.20	.29	1.61
Office Services & Miscellaneous...	<u>28,632.40</u>	<u>7.42</u>	<u>40.26</u>
Total.....	<u>\$71,115.37</u>	<u>18.45</u>	<u>100.00</u>
<u>Contributions</u>			
Supervision - General.....	\$ 2,342.81	.61	3.77
Employer Status.....	3,807.51	.99	6.13
Contribution Reports & Remittances	5,765.33	1.50	9.28
Deposit of Remittances.....	950.44	.25	1.53
Employer Accounts.....	2,376.91	.62	3.82
Adjustments & Assessments.....	7,498.29	1.94	12.07
Field Audits & Investigations.....	34,525.10	8.95	55.57
Contribution Files.....	<u>4,863.40</u>	<u>1.26</u>	<u>7.83</u>
Total.....	<u>\$62,129.79</u>	<u>16.12</u>	<u>100.00</u>

TABLE XIII-Z
(Continued)

Function	Total Expenditures *	Per Cent of Total Bureau Expenditures	Per Cent of Func- tional Ex- penditures
<u>Benefits</u>			
General Supervision.....	\$ 3,838.92	1.00	3.76
Wage Records.....	13,559.51	3.52	13.26
Claim Determination.....	5,554.63	1.44	5.43
Claim Adjustments.....	10,921.60	2.83	10.68
Benefit Payments.....	27,296.31	7.08	26.70
Reconcilement of Benefit Pay- ments Account.....	4,237.35	1.10	4.14
Benefit Files.....	8,328.39	2.16	8.15
Interstate Benefit Claims.....	1,879.35	.49	1.84
Taking & Processing Claims in Local Offices.....	<u>26,616.57</u>	<u>6.91</u>	<u>26.04</u>
Total.....	<u>\$102,232.63</u>	<u>26.53</u>	<u>100.00</u>
<u>Local Office Supervision</u>			
Technical & Advisory Services...	\$ 473.55	.12	10.49
Local Office Supervision.....	<u>4,042.03</u>	<u>1.05</u>	<u>89.51</u>
Total.....	<u>\$ 4,515.58</u>	<u>1.17</u>	<u>100.00</u>
<u>Local Office Placement Functions</u>			
Office Managers & Internal Oper- ating Reports.....	\$ 14,095.81	3.66	11.94
Interviewing.....	44,509.70	11.55	37.72
Placement Activities.....	22,523.79	5.84	19.09
Employer & Community Relations	12,790.26	3.32	10.84
Filing.....	15,148.82	3.93	12.84
Itinerant Service.....	7,942.76	2.06	6.73
Waiting Time & Receptionist at Itinerant Points.....	<u>993.30</u>	<u>.26</u>	<u>.84</u>
Total.....	<u>\$118,004.44</u>	<u>30.62</u>	<u>100.00</u>
Total Cost, Less Leave Cost.	<u>\$385,409.05</u>	<u>100.00</u>	<u>--</u>
Leave Cost.....	\$ 38,839.84	--	--
Total Cost.....	<u>\$424,248.89</u>		

* Includes regular and overtime.

Operation costs and percentage determinations on a functional basis, for the Divisions of Unemployment Compensation and Employment Service, computed similarly to Table XIII-Z, page 1365, for the entire Bureau, are given in Table XIII-BB, pages 1368 and 1369.

6. Finances of State Workmen's Insurance Fund

A summary statement of the general and administrative expenses of the State Workmen's Insurance Fund for the years 1936 to 1939 inclusive, is presented in Table XIII-AA.

TABLE XIII-AA
DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
SUMMARY STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

Item	1936	1937	1938	1939
Salaries.....	\$478,365.17	\$493,952.33	\$563,258.87	\$466,129.33
Traveling Expense.....	89,190.50	90,005.99	84,828.26	84,078.09
Rent.....	23,687.40	22,506.57	24,862.37	24,881.50
Furniture and Fixtures.....	5,643.58	10,232.05	4,635.67	5,171.37
Office Supplies.....	5,866.03	8,102.43	3,252.70	4,968.00
Postage.....	19,038.29	21,512.90	22,067.98	22,209.15
Stationery & Printing.....	14,169.95	20,759.86	17,678.35	19,120.64
Telephone, Telegraph & Express.	4,944.83	4,959.62	4,886.41	6,133.91
Heat, Light and Power.....	4,683.54	4,832.10	4,318.94	4,172.64
Automobile Expense.....	446.30	772.20	339.10	463.76
Legal Expense.....	24,862.98	25,684.27	26,086.57	26,271.47
Alterations and Repairs.....	2,369.63	1,758.85	1,056.70	1,599.07
Rent of Equipment.....	11,287.66	11,921.90	12,954.32	15,003.88
Insurance.....	4,064.59	1,260.51	3,582.99	8,533.75
Miscellaneous Expense.....	15,091.72	18,928.24	32,052.42	111,018.14
Penna. Compensation Rating & Inspection Bureau - Commercial	24,849.00	37,318.00	37,840.00	34,349.94
Penna. Compensation Rating & Inspection Bureau - Coal.....	28,137.51	29,942.93	27,500.28	24,162.02
Total.....	\$756,698.68	\$804,450.75	\$871,201.93	\$858,266.66

Table XIII-CC sets forth a summary statement of income and disbursements of the Fund for the years 1938 and 1939. Of particular interest is the

TABLE XIII-BB

DEPARTMENT OF LABOR AND INDUSTRY
COST OF OPERATION OF
THE BUREAU OF EMPLOYMENT AND UNEMPLOYMENT COMPENSATION
OCTOBER, 1940

Function	Unemployment Compensation			Employment Service		
	Cost	Percent of Total	Percent or Major Function	Cost*	Percent of Total	Percent Of Major Function
<u>Administrative</u>						
Interstate & Federal Activities.....	\$ 2,329.78	1.26	12.76	\$ 2,680.86	1.33	29.30
Advisory Councils.....	4,829.62	2.62	26.44	--	--	--
Appeals.....	11,103.65	6.02	60.80	706.89	.35	7.73
Local Office Conference & Reading Time.....	--	--	--	5,760.44	2.87	62.97
Total.....	\$ 18,263.05	9.90	100.00	\$ 9,148.19	4.55	100.00
<u>Staff Functions</u>						
Legal.....	\$ 7,726.39	4.19	19.83	1.24	--**	--**
Storerroom & Budget Activities.....	5,723.35	3.10	14.69	2,148.04	1.07	16.69
Personnel, Welfare, & Training.....	5,461.29	2.96	14.01	3,900.60	1.94	12.13
Research & Statistics.....	6,100.92	3.31	15.65	5,224.42	2.60	16.26
Procedure & Planning.....	3,028.78	1.64	7.77	2,019.74	1.01	6.28
Informational Service.....	1,148.20	.62	2.95	--	--	--
Office Services & Miscellaneous.....	9,779.60	5.30	25.10	18,852.80	9.38	58.65
Total.....	\$ 38,968.53	21.12	100.00	\$32,146.84	16.00	100.00
<u>Contributions</u>						
Supervision - General.....	\$ 2,342.81	1.27	3.79	\$ --	--	--
Employer Status.....	3,807.51	2.06	6.16	--	--	--
Contribution Reports & Remittances.....	5,765.33	3.13	9.33	--	--	--
Deposit of Remittances.....	950.44	.52	1.54	--	--	--
Employer Accounts.....	2,376.91	1.29	3.85	--	--	--
Adjustments & Assessments.....	7,498.29	4.06	12.14	--	--	--
Field Audits & Investigations.....	34,174.16	18.52	55.32	350.94	.17	100.00
Contribution Files.....	4,963.40	2.64	7.87	--	--	--
Total.....	\$ 61,778.85	33.49	100.00	\$ 350.94	.17	100.00

Benefits

General Supervision.....	\$ 3,838.92	2.08	5.87	\$ ---	---	---
Wage Records.....	13,559.51	7.35	20.72	---	---	---
Claim Determination.....	4,412.80	2.39	6.74	1,141.83	.57	3.11
Claim Adjustments.....	6,325.48	3.43	9.66	4,596.12	2.29	12.50
Benefit Payments.....	22,876.27	12.40	34.95	4,420.04	2.20	12.01
Reconcilement of Benefit Payments Account...	4,237.35	2.30	6.47	---	---	---
Benefit Files.....	8,328.39	4.51	12.72	---	---	---
Interstate Benefit Claims.....	1,879.35	1.02	2.87	---	---	---
Taking & Processing Claims in Local Offices.	---	---	---	26,616.57	13.24	72.38
Total.....	\$ 65,458.07	35.48	100.00	\$ 36,774.56	18.30	100.00
<u>Local Office Supervision</u>						
Technical & Advisory Services.....	\$ ---	---	---	\$ 473.55	.24	10.49
Local Office Supervision.....	---	---	---	4,042.03	2.01	89.51
Total.....	\$ ---	---	---	\$ 4,515.58	2.25	100.00
<u>Local Office Placement Functions</u>						
Office Managers & Internal Operating Reports	\$ ---	---	---	\$ 14,095.81	7.02	11.95
Interviewing.....	---	---	---	44,509.70	22.16	37.73
Placement Activities.....	---	---	---	22,523.79	11.21	19.09
Employer & Community Relations.....	---	---	---	12,790.26	6.37	10.84
Filing.....	---	---	---	15,148.82	7.54	12.84
Itinerant Service.....	23.30	.01	100.00	7,919.46	3.94	6.71
Waiting Time & Receptionist at Itinerant Points.....	---	---	---	993.30	.49	.84
Total.....	\$ 23.30	.01	100.00	\$117,981.14	58.73	100.00
Total Cost, less Leave Cost.....	\$184,491.80	100.00	---	\$200,917.25	100.00	---
Leave Cost.....	\$ 21,925.19	---	---	\$ 16,914.65	---	---
Total Cost.....	\$206,416.99			\$217,831.90		

* Includes regular and overtime

** Percentage less than .05

decrease in the excess of income over expenditures during 1939 as compared with 1938. While the aggregate expenses of the Fund increased in 1939, a drastic reduction occurred in the value of premiums written.

TABLE XIII-CC

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
SUMMARY STATEMENT OF INCOME AND DISBURSEMENTS

Income and Disbursements	1938	1939
<u>Income</u>		
Premiums Written.....	\$6,443,484.54	\$4,739,434.97
Interest on Investments.....	474,818.51	479,046.89
Rents on Real Estate.....	23,322.99	22,184.00
Credit by Treasury Department Account		
Checks 7 years or older.....	5,402.71	--
Profit on Real Estate.....	888.00	4,240.46
Profit on Bonds.....	81.96	1,958.27
Second Injury Reserve Account.....	100,000.00	--
Replacement Check Account.....	5,000.00	--
Total.....	\$7,052,998.71	\$5,246,864.59
<u>Disbursements</u>		
Claim Payments.....	\$3,332,964.83	\$3,292,478.91
Investigation and Adjustment of Claims	437,755.52	408,489.29
General Administrative Expense.....	426,988.01	442,407.35
Real Estate Repairs and Expense.....	16,935.46	16,291.87
Salaries and Expense in the Handling of		
Investments.....	6,458.40	7,370.02
Dividend Payments to Policy Holders....	335,896.88	623,932.99
Workmen's Compensation Security.....	--	89,962.33
Decrease in Deposit Premiums.....	25,897.40	120,192.24
Claims Paid on Second Injury Reserve		
Account.....	--	82.25
Old Checks Paid on Replacement Check		
Account.....	--	158.32
Uncollectable Accounts Charged Off.....	--	20,981.28
Loss on Sale of Bond.....	13,471.94	18,712.42
Total.....	\$4,596,368.44	\$5,041,059.27
Excess of Income over Disbursements.....	\$2,456,630.27	\$ 205,805.32

The financial status of the State Workmen's Insurance is reflected in the following statement covering the years 1938 and 1939:

TABLE XIII-DD

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
STATEMENT OF ASSETS, LIABILITIES AND SURPLUS

Assets & Liabilities	1938	1939
<u>Assets</u>		
Cash.....	\$ 2,634,669.33	\$ 4,244,243.96
Bond (Amortized Value).....	10,191,398.90	9,193,858.04
Federal Loan Association Shares.....	15,000.00	23,400.00
Mortgages, Regular.....	596,366.12	582,152.99
Mortgages, F.H.A.....	1,279,561.67	1,213,018.88
Real Estate Owned.....	224,191.00	215,197.00
Accrued Interest.....	139,432.27	111,908.39
Due from State Work Relief Compensation Fund Commissions at 17 $\frac{1}{2}$ % for handling Account.....	64,920.19	71,319.96
Total Assets.....	<u>\$15,145,539.48</u>	<u>\$15,645,099.22</u>
<u>Liabilities and Surplus</u>		
Reserve for Losses.....	\$ 7,906,243.92	\$ 8,008,968.00
Estimated Expense in Investigating & Adjusting of Claims.....	395,312.20	--
Unearned Premiums.....	583,334.68	422,833.28
Accrued Expenses.....	100,000.00	50,000.00
Dividends Due Policy-Holders.....	639,103.12	15,170.13
Amounts Payable to Policy-Holders....	108,104.53	313,472.35
Deposit Premiums due Policy-Holders..	472,939.39	352,747.15
Second Injury Reserve Account.....	100,000.00	99,917.75
Replacement Check Account.....	5,000.00	4,841.68
Reserve for Invalidation Refunds.....	--	150,000.00
Voluntary Reserves:		
Reserve for Catastrophe.....	1,100,000.00	1,000,000.00
Contingency Reserve.....	--	1,000,000.00
Surplus.....	3,835,501.64	4,227,148.88
Total Liabilities and Surplus.....	<u>\$15,145,539.48</u>	<u>\$15,645,099.22</u>

Particularly notable is the upward trend in the financial surplus of the State Workmen's Insurance Fund during the years 1933 to 1939. During the latter year, a Contingency Reserve of \$1,000,000 was set up to take care of any reduction on securities held by the Fund or for any other emergency.

TABLE XIII-EE

DEPARTMENT OF LABOR AND INDUSTRY
SURPLUS IN STATE WORKMEN'S INSURANCE FUND
1933 TO 1939

Year (December 31)	Surplus
1933.....	\$ 965,034.00
1934.....	2,060,808.78
1935.....	1,640,395.34
1936.....	2,338,848.64
1937.....	2,871,833.56
1938.....	3,835,501.64
1939.....	4,227,148.88

In Table XIII-FF, page 1373, is set forth a summary statement showing investments of the Fund as of December 31, 1939.

TABLE XIII-FT

DEPARTMENT OF LABOR AND INDUSTRY
STATE WORKMEN'S INSURANCE FUND
SUMMARY STATEMENT OF INVESTMENTS
AS OF DECEMBER 31, 1939

Investment Item	Book Value	Par Value	Amortized Value
<u>Bonds</u>			
United States Government Bonds	\$ 2,295,875.00	\$ 2,330,000.00	\$ 2,304,936.38
State, Territories & Possessions.....	1,080,790.00	1,080,790.00	1,079,854.50
Political Subdivisions of State, Territories, and Possessions.....	5,769,338.42	5,613,541.70	5,634,152.59
Mortgage Bonds.....	161,020.00	166,000.00	164,914.57
Total Bonds.....	<u>\$ 9,307,023.42</u>	<u>\$ 9,190,331.70</u>	<u>\$ 9,183,858.04</u>
Federal Loan Association Shares	<u>\$ 23,400.00</u>	<u>\$ 23,400.00</u>	<u>\$ 23,400.00</u>
<u>Mortgages & Real Estate</u>			
Mortgages, Regular.....	\$ 582,152.99	\$ 582,152.99	\$ 582,152.99
Mortgages, F.H.A.....	1,213,018.88	1,213,018.88	1,213,018.88
Real Estate Owned.....	215,197.00	215,197.00	215,197.00
Total Mortgages & Real Estate.....	<u>\$ 2,010,368.87</u>	<u>\$ 2,010,368.87</u>	<u>\$ 2,010,368.87</u>
Total Investments.....	<u>\$11,340,792.29</u>	<u>\$11,224,100.57</u>	<u>\$11,217,626.91</u>

FOOTNOTES

- (1) 1889, P. L. 243
- (2) 1905, P. L. 102
- (3) 1913, P. L. 396
- (4) 1937, P. L. 1168
- (5) 1939, P. L. 293
- (6) 1929, P. L. 1260; 1937, P. L. 899
- (7) 1915, P. L. 758
- (8) 1915, P. L. 736
- (9) Administrative Code of 1929, Section 2208 (d)
- (10) 1939, P. L. 520
- (11) 1915, P. L. 758; 1919, P. L. 1077
- (12) Administrative Code of 1929, Section 2208
- (13) 1915, P. L. 758
- (14) 1937, P. L. 2897
- (15) 1919, P. L. 1045; Administrative Code of 1923, Section 1709;
(Administrative Code of 1929, Section 2209)
- (16) 1921, P. L. 12
- (17) 1913, P. L. 396; Administrative Code of 1929, Section 2202
- (18) Administrative Code of 1929, Section 2202 (a); General
Safety Law, 1937 P. L. 654
- (19) 1929, P. L. 1518, amended by 1937, P. L. 912, and 1937,
P. L. 1662
- (20) Administrative Code of 1929, Section 2202 (c) & (d)
- (21) 1929, P. L. 1518, Amended by 1933 P. L. 999, and 1937,
P. L. 277
- (22) 1937, P. L. 654, Section 2 (f)
- (23) 1937, P. L. 2681
- (24) 1927, P. L. 465, amended by 1929, P. L. 1523; 1933, P. L. 997;
1937, P. L. 1016; and 1937, P. L. 1670
- (25) 1937, P. L. 1016
- (26) 1937, P. L. 926
- (27) 1923, P. L. 802
- (28) Administrative Code of 1929, Section 2205
- (29) Administrative Code of 1923, Section 1704 (Administrative Code
of 1929, Section 2204)
- (30) Administrative Code of 1923, Section 1707 (Administrative Code
of 1929, Section 2207)
- (31) 1937, P. L. 665
- (32) Pennsylvania Labor Mediation Act, 1937, P. L. 674
- (33) Administrative Code of 1929, Section 2206
- (34) Minimum Wage Law - 1937, P. L. 917
Women's Labor Law - 1913, P. L. 1024, amended by 1915, P. L. 709;
1929, P. L. 617; 1937, P. L. 1547

CHAPTER XIV

DEPARTMENT OF MILITARY AFFAIRS

A. FUNCTION

The Department of Military Affairs is under the direction of the Adjutant General's Office which was established by Act of April 11, 1793. The present organization of the Department was set up in the Administrative Code of 1923.⁽¹⁾

There have been no major alterations in the organizational structure of the Department since 1923 with the possible exception of the Act of 1937 transferring the State Athletic Commission from the Department of Military Affairs to the Department of Revenue.⁽²⁾

The organization and powers of the Department, however, have been seriously affected as a result of the National Defense Program and the Executive Order calling up all members of the National Guard for service in the regular armed forces. This matter will be considered more fully in later pages.

The duties and functions of the Department are those of directing the State's military interests, particularly the activities of the Pennsylvania National Guard, of coordinating the State's military activities with those of the Federal Government, and of assuming charge of the interests of Pennsylvania's military veterans.

The Department of Military Affairs, as in all States, functions under a dual status -- Federal and State. For national purposes, it is under the control of the Federal Government; for State or local purposes it is under State authority. Specifically, the drills, equipment and summer training of the Pennsylvania National Guard are maintained by the Federal Government, while the upkeep of their armories, their training places and their adminis-

trative expenses are provided by the State. During 1940, the National Defense Program has cut across this division of functions and has caused a complete revision of the Department's powers and duties.

B. POWERS AND DUTIES

In ordinary times the Department performs functions of the following nature. Its principal work is to organize, train, maintain, discipline, and service or equip the Pennsylvania National Guard and the Naval Militia (though the latter has not been reorganized since the World War). This involves the keeping of records of drill attendance, of physical condition of officers, and of efficiency of personnel, the issuing of payroll requisitions and the keeping of war records. This force of approximately 14,000 men may be called upon when necessary as a State Defense Force in case of riot or insurrection. The Department must account for and preserve the extensive Federal military property and stores located within the Commonwealth. It is charged with the custody of about \$18,000,000 worth of Federal equipment including rifles, machine guns, cannons, aeroplanes, ammunition and other materials for the organization and training of the National Guard. Standard reports on these arms, uniforms and other accoutrements are sent to the Secretary of War of the United States.

The Department controls, maintains and operates extensive real property including the State Arsenal at Harrisburg, the Indiantown Gap Military Reservation, comprising more than 13,000 acres, the undisposed portions of the old Military Reservation at Mount Gretna, ninety-two State-owned and nine rented armories, and the Soldiers' and Sailors' Home at Erie. In all, its real estate control extends over 13,000 acres of land, 1,200 acres of which are rented for a period of fifty years, the remainder owned outright by the State.

The Department is also charged with the responsibility of caring for veterans and their affairs, including the administration of the State fund for the relief of impoverished war veterans. Other duties which might be classified as subsidiary functions of the Department include the sale, exchange or supervised destruction of military stores and equipment which have become unserviceable due to obsolescence or decay. Under proper supervision, the Department adjudicates claims up to \$250.00 caused by injuries to persons or damages to property arising out of National Guard maneuvers.
(3)

The Department must determine the amount of relief to be paid to guardsmen who are wounded or otherwise disabled while on duty in active service. It prepares an annual directory and roster of National Guard officers and men in the State. The Department also has the power to issue arms and accoutrements to military schools and veterans' organizations, but has not done so due to the lack of available supplies.

An anomolous situation surrounds the State Military Cemetery which is owned and maintained by the Department despite the fact that no one has ever been buried in that ground.

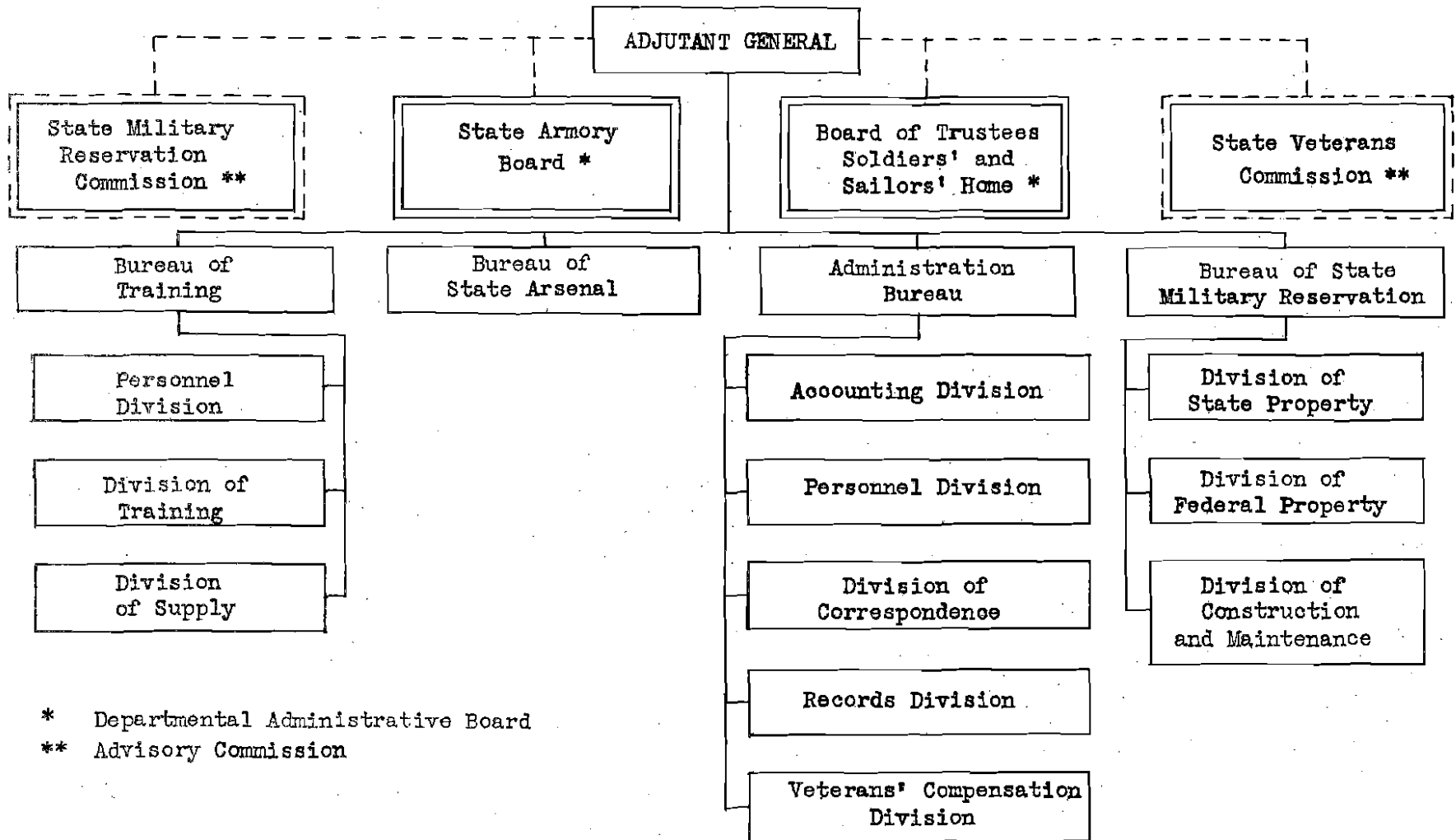
The Adjutant General, as the head of the Department, is chairman of the State Armory Board and a member of the State Military Reservation Commission, the State Veterans Commission and the Board of Trustees of the Soldiers' and Sailors' Home.

C. ORGANIZATION AND OPERATIONS

As is indicated by Chart XIV-1, page 1404, the work of the Department is administered by four Bureaus, two Executive Boards, and two Advisory Commissions. Although the major portion of the personnel is stationed at various points throughout the State, the Adjutant General and his staff and

CHART XIV-1

ORGANIZATION OF THE DEPARTMENT OF MILITARY AFFAIRS



* Departmental Administrative Board

** Advisory Commission

the Headquarters of the 28th Division now occupy offices in the South Office Building, though most of the Adjutant General's time is spent in his office at the Indiantown Gap State Military Reservation.

The Administrative Bureau, the Bureau of Training Headquarters 28th Division, the Bureau of State Arsenal, and the Bureau of Military Reservation are the four larger subdivisions of the Department's Administrative set-up. The Armory Board of the State of Pennsylvania and the Board of Trustees of the Pennsylvania Soldiers' and Sailors' Home are departmental administrative boards, while the State Military Reservation Commission and the State Veterans Commission are advisory Commissions.

Because of the highly specialized nature of the Department's activities, it is necessary in some branches of its administration to combine both a civil and a military form of organization. However, the functions of the Department, as outlined below, must be regarded as representing a normal peace-time arrangement of personnel, subject to considerable change toward a more distinctly military type of organization with State civil functions declining in importance and Federal military functions growing in importance as defense activities develop.

1. Administration Bureau

The Governor, by Constitutional authority, is the Commander-in-Chief of the Army and Navy of the Commonwealth. In practice, however, all ordinary operations of the Department of Military Affairs are under the direct supervision of the Adjutant General. The Adjutant General's office is headed by (4) the Adjutant General, two deputies and a clerical force of eight. The Bureau comprises five divisions, established to carry on all the work on the headquarters level. These are: the Accounting Division, the National Guard Personnel Division, the Division of Correspondence (Mail, Files, and Messenger

Section), the Records and Old Records Division, and the Veterans' Compensation Division (in charge of the Soldiers' Bonus).

a. Accounting Division

The Accounting Division has grown in recent years and operates with a comptroller, two examiners, an accountant, a bookkeeper, two requisition clerks, and two typists. It maintains the accounting and budgetary system for the Department, prepares estimates and expenditures, audits bills, prepares requisitions for the Auditor General, prepares audits and approves all requisitions for supplies purchased through the Department of Property and Supplies. It compiles monthly reports of appropriation expenditures and also cost reports. It is responsible for the supervision and control of the departmental storeroom. In addition, it audits the allowance account for 350 National Guard companies and acts as agent for the Department of Revenue.

b. Division of Personnel (Records Section, National Guard)

The Division of Personnel is in charge of a Chief of Personnel who is assisted by a force of five persons.

The Division maintains an individual file or record of the active personnel of the Pennsylvania National Guard, which as of August 22, 1940, consisted of 873 officers, 13 warrant officers, and 13,043 enlisted men, or a total of 13,929. During the past five years the annual average number of enlistments was 3,170, re-enlistments 2,752, a total of 5,922, representing an annual turnover of 53.6%. As of August 22, 1940, there were 292 units comprising the Pennsylvania National Guard. The officers of the Guard are named by the Governor of the State under authority granted by the United States Constitution. (5) In this, however, as in most other matters relating to military discipline, close collaboration is maintained between the office

of the Adjutant General and the United States Secretary of War.

Officers in the National Guard are not paid at a rate commensurate with their rank (as in the Regular Army), but rather on the basis of the responsibility of their position and their experience. Their compensation approximates one-seventh of the pay of the officers of the same grade in the Regular Army.

The compensation received by Guardsmen is paid by the Federal Government with the exception of fifty cents additional pay per day per man while encamped. The enlisted personnel records are checked four times each year with armory drill payrolls.

A recent Executive Order of the President has increased the quota of the Pennsylvania National Guard, and caused greater burdens and additional expenditure to be undertaken by the Department. This problem will be discussed more in detail in later pages.

Duty performance reports, payroll reports, efficiency reports, etc., are required at regular intervals. Each officer is required to pass a physical examination each year. The work of this Division involves the keeping of a set of highly detailed records.

c. Old Records Division

After the completion of the individual war records files by this Division in 1934, the personnel was reduced from ten employes to four. The Division is now concerned with answering inquiries pertaining to individual war records, which are usually required for historical purposes, adjudication of pensions, and requests for disability allowances. The records contain all available information regarding each individual in this Commonwealth enlisted in the armed forces of the United States during the World War. During 1934 this Division, for practical purposes, was merged with the Veterans' Compen-

sation Division and a large portion of the overlapping detail was handled by Veterans' Compensation personnel. The consolidation has remained in effect since that time, but now the Old Records Division has taken over the payment of Veterans' Compensation in addition to its normal duties. The volume of inquiries to this Division from the public has increased almost one hundred and fifty percent in the last three years, and is continuing to show a gradual increase. Old National Guard records, in many cases, are the only source for substantiating the ages of persons born before the year when the Bureau of Vital Statistics initiated birth records.

Marriage, birth and death certificates obtained from the Bureau of Vital Statistics for verification of military service upon request of veterans, veterans' dependents, veterans organizations and Veterans Administration are as follows:

<u>1938</u>	<u>1939</u>	<u>1940 (to 10-1)</u>
8,639	8,096	9,575

Statements of military service prepared upon requests of veterans, veterans' dependents, American Legion, American Legion Auxiliary, etc.:

<u>1938</u>	<u>1939</u>	<u>1940 (to 10-1)</u>
3,452	2,851	2,999

d. Veterans' Compensation Division (Bonus)

This Division was charged with the distribution of the Federal Soldiers' Bonus, more than \$1,000,000 of which has not yet been applied for by veterans in the State. The State Legislature extended the application deadline until July 1, 1942. (6) In addition, the State has collected more than \$47,000 from veterans who applied for and received bonuses for which they were not entitled.

This Division employs a Veterans Claims Investigator, who functions

directly under the Deputy Adjutant General for veterans affairs, giving his full time to that function. The investigator assists veterans in the presentation of claims to the Federal Government and his activity saves the Commonwealth many thousands of dollars each year by securing Federal grants for veterans and their dependents who might otherwise be a burden on the State. In brief, the work of the Division relates itself to:

- (1) The handling of Veterans Administration cases for veterans and their dependents.
- (2) The filing of claims with the Veterans Administration in Philadelphia, Pittsburgh, and Washington, D.C., for compensation, pension, hospitalization, domiciliary care, adjusted compensation, insurance, appeals, burial allowances, headstones, medals, etc.

The volume of work handled by the Division in the above instances and the moneys recovered from the Veterans Administration for veterans and their dependents is shown in Table XIV-A.

TABLE XIV-A

DEPARTMENT OF MILITARY AFFAIRS
 VETERANS' ADMINISTRATION CASES HANDLED,
 CLAIMS FILED, AND MONEYS RECOVERED FOR VETERANS
 BY VETERANS' COMPENSATION DIVISION, 1933-1940, INCLUSIVE

Year	Cases Handled	Claims Filed	Moneys Recovered
1933	10,324	2,634	\$162,727.76
1934	10,119	1,722	115,084.10
1935	8,065	1,135	77,723.63
1936	2,272	2,360	22,981.92
1937	529	413	13,028.00
1938	708	683	2,114.50
1939	657	634	1,804.00
*1940	804	578	1,296.33

* To October 1st.

Only one Investigator is now on duty for this Division. He is stationed in the Adjutant General's Office, Harrisburg. The Investigators formerly located in Philadelphia and Pittsburgh were discontinued August 31, 1936.

e. Correspondence Division (Mail and Files Section)

Under the Correspondence Division are handled the departmental mail, the filing and the messenger service.

f. Essington Rifle Range

In addition to the divisions of the Bureau of Administration listed above there must also be mentioned here the Essington Rifle Range which is owned by the Commonwealth of Pennsylvania and operated by this Department as a rifle range of the National Guard unit at Philadelphia and vicinity for both rifle and pistol marksmanship training.

2. Bureau of Training - Headquarters 28th Division

The headquarters of the 28th Division, Pennsylvania National Guard, are located in Harrisburg. This Division acquired a glorious reputation for its bravery during the first World War. Prior to 1939, direct command of this force was vested in the Division Commander. Since that time, however, the positions of Adjutant General and Division Commander were consolidated, effecting a salary saving of \$8,000 a year and making possible a closer unity of command. This change has been adopted in a number of States in the Corps Area, where the Commander of the troops is also the head of the military activities.

This Bureau is responsible for the training and discipline of the officers and men of the Pennsylvania National Guard. The Bureau operates under three divisions: Personnel, Training, and Supply.

a. Division of Personnel

The Division of Personnel schedules and supervises inspections and

maintains personnel and efficiency records for both officers and enlisted men.

b. Division of Training

The Division of Training is responsible for the training of the personnel of the 28th Division. Major decisions concerning the type of training initiate with the Federal War Department which issues directions to the State military agency where the training schedules are set up and administered. Uniformity of training is effected by the establishment of a broad training program which is broken down by the different echelons of command so that each grade and unit has a rigid training schedule to adhere to during the weekly armory drills. Recent increases in the enlisted personnel of the Guard have added greatly to the work of this Division, as explained in greater length later in this chapter.

Under normal organization, the military units of the 28th Division include, in addition to its four infantry regiments, the 176th Field Artillery, the 103rd Observation Squadron, the 101st Radio Intelligence Company, the 52nd Cavalry Brigade and the 213th Coast Artillery.

c. Division of Supply

The Division of Supply is responsible for such matters as the uniforming and equipping of the members of the Guard.

3. Bureau of State Arsenal, and United States Property and Disbursing Office

The Pennsylvania State Arsenal, at Harrisburg, is in charge of a superintendent, who at the same time serves as the United States Property and Disbursing Officer for Pennsylvania. The duties of such an officer are clearly defined in the National Guard Regulations. They include the responsibility for all of the property of the United States War Department within the Commonwealth, the value of which is estimated at \$18,000,000. He must

also disburse all Federal funds allotted to the Commonwealth for military operations. Such funds are expended through the 278 organizations which comprise the Pennsylvania National Guard. In practice, these duties mean that the officer in question must keep all Federal property in repair, that he must return worn out articles for replacement, that he must distribute all clothing, pay all troops, compute all payrolls, and make all contracts for food, forage for animals and Federal supplies.

The superintendent of the State Arsenal is thus called upon to serve two masters, the Federal Government and the Commonwealth. For the performance of these duties, the following sections have been established for handling the Federal business:

- (a) Finance Section
- (b) Accounting and Audit Section
- (c) Correspondence Section
- (d) Requisition Section
- (e) Section of Survey
- (f) Division of Shipping and Receiving
- (g) Division of Garage
- (h) Correspondence Section
- (i) Accounting Section -- Handles State Work
- (j) Division of Labor and Maintenance -- Handles State and Federal Work

Many of the activities of the Department of Military Affairs are supported jointly by the Federal Government and the Commonwealth. In connection with the superintendent of the State Arsenal, one finds an interesting illustration in the manner in which this plan works out. This officer normally receives \$3,600 from the Commonwealth and \$2,700 from the Federal Government. Although the present United States Property and Disbursing Officer is now retired from State service, he is continuing to function in his Federal capacity, but does not draw a salary from the Commonwealth.

As a considerable quantity of military equipment is stored in armories throughout the State the Arsenal Bureau maintains a central perpetual inven-

tory of all such supplies and equipment, which includes approximately nine hundred motor vehicles, as well as seven airplanes.

4. Bureau of State Military Reservation

This Bureau is charged with the maintenance of the State Military Reservation and its equipment. Like the Bureau of State Arsenal it has both State and Federal responsibilities to discharge. It is organized into a Division of State Property, a Division of Federal Property and a Division of Construction and Maintenance.

The staff of the Bureau, which consists of a force of sixteen clerical workers, maintenance workers, and laborers is in charge of a superintendent.

On the grounds of the State Military Reservation at Indiantown Gap, in Lebanon County, the National Guard convenes for its annual two week encampment every summer. During 1940 this summer training period was extended six days. When the entire Guard is called out, the greater portion of the troops will train at the Indiantown Gap Military Reservation.

Ordinarily, the Reservation is not occupied for any great period of time. Nevertheless, the Reservation's buildings and grounds must be maintained and repaired throughout the year. This work falls under the Division of Construction and Maintenance.

a. Divisions of State Property and Federal Property

The Divisions of State Property and Federal Property have charge of the various types of supplies and equipment provided by the State and Federal Governments for the maintenance of the military reservation. Under present conditions, which involve the induction of the enlisted personnel of the National Guard into the Army of the United States and the accumulation of large stores of military equipment for the use of these men during an extended period of active training, it is impossible to make any specific allocation

of the personnel and duties of the men in these divisions.

These conditions also render it impossible to provide very specific information as to the exact extent of the responsibility of the Division of Construction and Maintenance whose work is dealt with in the following paragraph.

b. Division of Construction and Maintenance

The maintenance of the State Military Reservation involves under normal conditions the repair and upkeep of several hundred buildings and of many miles of roadway. The water system and the heating plant serving the buildings of the Reservation must also be kept in operation, the grounds must be maintained, cord wood must be provided for use in the encampment, rifle ranges must be prepared and cared for, ammunition must be received and stored, a considerable fleet of trucks must be kept in repair, the artillery target range and its approach must be maintained in condition for immediate use, and tank equipment must be conditioned for summer camps and stored at the end of the season. Other types of equipment must be transported and issued to troops as required. Many of the buildings house Federal property for which the Commonwealth is responsible. The foregoing statement describes the normal peace-time responsibilities of this Division at Indiantown Gap. Needless to say, during the year 1940, with an immense emergency construction program involving hundreds of new buildings now being rushed to completion, and preparation being made for training at this Reservation of a larger number of men than were ever assembled here before, it is impossible to state exactly how many buildings, how many miles of roadway, or what other additional equipment may fall under the care of this Division of the Bureau.

The Commonwealth's land holdings at Indiantown Gap have been increased

until today the Reservation covers 13,200 acres, 1,200 of which have been rented for a 50 year period. The last budget of the Department provided \$28,000 for land purchases and improvements at the Reservation, this being a marked decrease over the 1937 budget of \$50,000 and that of 1935 providing \$100,000.

c. Publications

The Department of Military Affairs does not publish a periodic bulletin, but instead "farms out" this function to a private individual who publishes a magazine known as THE PENNSYLVANIA GUARDSMAN. The Department subscribes for a copy for each member of the National Guard, for which it pays \$12,000 a year out of the regular appropriation. Although it has been held by the Attorney General that such a subsidy arrangement is legal, it is undoubtedly true that a publication of this type is definitely a governmental function and should eventually be handled by the Department itself as is done in most of the States, with substantial savings. The present situation, however, renders any immediate change in this matter inadvisable.

5. Affiliated Boards and Institutions

a. State Military Reservation Commission

This is an advisory Commission and consists of the Governor, the Major General of the Pennsylvania National Guard, and those Major Generals who have retired from service, the Adjutant General, the Brigadier Generals commanding brigades, the Chief of Staff of the 28th Division, and two other members appointed by the Governor. It is the function of the Commission to consider any matters upon which the Department may ask for its advice, and to investigate and study the condition of any State Military Reservation and in particular the Indiantown Gap Reservation, for the purpose of approv-

ing any additional land purchases thereto, and making and approving recommendations to the Department for the maintenance and improvement thereof.

b. State Armory Board

The Board, located at Harrisburg, consists of the Governor, the Adjutant General, and five other persons, of whom three must be officers of the Pennsylvania National Guard. Each member of the Board, with the exception of the Governor and the Adjutant General, receives a salary of \$1,200 per annum. Other personnel attached to the Board consists of two armory inspectors and one secretary. The Board is an administrative departmental agency and under the fiscal control of the Department. The Board is charged with the equipment, maintenance, management and regulation of the ninety-two State-owned and nine rented armories throughout the Commonwealth.

A total of twenty-seven new armories have been erected since 1933 through the Works Progress Administration, the Department of Property and Supplies and the General State Authority. In 1931, \$80,000 was appropriated to the Department of Property and Supplies for the construction of armories and in 1935 this sum was increased to \$500,000. Following the creation of the General State Authority in 1935 and under its vast building program, \$1,970,000 was appropriated for new armories. In 1931 the Department of Property and Supplies received \$40,000 to purchase armories, but no further appropriations for purchases have been made since.

c. State Veterans' Commission

This Commission has both advisory and investigatory functions and consists of the Adjutant General and seven veterans of American wars who are members of accredited veterans' organizations. The Commission office is in Philadelphia and the staff consists of four relief investigators and

nine typists and clerks. This organization is charged with the administration of relief to ex-soldiers and their dependents. The Commission is under the general supervision of a Deputy Adjutant General appointed for the purpose. Most of its case investigation is done without cost to the State by the welfare officer of the American Legion post or that of the Veterans of Foreign Wars. When an application is approved, food orders are issued not to exceed \$5.00 per week. The Legislature has appropriated approximately \$800,000 to \$900,000 each biennium for veterans' relief. For the last two bienniums, the sum has been \$890,000 for relief and \$40,000 for the education of veterans' orphans.

TABLE XIV-B

DEPARTMENT OF MILITARY AFFAIRS
EXPENDITURES OF PENNSYLVANIA VETERANS' COMMISSION
1939

Purpose	Amount	Percent of Total
Relief and Assistance	\$398,317	92.6
Education of War Orphans	11,598	2.7
Administration	20,468	4.7
Total	\$430,383	100.0

The Pennsylvania Veterans' Commission relief program consists in caring for unemployable veterans, pending their acceptance by some other agency. All investigation is done by local volunteer agencies, who use the Department of Public Assistance grant set-up as a base in determining the weekly amount given to the veterans or their families.

There are no cash grants. All vouchers are for food, clothing orders, and averaged \$8.56 per person for February 1940, to which should be added 35¢ per person for medical assistance.

The orphans of veterans (does not include post-war) receive Pennsylvania Veterans' Commission grants to pay tuition in any school, trade school or college in Pennsylvania. These grants average about \$175 a year for each orphan.

PENNSYLVANIA VETERANS' COMMISSION STATISTICS

Number of veterans in Pennsylvania (estimated) 320,000
 Number of veterans unemployed, January 1940 16,629
 Number of veterans on W.P.A. (by counties 11-29-39) ... 12,159

The State Department of Public Assistance certifies to W.P.A. only those veterans who are employable or a member of the family who is employable.

The number of orphans of veterans cared for by the Pennsylvania Veterans' Commission from June 1939 to April 1940 was 66, exclusive of post-war children. It is estimated that there will be no orphans eligible for Pennsylvania Veterans' Commission assistance by 1945.

Table XIV-C shows the number of active cases and the number of persons on the relief rolls of the Pennsylvania Veterans' Commission.

TABLE XIV-C

DEPARTMENT OF MILITARY AFFAIRS
 MONTHLY RECORD OF CASES AND PERSONS ON RELIEF ROLLS
 OF PENNSYLVANIA VETERANS' COMMISSION
 JUNE 1939 TO FEBRUARY 1940

Month and year	Number of Cases	Number of Persons
June, 1939	663	3,289
July, 1939	691	2,401
August, 1939	710	3,517
September, 1939	714	3,534
October, 1939	731	3,555
November, 1939	735	3,542
December, 1939	731	3,509
January, 1940	755	3,567
February, 1940	779	3,858

(1) A Comparison of Pennsylvania Veterans' Commission
And Department of Public Assistance

The cost of administration of the Pennsylvania Veterans' Commission is about \$2.40 per case per month, with an average monthly grant of approximately \$46.00 per case of 4.8 persons per case. This compares very favorably with the Department of Public Assistance where the cost of administration averages \$4.50 per case per month, with a monthly grant of only \$31.04 per case and an average of 3.02 persons per case.

Administrative costs for Pennsylvania Veterans' Commission program are kept at a minimum by utilizing the services of established welfare agencies, and veteran organizations for all field investigations. Over 50% of the families assisted by the Pennsylvania Veterans' Commission are supervised by the American Red Cross workers. The remaining families are investigated by the Service Officers of Veteran Organizations and by other established private welfare agencies, such as the Family Society, etc. All field work is done on a volunteer basis.

d. Soldiers' and Sailors' Home at Erie

The Soldiers' and Sailors' Home at Erie was established in June, 1886, under authority of an act passed by the General Assembly in the preceding year. (7) Since that time the Commonwealth has constructed a hospital building, twenty additional buildings and various additions and improvements to existing buildings. On June 1, 1940, there were 51 persons employed at the Home, 23 of whom were employed on a per diem basis. In 1925, it had a population of 95, in 1933 there were 400 veterans residing at the Home, and in 1939 the number decreased to 235. The Home can accommodate 450 persons.

General direction and control of the affairs of the Home are vested in a Board of Trustees consisting of 9 members appointed by the Governor. The

Board selects the superintendent who is subject to the authority of the Board. In addition, the Board passes on the application of veterans seeking entrance to the Home.

All residents at the Home are classified according to age and physical ability to perform work of various types. In 1932 the Board of Trustees followed the lead of the National Soldiers' Home and established a ruling whereby any man who draws a pension or disability allowance or compensation amounting to \$30.00 or over will not be given free clothes. All this class of men get is their lodging and food. Men who draw disability allowances or pensions are not entitled to free tobacco or free barber service, except those in the hospital. Those who do not receive compensation are entitled to board and lodging, free tobacco, clothes and barber service. The labor performed by the inmates on the premises, for which some slight compensation is given, is performed by men not receiving pensions.

The Department of Property and Supplies exercises a regulatory supervision over all purchases except perishable foodstuffs and emergency purchases or those within certain limits may be obtained locally by the institution. The present system of centralized contracting has helped measurably to reduce delays and inconveniences in obtaining proper and standard articles and supplies. The biennial appropriation for 1939-41 for the administration and upkeep of this Home was \$202,000, a decrease of \$38,000 over the previous biennium. Forty percent of the expense of maintaining this institution is repaid by the Federal Government which maintains no general veterans' hospital or soldiers' home in Pennsylvania.

e. Effect of the National Defense Program

The National Defense Program has had a telling effect on the activities and functions of the Department of Military Affairs. In the latter part of 1939 the Federal Government, by executive order, increased the

training of the National Guard by adding seven days and twelve additional weekly drills. In addition, the Guard was increased by 35,000 men, 2,200 of these coming from Pennsylvania. This added to the expense of the Commonwealth, since Pennsylvania provides for additional camp pay, administrative pay and lockers. As a result, much additional work was placed on the Department's administrative force, since officers were advanced and non-commissioned officers were being appointed as a result of added training and the inclusion of the Guard into the Regular Army of the United States. During 1940, the summer training period was extended six days. The military administrative force in the Department, by working nights and on Saturdays, has been able to carry on its work without the employment of additional help, although the 1939-41 budget for the Department did not contemplate nor include any extra funds to take care of the additional work and expenses.

Artillery has already been inducted into the Federal forces. When this was done, all the expenses of this regiment were borne by the Federal Government except the care and operation of the armories of the State occupied by the regiment. Shortly after the first of the year all of the National Guard will be in the United States Army. Pay, maintenance and supplies will then be furnished by the Federal Government. When this happens, the Department of Military Affairs will devote its time to problems of morale, to the maintenance of the 101 armories throughout the Commonwealth, to directing the activities and efforts of the veterans' organizations of the State along patriotic lines, to watching subversive interests, and to the organization of a unit to take the place of the Guard, if this should be deemed necessary. Since most of the Pennsylvania National Guard will train at the Indiantown Gap Military Reservation, the Department will still be obligated to see that

the Reservation and its surroundings are made and kept suitable for the training of this vast military force, although all the other expenses will be borne by the Federal Government.

Thus, in 1941 it is expected that the major work of the Department, namely the organizing, training, equipping and maintaining of a National Guard force, will have been taken over by the Federal Government. To this extent, therefore, certain economies and reductions in personnel may occur in the Administration Bureau, the State Arsenal and the State Armory Board, while the 28th Division Headquarters will become a part of the Federal Government and will operate directly under it.

D. PERSONNEL

It is obvious that while much of the work of this Department involves the maintenance of records and inventories of the extensive equipment and other supplies in its custody, and is therefore comparable to the work of other State Departments, those of its functions which have to do directly with the National Guard, the State Arsenal, and the Military Reservation require as their directive personnel men of training and experience in military affairs. It is also obvious that in the interest of the State's defense organization it is advisable that certain of its Department subordinate positions also be occupied by men familiar with military equipment and accustomed to military regulations. The salaried and per diem personnel of each Bureau is summarized in Table XIV-D, following which the full list of salaried employes, with their functions, is detailed in Table XIV-E on page 1424.

TABLE XIV-D

DEPARTMENT OF MILITARY AFFAIRS
SUMMARY OF EMPLOYEES IN ADMINISTRATIVE BUREAUS
JUNE 1, 1940

Bureau	Number of Employees	Annual Salaries
Administrative Bureau	5	\$ 22,480.00
Accounting Bureau	9	16,140.00
Mail & Files	5	6,720.00
Records Section (National Guard)	5	7,200.00
Old Records	4	5,760.00
Veterans Compensation Division (Bonus)..	6	6,555.00
Division Headquarters	8	20,900.00
State Arsenal	24	31,460.00
Military Reservation	17	23,460.00
Essington Rifle Range	1	1,800.00
State Armory Board	6	11,250.00
Soldiers' and Sailors' Home, Erie	28	32,400.00
State Veterans' Commission	13	16,080.00
Total	131	\$202,205.00

In addition to the above salaried personnel, the Department employed on June 1, 1940, a total of 161 per diem employes. Of these employes 23 were located at the Soldiers' and Sailors' Home at Erie, 114 were employed by the State Armory Board, 23 at the Military Reservation, and 1 was located in the Veterans' Compensation Division at Washington, D. C.

TABLE XIV-E

DEPARTMENT OF MILITARY AFFAIRS
NUMBER OF EMPLOYEES AND ANNUAL SALARIES
JUNE 1, 1940

Bureau	Number of Employees	Total Salaries
<u>Administrative Bureau</u>		
Adjutant General	1	\$10,000
Deputy Adjutant General	1	4,500
Executive Assistant	1	4,500
Adv. Secretary-Stenographer	1	1,860
Stenographer-Secretary	1	1,620
Total	5	\$22,480
<u>Accounting Bureau</u>		
Comptroller	1	\$ 3,300
Examiner	1	2,700
Assistant Allowance Examiner	1	1,980
Bookkeeper	1	1,620
Jr. Assistant Accountant	1	1,620
Sr. Requisition Clerk	1	1,380
Sr. Stenographer	1	1,260
Requisition Clerk	1	1,140
Principal Typist	1	1,140
Total	9	\$16,140
<u>Mail and Files Section</u>		
Head File Clerk	1	\$ 1,620
Storeroom Keeper	1	1,380
Principal Clerk-Typist	1	1,260
Advanced Mail Clerk	1	1,320
Advanced File Clerk	1	1,140
Total	5	\$ 6,720
<u>Records Section (National Guard)</u>		
Supervising Personnel Clerk	1	\$ 2,100
Advanced Personnel Clerk	1	1,800
Personnel Clerk	1	1,140
Jr. Personnel Clerk	1	1,020
Sr. Stenographer-Typist	1	1,140
Total	5	\$ 7,200
<u>Old Records Section</u>		
Supervisor	1	\$ 1,620
Veterans Claims Investigator	1	1,620
Special Typist-Clerk	1	1,380
Sr. Stenographer-Clerk	1	1,140
Total	4	\$ 5,760

TABLE XIV-E
(Continued)

Bureau	Number of Employees	Total Salaries
<u>Veterans Compensation Division (Bonus)</u>		
Senior Search Clerk	1	\$ 1,380
Senior Computing Clerk	1	1,380
Stenographer	1	1,140
Stenographer-Clerk	1	1,080
Stenographer-Typist	1	1,020
Janitress	1	555
Total	6	\$ 6,555
<u>Division Headquarters</u>		
Administrative Assistant	1	\$ 5,000
Administrative Assistant	1	4,200
Office Assistant	1	3,600
Personnel Assistant	1	2,700
Principal Stenographer-Clerk	1	1,440
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Clerk	1	1,320
Chauffeur-Clerk	1	1,260
Total	8	\$20,900
<u>State Arsenal</u>		
Junior Disbursement Accountant	1	\$ 2,100
Stenographer-Secretary	1	1,560
Senior Stenographer-Clerk (\$1,140)	3	3,420
Senior Storeroom Keeper	1	1,500
Senior Survey Clerk	1	1,380
Principal Clerk	1	1,860
Advanced Account Clerk	1	1,620
Senior Requisition Clerk	1	1,380
Senior Foreman	1	1,740
Senior Skilled Laborer (\$1,140)	11	12,540
Carpenter	1	1,140
Saddler-Armorer	1	1,220
Total	24	\$31,460
<u>Essington Rifle Range</u>		
Custodian	1	\$ 1,800
<u>State Armory Board</u>		
Armory Board Members (\$1,200)	3	\$ 3,600
Armory Inspector	1	3,000
Armory Inspector	1	2,550
Secretary	1	2,100
Total	6	\$11,250

TABLE XIV-E
(Continued)

Bureau	Number of Employees	Total Salaries
<u>Military Reservation</u>		
Superintendent	1	\$ 3,600
Assistant Draftsman	1	1,140
Senior Stenographer-Clerk	1	1,140
Junior Stenographer	1	1,020
Engineering Clerk	1	1,140
Principal Foreman	1	1,860*
Head Skilled Laborer	1	1,380
Senior Carpenter	1	1,380
Senior Electrician	1	1,380
Senior Motor Mechanic	1	1,440
Senior Plumber	1	1,380
Foreman	1	1,380
Skilled Laborer	1	1,020
Caretaker	1	1,140
Watchmen (\$1,020)	2	2,040
General Laborer	1	1,020
Total	17	\$23,460
<u>Soldiers' and Sailors' Home, Erie</u>		
Superintendent	1	\$ 3,600*
Engineman	1	840*
Labor Foreman	1	900*
Steward	1	1,620*
Graduate Nurses (\$1,140)	2	2,280*
Resident Director of Nurses	1	1,500*
Firemen (\$960)	2	1,920*
Night Policemen (\$960)	2	1,920*
Maids (\$660)	2	1,320*
Maid	1	580*
Kitchen Manager	1	1,920*
Stenographer-Clerk	1	1,440
Storeroom Manager	1	1,380*
Maid	1	600*
Typist	1	900
Physician	1	1,320
Florist	1	1,020*
Bookkeeper	1	1,920
Chaplain	1	300
Waitress	1	480*
Mechanical Director	1	2,240
Laundry Helper	1	660*
Barber	1	900*
Cook	1	840*
Total	28	\$32,400

TABLE XIV-F
(Continued)

Bureau	Number of Employees	Total Salaries
<u>State Veterans' Commission</u>		
Chief	1	\$ 2,400
Junior Relief Investigators (\$1,380)	3	4,140
Head Clerk-Stenographer	1	1,380
Junior Stenographer-Clerks (\$1,020)	3	3,060
Typist-Clerks (\$1,020)	3	3,060
File Clerk	1	1,020
Assistant Record Clerk	1	1,020
Total	13	\$16,080
<hr/>		
Grand Total	131	\$202,205

* And Maintenance.

E. FINANCES

The expenditures of the Department of Military Affairs for the 1937-39 biennium and the estimated expenditures for the 1939-41 biennium are set forth in Table XIV-F.

As will be seen from this summary, the largest item of expenditure of the Department is for the relief of Pennsylvania's Veterans. The maintenance of the State's units of the National Guard is the second largest item, the third is the expenditure for the State Armories, and the fourth that for the maintenance of the Soldiers' and Sailors' Home at Erie.

TABLE XIV-F

DEPARTMENT OF MILITARY AFFAIRS
SUMMARY OF EXPENDITURES
1937-39 AND 1939-41 BIENNIUMS

Purpose	Biennium	
	1937-39	1939-41 Estimated
Salary, Adjutant General	\$20,000.00	\$ 20,000.00
Salary Division Commander	16,000.00	534.00 ^{a/}
Administration	97,525.88	117,107.00
Arsenal	118,882.39	91,240.00
Reservation	172,958.53	191,892.00
Division Headquarters	41,562.34	40,394.00
War Records	202.50	--
National Guard	735,902.52	807,833.00
Armory Board	520,035.12	728,657.00
Dedication in Europe	1,500.00	--
State Veterans' Commission:		
Relief	848,119.82	890,000.00 ^{b/}
Expenses	37,593.06	--
Education of Orphans	36,235.10	22,000.00
Soldiers' and Sailors' Home	227,804.24	202,000.00
Land Purchases and Improvements	79,044.39	28,645.00
Military Reservation	--	18,540.11
Purchase and Erection of Armories	10,012.78	3,621.21
G.A.R. Celebration	--	2,699.55
Total	\$2,963,378.67	\$3,165,162.87

^{a/} Functions consolidated with those of Adjutant General

^{b/} Relief and Expenses.

FOOTNOTES

- (1) Administrative Code, Section 1401
- (2) 1937, P.L. 1865, Sections 427 and 2503
- (3) Act of July 12, 1935 (P.L. 695)
- (4) 1939, P.L. 250, Section 14
- (5) U.S. Constitution, Article I, Section 8, Clause 16
- (6) 1939, P.L. 116
- (7) Act of June 3, 1885 (P.L. 62)



CHAPTER XV

DEPARTMENT OF MINES

The Department of Mines was created in 1903.⁽¹⁾ It succeeded the Bureau of Mines which had existed in the Department of Internal Affairs since 1897.

A. FUNCTION

The Department is charged with the enforcement and execution of the anthracite and bituminous coal mining laws of the Commonwealth. Its functions to promote safety in coal mining and to improve the general welfare of the industry and its workers.

The Department of Mines has no specific jurisdiction over "bootleg" coal mining, possessing only the power to close such mines when there is a robbery of the barrier pillar separating such mines from any other mines. Also, the Department has no jurisdiction over any other type of mining except coal mining.

B. POWERS AND DUTIES

To carry out the above functions the Department of Mines possesses⁽²⁾ the powers and duties to:

1. Enforce the coal mining laws of the Commonwealth.
2. Investigate all serious mine accidents and deaths.
3. Periodically inspect all coal mines and collieries.
4. Supervise the examination and certification of applicants for the position of:

Mine Foreman
Assistant Mine Foreman
Fire Bosses, electricians, shot firers,
and mining machine runners in bitumi-
nous mines
Miners in bituminous mines

5. Instruct mine workers and operators in safety principles.
6. Compile statistics on coal production, shipping, mine accidents, etc.
7. Collect reports from mine operators.
8. Issue reports and bulletins on accidents, production, working days, etc.
9. Supervise research for new uses and markets for anthracite and bituminous coal. (3)

C. ORGANIZATION AND OPERATIONS

As indicated by Chart XV-1 on page 1503, to perform these functions the Department of Mines is organized upon the following sectional basis:

1. Secretary of Mines

The Secretary of Mines is the chief officer of the Department. In addition, as is discussed later, he serves as Chairman of two Mine Inspectors' Examining Boards and possesses certain powers with regard to the various other examining boards. He is an ex-officio member of the Board of Trustees of Pennsylvania State College.

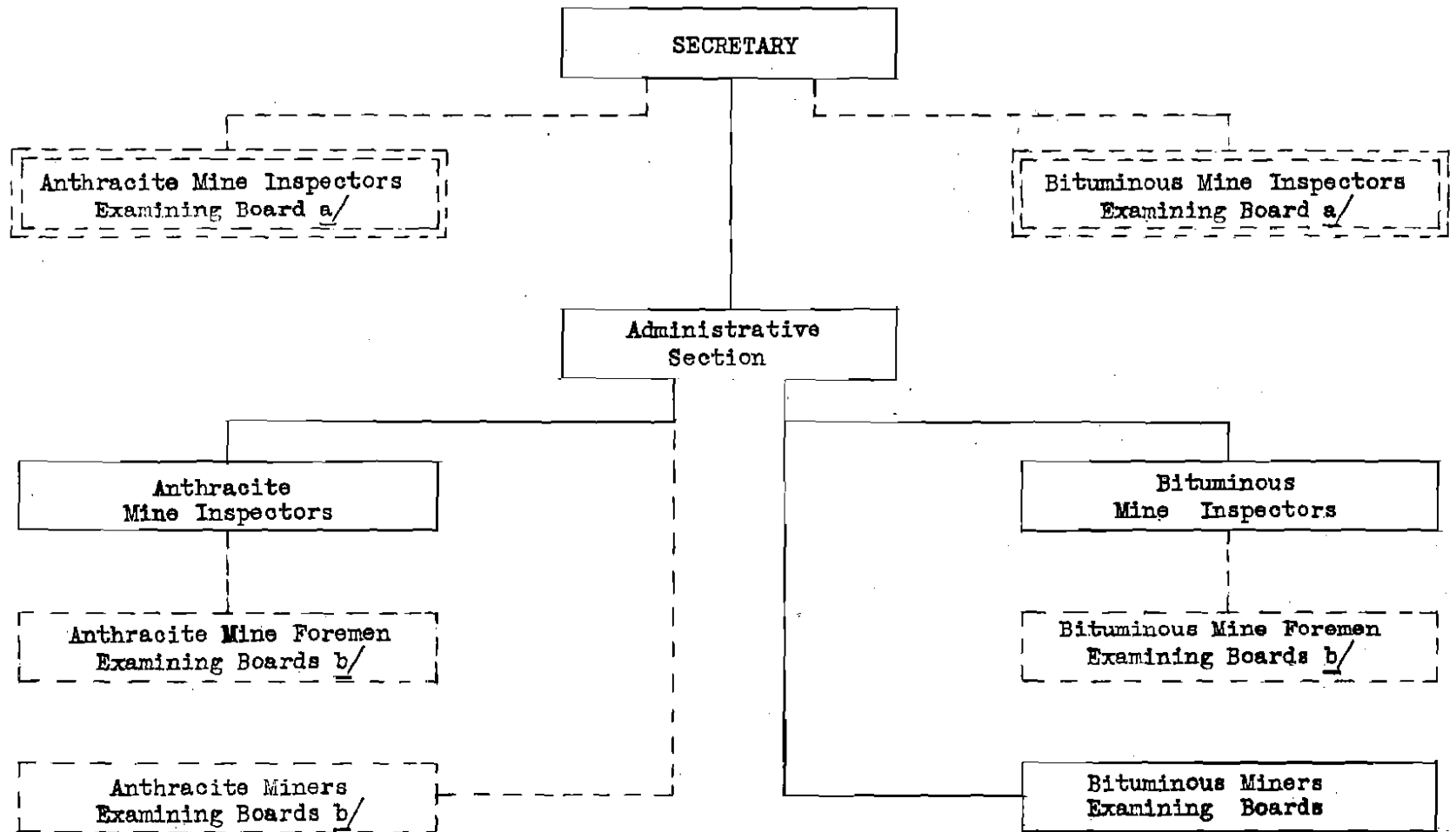
2. Administrative Section

The administrative section, located in Harrisburg, performs routine administrative duties. It handles all correspondence, maintains files, receives and collects reports, prepares statistical compilations and reports, keeps the Department's accounts, dispenses information to the public, and performs other related headquarters' duties.

The Administrative Section maintains a file of every mine in the State, and whether the mine is working, idle, or abandoned, and when each mine was inspected. This section receives and files all inspectors'

CHART XV-1

ORGANIZATION OF THE DEPARTMENT OF MINES



-1503-

a/ Departmental Administrative Board in Department of Public Instruction

b/ Appointed by County Courts

reports and keeps a check on each inspector's daily activities.

a. Publications.

The administrative section prepares and distributes separate annual reports for the anthracite and bituminous regions. These reports contain production, shipping, employe, accident and other related statistics for every mine under the jurisdiction of the Department. These reports, which were formerly printed but now are mimeographed by the administrative section, are distributed to interested persons throughout the State and Nation.

In addition, this section issues a number of monthly statistical bulletins containing production, accident and working condition figures. Many of these reports are summarized quarterly. It also compiles monthly reports on all fatal accidents, in which reports the accidents are described and then analyzed to indicate what steps should have been taken to prevent them. These reports are an integral part of the Department's safety program. As with all the Department's publications, separate reports are issued for the anthracite and bituminous regions.

The Department also prepares and publishes, whenever necessary, handbooks of the laws governing the mining of anthracite and bituminous coal.

3. Mine Inspectors

The major portion of the Department's work is performed by mine inspectors. These inspectors are in charge of specified districts. The law divides the anthracite field into eight inspection districts, and stipulates the number of inspectors in each district. This stipulation

provides for 25 inspectors.

The law specifies that there shall be 25 districts in the bituminous field, each with an inspector. The Secretary of Mines, with the permission of the Governor, has the authority to redistrict the field and add to the number of inspectors; however, the number of districts cannot exceed thirty. The following table indicates the number of districts and mines in each field as of December 31, 1938 and 1939, and August 31, 1940.

TABLE XV-A

ANTHRACITE INSPECTION DISTRICTS
AND THE NUMBER OF MINES IN EACH DISTRICT
(As of Dec. 31, 1938 and 1939, and Aug. 31, 1940)

No. of Districts	District Number	Number of Mines		
		1940	1939	1938
1	1	63	65	62
2	2	53	48	64
3	3	9	9	10
4	4	19	21	25
5	5	49	33	33
6	6	41	49	45
7	7	54	54	53
8	8	35	30	29
9	9	27	24	24
10	10	66	61	59
11	11	19	19	20
12	12	30	31	28
13	13	20	22	19
14	14	44	44	45
15	15	4	57	57
16	16	18	28	35
17	17	14	14	17
18	18	18	17	14
19	19	14	11	11
20	20	10	7	8
21	21	12	12	14
22	22	13	20	18
23	23	24	16	17
24	24	14	11	18
25	25	17	5	8
Total		687	708	733

TABLE XV-B

BITUMINOUS INSPECTION DISTRICTS AND
THE NUMBER OF MINES IN EACH DISTRICT
(As of Dec. 31, 1938 and 1939, and Aug. 31, 1940)

Number of Districts	District Number	Number of Mines		
		1940	1939	1938
1	1	22	23	26
2	3	98	115	100
3	4	140	170	110
4	5	36	50	45
5	6	48	49	49
6	8	89	98	96
7	9	24	34	29
8	10	17	40	40
9	11	54	42	41
10	12	40	30	30
11	13	21	11	20
12	14	86	83	83
13	15	54	94	94
14	16	14	25	25
15	17	44	52	51
16	18	62	71	178
17	19	27	30	80
18	20	57	59	63
19	21	--	--	15
20	22	46	46	41
21	23	37	31	59
22	24	68	74	72
23	25	25	28	32
24	26	21	41	42
25	29	19	23	17
26	30	28	63	63
Total		1,177	1,382	1,501

The mine inspectors are required to inspect coal mines and obtain compliance with the mining laws. In the anthracite field, inspections of each mine must be made not less than once every three months, and in the bituminous field not less than once every four months. The inspectors

check to see that all necessary precautions are being taken and that all required safety measures are being observed. This encompasses inspecting the surface machinery and equipment, checking shoring and timbering, examining entrances, shafts, levels and working places, inspecting ventilation and pumping conditions and equipment, examining the transportation system, etc. The inspectors must also examine the company's books to see that they are properly kept. After each such inspection of the mine, the inspector is required by law to post at the entrance of the mine a summary statement of the conditions found.

Where an anthracite inspector discovers a violation of the law, he orders the condition corrected and may also institute injunction proceedings in the county court to prohibit the illegal working of the mine. In such cases, notice of the intention to apply for the injunction must be given to the owner or operator. When an anthracite inspector discovers any dangerous condition which is not covered by law, he gives notice in writing of the condition. However, the owner, operator or superintendent has the right to demand that a board of arbitration, composed of an appointee of the inspector, an appointee of the owner, and a third person appointed by both, hear the charges and make an award.

When a bituminous inspector discovers a dangerous condition, however, he must notify the Secretary of Mines, who orders two other inspectors to investigate the condition. If they agree that the condition is dangerous, the superintendent is notified to correct the condition. If this is not done the inspectors ask the County Court of Common Pleas for an injunction to enjoin the working of the mine. The court hears and determines the case.

If the inspector feels that any delay may endanger miners' lives he has the right to temporarily withdraw the miners from the mine until proceedings are completed.

If any operator, owner or superintendent is dissatisfied with any decision of a bituminous mine inspector he may appeal to the Secretary of Mines, who directs two or more inspectors to investigate. If all inspectors concur, their decision is final except that the owner may appeal to the County Court of Quarter Sessions.

The investigational function of the inspectors also extends to accidents. The inspectors investigate every fatal and serious mine accident in their district. They also attend every coroner's inquest of deaths occurring in and around collieries and mines. In the event of a catastrophe, such as a fire or cave-in, it is the duty of the inspectors to take a lead in plans for the rescue, relief and recovery of both life and property.

Inspectors attend company safety meetings, and stress safety in all their contacts.

In addition to these duties the inspectors serve as ex-officio members and chairmen of the Mine Foreman's Examining Boards in their districts.

4. Mine Foremen's Examining Boards

(4)

The laws require that before a man may serve as a foreman or assistant foreman in any Pennsylvania coal mine he must pass an examination and receive a certificate of qualification. The agencies for so examining prospective foremen and assistant foremen are the Mine Foremen's

Examining Boards. There are two groups of such boards: (1) The Anthracite Mine Foremen's Examining Boards and (2) the Bituminous Mine Foremen's Examining Boards. While the Anthracite Boards certify only for the positions of foreman and assistant foreman, the Bituminous Boards certify for the positions of foreman, 1st and 2nd grades, assistant foreman, 1st and 2nd grades, fire boss, mine electrician, shot firer, and mining machine runner.

It is the function of the Boards to examine and certify applicants for these positions. The Boards inquire into the character and qualifications of the applicants and certify the successful persons to the Secretary of Mines, who issues certificates of qualification to them.

a. Anthracite Mine Foremen's Examining Boards

There is an Anthracite Mine Foremen's Examining Board for every inspection district in the anthracite field. Meetings may be held at any time and the Boards may make their own rules for the conduct of examinations. The law requires the Boards to certify their actions to the Secretary of the Department of Mines.

b. Bituminous Mine Foremen's Examining Boards

The Bituminous Mine Foremen's Examining Boards are appointed on petition of district inspectors. The Secretary of Mines selects a committee which prepares the examination to be given by all the Bituminous Boards. The Secretary also designates the Board before which each applicant shall appear.

As is explained later, when these Boards meet they also review and ratify the certification of bituminous miners by the mine inspectors.

The following table indicates the volume of work of the Boards for the past several years.

TABLE XV-C
 ANTHRACITE AND BITUMINOUS MINE FOREMEN'S EXAMINATIONS,
 1937-1940

Year	Region	Number of Boards	Number of Applicants	Number of Granted Certificates	Number of Unsuccessful Applicants
1937	Anthracite	None	None	None	None
	Bituminous	9	1,216	419	797
1938	Anthracite	6	208	186	22
	Bituminous	15	2,103	790	1,313
1939	Anthracite	5	169	141	28
	Bituminous	10	2,846	1,233	1,613
1940	Anthracite	5	153	141	12
	Bituminous	10	2,276	822	1,454

5. Miners' Examining Boards

Just as with the foremen, miners must also pass an examination and receive a certificate of qualification before they may work in Pennsylvania mines. Also as with the Foremen Examining Boards, there are two groups of Miners' Examining Boards: (1) The Bituminous Boards and (2) The Anthracite Boards.

(5)

a. Bituminous Miners' Examining Boards

The Bituminous Miners' Examining Boards are under the direct supervision and control of the Department of Mines. The Secretary of Mines is authorized to appoint as many Bituminous Miners' Examining Boards, not exceeding five, as he deems necessary. Under a 1939 statute,

(6)

when the Secretary believes that there is a sufficient number of bituminous miners certified he is empowered to suspend the activity of the Bituminous Miners' Examining Boards and direct that additional miners be examined and certified, under rules and regulations prescribed by him, by the district Mine Foremen Examining Board. (Previous to the passage of this statute, the Bituminous Miners' Examining Boards were required to meet at least once every three months, even though after the first rush of certification there were few miners to examine.)

The Secretary of Mines has interpreted this discretionary power to be of such a character as to permit him to designate the mine inspectors to examine applicants for miners' certificates. Accordingly, the mine inspectors now examine the applicants at any convenient time or place. At their regular meetings twice each year, the Bituminous Mine Foremen's Examining Boards review and approve the certificates issued by the inspectors.

In the first eight months of 1940 approximately 6,850 bituminous miners were so certified. Since the passage of the 1937 statute requiring such licensing approximately 136,500 bituminous miners have been examined and certified.

b. Anthracite Miners' Examining Boards

While the Anthracite Miners' Examining Boards exist for the same purpose as the Bituminous Boards of similar name, they occupy a different status than the Bituminous Boards. The Anthracite Boards are not under the supervision and control of the Department of Mines, but are appointed by the courts of the county in which they sit. The reason for the independent status of the Anthracite Boards appears to be historical. The Act establishing them was passed in 1897⁽⁷⁾ and has not been

materially changed, while the Act establishing the Bituminous Boards was passed in 1937.

The law specifies that there be one Miners' Examining Board in each inspection District. These Boards are required to meet every month. In addition to examining miners, these boards are required to keep a registration book of all qualified miners in their districts.

The number of miners examined annually by each of these Anthracite Miners' Examining Boards has steadily declined. However, the number varies with the particular Board -- some Boards examine as few as sixty applicants each year, while other Boards examine over five hundred.

6. Mine Inspectors' Examining Boards

There are two additional boards which, while under the fiscal control of the Department of Public Instruction, are integrally tied up with the work of the Department of Mines. The law providing for the mining inspectors requires that they take an examination to qualify for their positions. The examination and certification of successful applicants is performed by the Mine Inspectors' Examining Boards, of which there is one for Anthracite Inspectors known as the Anthracite Mine Inspectors' Examining Board, (8) and one for the Bituminous Inspectors known as the Bituminous Mine Inspectors' Examining Board. (9)

The function of these Boards is to prepare the examination, formulate the rules under which the examination will be conducted, and grade the examinations when completed. Before examining candidates the Boards must review them to determine if they possess the required qualifications. Successful applicants are certified by the Boards to the Governor and the

Secretary of Mines. The examinations are given every four years, at the call of the Governor, or earlier if there are less than three qualified persons left on the list.

The Bituminous examinations are not allowed to exceed forty days. The number of days for the anthracite examinations is regulated by the Secretary of Mines. The records of these Boards are filed with the Department of Public Instruction.

The volume of work of these Boards is indicated by Table XV-D.

TABLE XV-D

ANTHRACITE AND BITUMINOUS MINE INSPECTORS' EXAMINATIONS,
1935-1940

Year	Region	Number of Applicants	Number Granted Certificates
1935	Anthracite	106	60
1936	---	---	--
1937	Bituminous	102	16
1938	Anthracite	60	26
1939	---	---	--
1940	---	---	--

D. PERSONNEL

The organization delineated above for the Department of Mines is staffed in the following manner:

1. Secretary of Mines

The Secretary of Mines is appointed by the Governor, by and with the consent of the Senate, for a term of four years and until his successor is appointed and qualified. He receives a salary of \$10,000 per annum, as established in the Administrative Code.

(10)

2. Administrative Section

The administrative section is under the control of the Deputy Secretary of Mines. As of June 1, 1940, the section was staffed with the following employees:

TABLE XV-E

PERSONNEL EMPLOYED IN ADMINISTRATIVE SECTION
AND ANNUAL SALARY COSTS
JUNE 1, 1940

Personnel Title	Number Employed	Annual Salary Costs
Deputy Secretary	1	\$ 6,600
Principal Clerk	1	1,860
Advanced Corresponding Secretary	1	1,860
Senior Statistical Clerk	1	1,860
Senior Statistical Clerk	1	1,500
Senior Statistical Clerks (\$1,380) ..	2	2,760
Advanced Statistical Clerks (\$1,620).	2	3,240
Senior Stenographer-Secretary	1	1,620
Stenographer-Secretary	1	1,400
Stenographer-Secretary	1	1,380
Accident Clerk	1	1,140
Total Annual Salaries	13	\$25,220

3. Mine Inspectors

As has been previously explained, mine inspectors must successfully pass an examination and be certified by the Inspectors' Examining Boards in order to be eligible for appointment as inspectors.

Before an applicant may take an examination for mining inspector he must possess certain qualifications and experience. (11) If applying for the position of Anthracite Inspector he must be between the ages of 30

and 55, while Bituminous Inspectors must be not less than 30 or more than 50 years of age. All candidates for inspector must be citizens of Pennsylvania, of good health, and of temperate habits. Anthracite applicants must have had at least ten years practical experience in the Commonwealth anthracite mines. While bituminous applicants must have had at least ten years practical experience in bituminous mines, only five of these years need be in the Commonwealth fields. Applicants must also possess a knowledge of mine chemistry, electricity and engineering, as well as a working knowledge of first aid.

The examinations are in writing and a grade of 90% is required for passing. Allowance is given for experience in the anthracite examinations but this allowance cannot exceed 25%. A portion of the bituminous examination is oral.

The certificates issued to successful examinees remain in effect for four years. Appointments are made by the Governor from the certified eligible list. If an anthracite examinee is appointed as an inspector and serves in that capacity for four years, his certificate becomes permanent. Bituminous inspectors' certificates become permanent after the inspectors have been appointed and have passed two examinations, and remain permanent only while the inspector holds office. If an inspector resigns his office he may not be reappointed without taking another examination. Inspectors have an unlimited term of office upon their certificates becoming permanent, unless the inspector becomes physically disabled or convicted of malfeasance in office. Inspectors may not be employed or interested in the operations of any mines. Inspectors may be removed from office upon

the petition of fifteen or more miners or operators, or of the Secretary of Mines, to the Court of Common Pleas wherein the inspector's district is located, setting forth that the inspector holds office illegally, or is neglectful, incompetent or unable to perform his duties or is guilty of malfeasance. The court then tries and investigates the charges and, if it finds them to be true, declares the office vacant and so certifies the same to the Governor, who may appoint a new inspector from the eligible list.

Each inspector is assigned to a designated district. It is intended that the size of the district and the number of mines therein be such as to permit the inspector to perform the required inspections, investigations, examinations, and other related work. The inspectors are considered as based within the district. Anthracite inspectors are required by law to reside within their districts. However, inspectors receive traveling expenses within the district -- five cents a mile if traveling by automobile and actual fare if traveling by train. They are reimbursed for the actual cost of meals and hotel accommodations when traveling on duty outside their district. The districts are of such size that the maximum trip over bituminous districts is about fifty miles, and about twenty miles in the anthracite districts. Inspectors also receive \$10.00 per month for the rent of offices in which to conduct examinations and hearings. Inspectors frequently use their homes for offices.

(10)

The salary of the mining inspectors is established by law at \$4800 per annum. As of June 1, 1940, there were 23 anthracite inspectors

and 25 bituminous inspectors in the employ of the Department producing annual salary expenditures of \$230,400.

In addition to the mining inspectors, the Department also employs one electrical inspector at \$2,550 per annum, which salary is paid out of the administrative appropriation.

4. Mine Foremen's Examining Boards

The personnel of the Mine Foremen's Examining Boards is dependent upon whether the boards are in the bituminous or anthracite field.

a. Anthracite Mine Foremen's Examining Boards

The Anthracite Mine Foremen's Examining Boards consist of the district mine inspectors, two miners and an owner, operator or superintendent. The latter three are appointed by the Common Pleas Court of the county for a term of one year. They receive from the Commonwealth \$6.00 for each day of service, not exceeding ten days per year, plus traveling expenses to and from the place of meeting.

b. Bituminous Mine Foremen's Examining Boards

The Bituminous Mine Foremen's Examining Boards consist of a mine inspector as an ex-officio member and the chairman, a miner and a superintendent or operator, all of whom must possess certain qualifications. These members are appointed by the Court of Common Pleas of the county in which the board will sit, upon the petition of the mine inspector for the district.

Board members receive \$6.00 for each day actually engaged, not exceeding 15 days in all, plus five cents a mile for each mile necessarily traveled between their homes and the place of the meeting.

5. Miners' Examining Boards

As previously explained, the Bituminous Miners' Examining Boards possess a different status than the same boards in the anthracite field. This produces a difference in their personnel.

a. Bituminous Miners' Examining Boards

It was noted that the Secretary of Mines has utilized his discretionary power and suspended the activities of the Bituminous Miners' Examining Boards. However, when in action, the boards, of which the Secretary can appoint no more than five, are composed of three members appointed by the Secretary of Mines. Each member must be a practical, experienced miner with at least ten years experience in the bituminous mines of the State.

Under the original statute each member received \$10 for each day employed. However, the 1939 statute which permitted the Secretary of Mines to suspend the activities of the Boards when there was an ample supply of miners also reduced the compensation of the members to \$6.00 per day.

The Boards organize themselves, choosing a chairman and secretary. All books and records of the Board are kept under the supervision of the Department of Mines.

With the adoption of the policy of having the bituminous miners examined by the mining inspectors, there are no Bituminous Miners' Examining Boards.

b. Anthracite Miners' Examining Boards

The members of the Anthracite Miners' Examining Boards are appointed for a term of two years by the Court of Common Pleas of the

county in which they sit. These boards consist of nine members, each of whom must possess at least five years practical experience in mining.

The members receive \$3.00 for each day served, plus all necessary expenses. This compensation is not paid by the State but out of the fees charged to applicants.

6. Mine Inspectors' Examining Boards

The Mine Inspectors' Examining Boards, as previously noted, are an organizational section of the Department of Public Instruction. These Boards are made up of seven persons -- The Secretary of Mines, the Superintendent of Public Instruction in an ex-officio capacity, two engineers and three miners. The latter five are appointed by the Governor every four years for four-year terms. The two engineers must have had at least five years experience in the anthracite or bituminous mines of Pennsylvania, depending upon which Board they are appointed to. The three miners on the Anthracite Mine Inspectors' Examining Board must have had at least five years practical experience in Pennsylvania's anthracite mines, while the three miners on the Bituminous Board must have passed an examination for mine inspector or foreman in bituminous mines generating explosive gas, in addition to having five years practical experience in Pennsylvania's bituminous mines. All members of both Boards must be over thirty years of age.

The Secretary of Mines serves as Chairman of the Boards. The Boards elect a secretary who need not be a member of the Board.

The members of the Boards receive \$15 for each day employed. For serving on these Boards, the Secretary of Mines receives such compensa-

tion as is set by the Board with the approval of the Superintendent of Public Instruction. The Secretary of Mines has the right to determine the number of days for which the members may be compensated.

Neither of these boards has met since 1938.

In Table XV-F, is shown the regular personnel of the Department of Mines on June 1, 1940. The tabulation does not show personnel of the various examining boards, since for two boards the examiners are appointed only for the duration of the examinations. With respect to the Mine Inspectors' Examining Boards, all personnel is charged against the Department of Public Instruction.

TABLE XV-F
SUMMARY OF REGULAR DEPARTMENTAL EMPLOYEES
JUNE 1, 1940

Section	Number of Employees	Total Annual Salaries
Secretary of Mines	1	\$ 10,000
Administrative Section	13	25,220
Mine Inspectors	49*	232,950
Total	63	\$268,170

* Includes one Electrical Inspector @ \$2,550

E. FINANCES

The receipts and disbursements of the organizational sections of the Department of Mines are as follows:

1. Secretary of Mines

The Secretary receives a salary of \$10,000 a year. In the 1937-1939 biennium, expenditures for this purpose totaled \$16,699, the difference

between this and the stipulated salary being due to a vacancy in the office for a brief period. For the biennium 1939-1941, \$20,000 has been appropriated. While not an expenditure of the Department, the Secretary has some supervisory authority over the use of the \$50,000 appropriated to the School of Mineral Industries of the Pennsylvania State College.

2. Administrative Section

The expenditures of the administrative section are for salaries, wages, material, supplies, printing, equipment, etc. In the biennium 1937-1939 the expenditures of this section totaled \$72,108. An appropriation of \$80,000 for this section was made for 1939-1941. However, this was reduced to \$72,000 by the Special Session of 1940.

3. Mine Inspectors

As has been previously noted, the law provides that mine inspectors receive a compensation of \$4,800 per year, plus certain necessary expenses. In the biennium of 1937-1939 these items totaled \$524,299. Over 85% of the amount was for salaries. The sum of \$520,000 was appropriated for 1939-1941.

No fees are charged for inspections.

4. Foremen's Examining Boards

In the 1937-1939 biennium the expense of the Foremen's Examining Board aggregated \$9,968.56. This covered the per diem compensation of the members, plus clerical and other expenses of the Boards. For the 1939-1941 biennium there was an original appropriation of \$10,000, which was reduced to \$8,000 by the Special Session of 1940.

All applicants for the examinations are charged a fee of \$2.00 and all successful examinees must pay an additional fee of \$3.00. Table XV-G shows that fees amounting to \$29,538 were collected by these Boards for

the two fiscal years 1937-1939, of which \$28,542 was collected by the Bituminous Board.

TABLE XV-G

FEEES RECEIVED BY MINE FOREMEN'S EXAMINING BOARDS
DURING 1937-1939 BIENNIUM

Source of Fees	Amount
<u>Anthracite Foremen's Examining Boards</u>	
Fees for Foremen's Examinations	\$ 996
<u>Bituminous Foremen's Examining Boards</u>	
Fees for Foremen's Examinations	16,516
Fees for Shot Firers' Examinations	4,628
Fees for Machine Runners' Examinations	7,398
Total	\$29,538

Thus, in the 1937-1939 biennium, the receipts of the Foremen's Examining Boards exceeded the expenditures by approximately \$19,500.

It is estimated in the 1939-1941 budget that foremen's examination fees will amount to \$8,600, and that \$10,000 will be received from examination and certification fees for bituminous shot firers and machine runners.

5. Miners' Examining Boards

The only group of the Miners' Examining Boards that affect the finances of the Department of Mines is the Bituminous Miners' Examining Boards. In the Anthracite Boards the compensations of the board members are paid out of the fees collected. However, the Bituminous Boards are under the financial control of the Department.

a. Anthracite Miners' Examining Boards

While the Anthracite Miners' Examining Boards do not affect the

finances of the Department of Mines, their finances are interesting. Most of these Boards do not collect sufficient fees to cover all their expenses. For the 1940 fiscal year one Board received \$397 in fees but incurred expenses of \$636, creating a deficit of \$289. Another Board's expenses exceeded receipts by \$149. Out of five Boards for which information was available only one collected sufficient to meet all obligations.

b. Bituminous Miners' Examining Boards

In 1937-1939, the first biennium for which they were in existence, the Bituminous Miners' Examining Boards cost \$56,527.95, of which wages and traveling expenses amounted to approximately \$39,000. These Boards charge a fee of \$1.00 upon all applicants, plus an additional fee of \$1.00 upon all examinees who pass. During the 1937-1939 period these fees aggregated \$132,124.00. Thus, the revenue of the Boards exceeded the expenditures by approximately \$75,000.

However, this was an unusual condition, due to the fact that it was the first time that examinations were given and there was a great rush to be certified. In the future the expense of the Bituminous Miners' Examining Boards will be considerably lower due in part to a lower volume of work, and also due to the fact that under the authority of the 1939 amendment the Secretary of Mines has suspended the activity of these Boards because there appears to be an ample supply of miners, and has transferred the examination of miners to the Mining Inspectors. For this reason there was an appropriation of only \$5,000 for this purpose for the biennium 1939-1941, in order to pay boards that met prior to the amendment. However, it was estimated that \$15,000 will be received

over the period from fees for such examinations.

6. Mine Inspectors' Examining Boards

These Boards are under the fiscal control of the Department of Public Instruction, all costs being borne by that Department and all fees collected by it.

Financial Summary

All these expenditures for the biennium 1937-1939 total \$679,602, during which period the Department earned \$162,473, producing a net cost of \$517,129. It was originally estimated that in the 1939-1941 biennium the Department of Mines would spend \$635,000 and receive \$33,600 for a net cost of \$601,400. However, the 1940 Special Session reduced the appropriations to \$625,000, which, if receipts remain the same as originally estimated, will produce a net cost of \$591,400.

FOOTNOTES

- (1) 1903, P. L. 180.
- (2) The general anthracite law now in effect is 1891, P. L. 176 and its subsequent amendments. The general bituminous law now in effect is 1911, P. L. 756 and its subsequent amendments.
- (3) 1939, P. L. 1111.
- (4) Anthracite 1903, P. L. 180, 1923, P. L. 456 and amendments. Bituminous 1923, P. L. 481, 1937, P. L. 2479 and amendments.
- (5) 1937, P. L. 551.
- (6) 1939, P. L. 867.
- (7) 1897, P. L. 287.
- (8) 1937, P. L. 2461.
- (9) 1911, P. L. 756 and amendments.
- (10) Administrative Code, Section 209.
- (11) Administrative Code, Section 438.

CHAPTER XVI

DEPARTMENT OF PROPERTY AND SUPPLIES

A. FUNCTION

The Department of Property and Supplies was created under the provisions of the Administrative Code of 1923 to succeed the Department of Public Grounds and Buildings and the Department of Public Printing and Binding. Prior to 1914, the Board of Public Grounds and Buildings exercised most of the present functions of the Department. In 1923, the powers and duties of that Board were placed in the newly created Department although the Board was retained, under Administrative Code, for certain formal duties. In 1929, the Administrative Code enlarged the powers of this Department so that in addition to taking over the powers of the former Department of Grounds and Buildings, it became the general purchasing agent for all the departments, boards, commissions and institutions of the State Government. The Secretary of the Department is appointed by the Governor and receives a salary of \$10,000 a year.

B. POWERS AND DUTIES

The consolidation of the former Board of Public Grounds and Buildings and the Department of Public Printing and Binding has placed within the Department of Property and Supplies the functions that previously existed under those two agencies. The Department is also concerned with various memorial and statutory commissions. Its most important function is to act as the purchasing agency for all the departments, boards and commissions of the Commonwealth, except in cases of fuel and perishable food stuffs, and to make awards on contracts for all needed supplies. Secondly, it is charged with the supervision of the construction work of

the several departments, boards, commissions, and institutions in the Commonwealth and in this respect sees to the alterations of and additions to existing buildings. For this purpose, it has the right of eminent domain, and approves plans and specifications, as well as bonds for the completion and proper performance of construction contracts, and may appoint architects.

The Department is responsible for the maintenance and operation of all automobiles owned by the Commonwealth, except those of the Department of Highways, which maintains and operates its own automobiles after they are purchased by the Department of Property and Supplies. All State officials and employees who, by law, must give a surety bond for the proper performance of their functions, must secure these bonds through the Department. The Department is the sole agency for the contracting of liability insurance of any nature for the State automobiles as well as for all buildings and property of the Commonwealth. However, it should be noted that the State Treasurer may secure the necessary bonds for securities held in that Department, that the Banking Department is responsible for obtaining bonds for closed banks and closed building and loan associations, and that the Insurance Department may secure its own bonds from insurance companies in process of liquidation.

Another important function is that with regard to the editing, printing and binding of all publications of the Commonwealth. In this regard, the Department acts as purchasing agent for all printing used in the legislative and other agencies of the State Government and awards contracts in connection therewith. Not only does it edit all publications, but copyrights the same in the name of the Commonwealth, and conducts the sale of the publications, collecting and transmitting the re-

ceipts therefrom to the Department of Revenue. The Department also acts as the agent for the other Departments, boards and commissions in negotiating leases for all space for occupancy by State offices in the various counties of the Commonwealth. It leases such offices from outside agencies or from the General State Authority, and rents to individuals, firms or corporations, such real estate owned by the Commonwealth as is not being used in connection with the work of any agency of the Government. The Department of Property and Supplies is the chief Department wherein rights of way and other easements may be granted over State property. The Department formulates and establishes all standards and specifications for articles, materials, supplies, furnishings and any other equipment which it purchases or for which it enters into contract.

The Department of Property and Supplies provides the custodial care and maintenance of the Capitol group of buildings, including the Publications Building and the Executive Mansion, the State Garage and certain monuments throughout the State. Personal property belonging to the Commonwealth, such as furniture, rugs, documents, and waste paper, which have become unserviceable, are sold by the Department in conformity with the law. An important function of the Department concerns the acquisitions and sale of real estate to and from the Commonwealth. Except for the special powers held by the Department of Forests and Waters, the Highway Department, and the Fish and Game Commissions, no land may be purchased in the name of the Commonwealth, nor may State land be sold except through the Department of Property and Supplies. It is the agency of the Government which conducts such sales or purchases, although the approval of the Governor and Attorney General as well as authorization for such sale or purchase by an act of the Legislature is also required. The custody of real estate de-

vised to the Commonwealth is in the Department of Property and Supplies.

C. ORGANIZATION AND OPERATIONS

The Board of Commissioners of Public Grounds and Buildings and the State Art Commission constitute the only detached administrative agencies within the Department. Apart from these the organization of the Department, as is shown in Chart XVI-1, comprises six bureaus or offices each with numerous divisions and sections.

The Deputy Secretary is responsible for the administration and coordination of the work of the Department, and represents the Secretary in matters of department policy and personnel, and in the maintenance of all departmental activities.

1. Executive Office

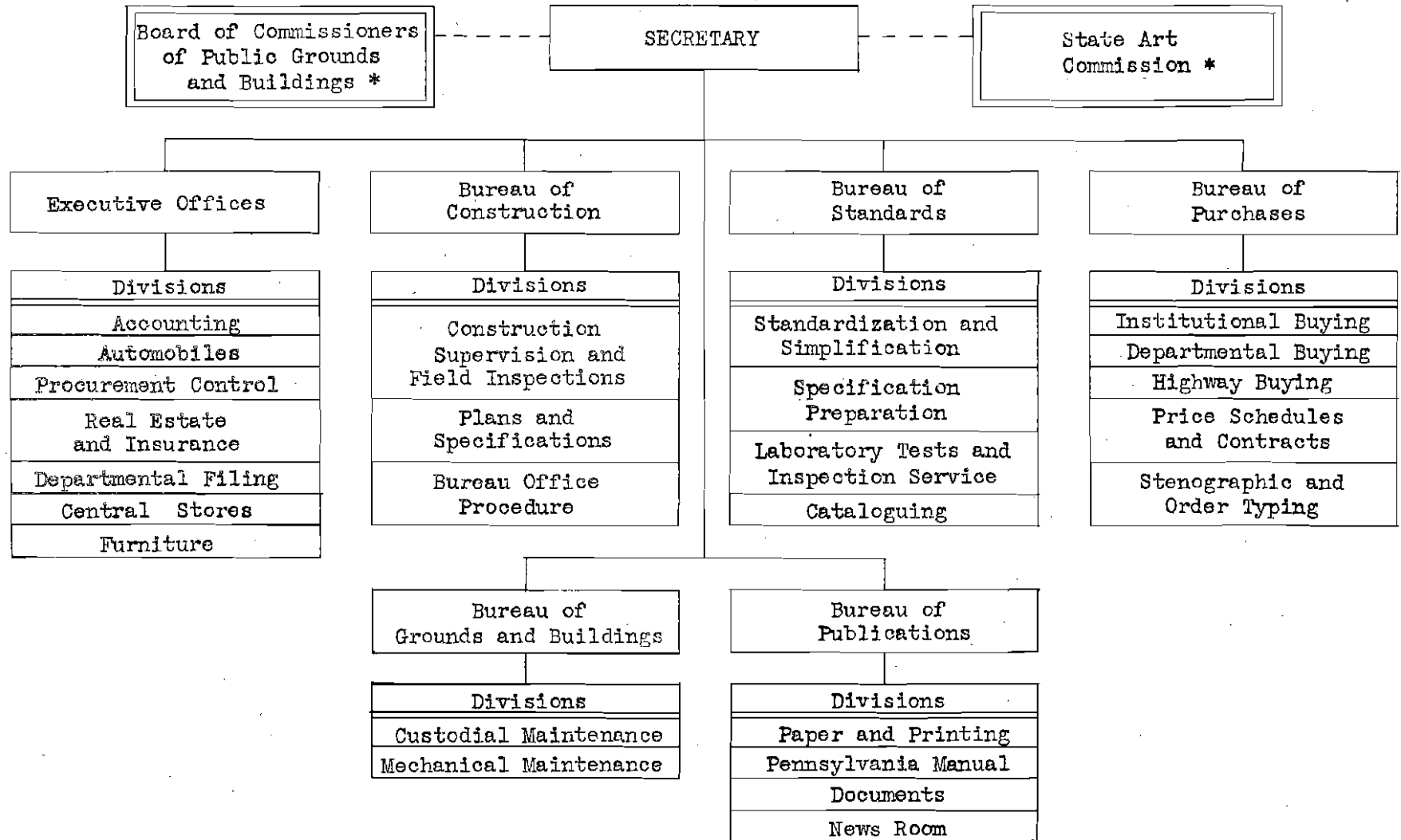
This office was organized to decide all policies pertaining to the Department's activities and to insure direct supervision of all personnel and services of the various bureaus and divisions of the Department. The chief divisions within this office are those pertaining to automobiles, accounting and the handling of real estate and insurance. In the performance of its functions, the Board of Commissioners of Public Grounds and Buildings cooperates with the Executive Office. This is done through a secretary of the Board who is an employe of this Division of the Department. The comptroller is in direct charge of the work of the Executive Office.

a. Division of Accounting

This was formerly a separate bureau within the Department. Its primary function is the direction, supervision and control of the preparation of the Departmental budget, and the recording of the appropriations made to the Department and the necessary disbursements therefrom. This

CHART XVI-1

ORGANIZATION OF THE DEPARTMENT OF PROPERTY AND SUPPLIES



-1605-

* Departmental Administrative Board or Commission.

work is performed through an Appropriation Control and Revenue Section. The Division collects and pays to the Department of Revenue all monies received from the disposal of unserviceable property, from the sale of all published documents of the Commonwealth, including advanced sheets of pamphlet laws, from the rentals for the use of automobiles in the custody of the Department, and from rentals of leased Commonwealth property. The Department now allocates to the various departments, boards and commissions the costs incurred by the Department in the purchase of equipment, materials and supplies for those agencies, where these agencies operate under special funds. The same procedure with regard to allocations also applies in the case of costs incurred for those agencies for water, light, heat, power, telephone and other services utilized and consumed by them. The Department is reimbursed for these costs from the special operating funds paid by the State Treasury into the general fund. (2)

A Payroll and Budget Section prepares the payroll for the large number of employes within the Department, while a Personnel Section is concerned chiefly with problems regarding the employment of most of the laborers in the Bureau of Grounds and Buildings. The invoices of contractors employed by the Department for construction of buildings or the repair of existing ones must be approved by the Executive Office. All other invoices and contracts entered into by the Department require examination, auditing and approval through an Invoice, Audit and Approval Section. In all those cases where bids are required and bonds must be filed, in accordance with the provisions of the law, this Section is required to investigate all matters pertaining thereto and to register its approval or disapproval. Bonds and certified checks are returned to unsuccessful bidders, while the records of the checks and bonds of successful bidders are retained by the Department.

b. Division of Automobiles

The duties of the Automobile Division are provided for in the Administrative Code, which requires the Department of Property and Supplies to assume responsibility for the maintenance and operation of all automobiles owned by the Commonwealth, except those in use by the Department of Highways which maintains the automobiles purchased for it by the Department of Property and Supplies as purchasing agent. ⁽³⁾ The Division is required to contract for the making of all repairs, for oil, gasoline, tires and repair parts used in the operation of these cars. The Division assigns all automobiles to the various departments, boards, commissions and institutions for full time daily use, and maintains a sufficient number of automobiles which may be assigned for use by the various State agencies requiring them for part time periods. Such automobiles, with or without chauffeurs, are furnished to the agency upon requisition by the proper authority. A State officer or employe may use his own automobile, for which he is reimbursed in accordance with the fees and rules established by the Executive Board. The present rate established by the Board for these private cars is $3\frac{1}{4}$ per mile.

The types and number of automobiles purchased by the Department, and the use of these automobiles by State officers and employes is subject to the approval and rules of the Executive Board. During the last biennium the Division controlled the operation of approximately 1800 passenger cars and 625 trucks. Of this number the passenger cars were classified in several different groups. The lowest group consisted of the lowest price cars such as the Ford, Plymouth and Chevrolet, and the higher classifications included more expensive automobiles in each group. The automobiles assigned for permanent use to the Departments were, as a

rule, in the lowest price group. These usually went to health officers and nurses in the Department of Health, inspectors in Forests and Waters, fish and game wardens, motor police, et cetera. The higher the rank of a State Official, the better the car assigned whether for temporary or permanent use.

TABLE XVI-A

COMPARISON OF COMMONWEALTH OWNED
PASSENGER CARS AND TRUCKS
JUNE 1, 1933 to JUNE 1, 1940

Date	Passenger Cars	Trucks
June 1, 1933.....	845	432
June 1, 1935.....	926	593
June 1, 1937.....	1273	552
June 1, 1939.....	1830	620
June 1, 1940.....	1794	635

Regular monthly reports must be filed with the Department containing detailed information of the places to and from which each automobile was operated, the mileage traveled, the amount of oil and gasoline purchased, the names of employees of the agency operating each automobile and of the employees for whom the automobiles were operated. Exceptions are made in the case of the Department of the Auditor General, the Treasury Department, or the Pennsylvania Motor Police regarding the places to and from which the cars have traveled, or the names of the persons by or for whom the automobile was operated. Otherwise, whether the cars are permanently assigned to the Departments or not, this Division has centralized supervision. The Division keeps a complete record of those cars assigned from time to time to the various departments. The assignments as of June 1, 1940 are summarized in the following table:

TABLE XVI-B

AUTOMOTIVE EQUIPMENT ASSIGNED TO STATE DEPARTMENTS

JUNE 1, 1940

Governor's Office		Department of Internal Affairs	
Passenger Cars.....	2	Passenger Cars.....	1
Lieutenant Governor		Department of Justice	
Passenger Cars.....	1	Passenger Cars.....	29
Auditor General		State Workmen's Insurance Fund	
Passenger Cars.....	43	Passenger Cars.....	1
Treasury Department		Department of Labor & Industry	
Passenger Cars.....	6	Passenger Cars.....	67
Commerce Department		Liquor Control Board	
Passenger Cars.....	1	Passenger Cars.....	206
Department of State		Trucks.....	54
Passenger Cars.....	1	Bicycles.....	2
Department of Agriculture		Military Affairs	
Passenger Cars.....	115	Passenger Cars.....	14
Trucks.....	20	Trucks.....	38
Department of Banking		Tractors.....	10
Passenger Cars.....	1	Motorcycles.....	12
Forests and Waters		Trailers.....	6
Passenger Cars.....	51	Department of Mines	
Trucks.....	117	Passenger Cars.....	1
Tractors.....	48	Property & Supplies - Per. Assigned	
Motorcycles.....	29	Passenger Cars.....	5
Trailers.....	22	Trucks.....	3
Beats.....	3	Property & Supplies - Tem. Fleet	
Department of Health		Passenger Cars.....	109
Passenger Cars.....	285	Trucks.....	6
Trucks.....	14	Public Assistance	
Trailers.....	2	Passenger Cars.....	29
Health-Institutions		Trucks.....	2
Passenger Cars.....	16	Public Instruction	
Trucks.....	34	Passenger Cars.....	1
Tractors.....	4	Public Instruction - Institutions	
Department of Insurance		Passenger Cars.....	5
Passenger Cars.....	2	Trucks.....	21
		Busses.....	2
		Tractors.....	5

TABLE XVI-B (Continued)

Public Utility Commission		Welfare - Prison Labor Division	
Passenger Cars.....	19	Passenger Cars.....	6
Trucks.....	1	Trucks.....	5
		Tractors.....	4
Department of Revenue		Trailers.....	1
Passenger Cars.....	11	Fish Commission	
Trucks.....	32	Passenger Cars.....	2
Tractors.....	3	Trucks.....	57
Aeroplanes.....	6	Tractors.....	9
Boats.....	1	Trailers.....	6
		Boats.....	1
Pennsylvania Motor Police		Game Commission	
Passenger Cars.....	674	Passenger Cars.....	13
Trucks.....	16	Trucks.....	56
Trailers.....	1	Tractors.....	7
Motorcycles.....	85	Graders.....	2
		Trailers.....	7
Department of Welfare		Boats.....	2
Passenger Cars.....	1		
Welfare-Institutions			
Passenger Cars.....	76		
Trucks.....	159		
Ambulances.....	8		
Tractors.....	73		
Motorcycles.....	36		
Trailers.....	15		

SUMMARY OF AUTOMOTIVE ASSIGNMENTS
BY TYPE
JUNE 1, 1940

Grand Total Passenger Cars.....	1,794
Grand Total Trucks.....	635
Grand Total Ambulances.....	8
Grand Total Busses.....	2
Grand Total Tractors.....	163
Grand Total Motorcycles.....	162
Grand Total Graders.....	2
Grand Total Trailers.....	60
Grand Total Boats.....	7
Grand Total Aeroplanes.....	6
Grand Total Bicycles.....	2
 Total.....	 2,841

As already noted, the Department of Property and Supplies contracts for all oil and gasoline, tires, repair parts, and repairs. The Department of Highways, however, and most of the State institutions maintain their own automobiles, although under contracts approved by the Department. The expenditures for this maintenance and repair work are allocated among the different departments and agencies. In the case of those cars permanently assigned, the respective agency is responsible for its complete operation and maintenance. In the case of those temporarily assigned upon request, the Department, board or commission making the request is liable for the particular costs involved in proportion to the mileage for which the cars are used.

The Division has caused to be executed approximately five hundred contracts throughout the Commonwealth providing for the repairing of State-owned automobiles. These contracts are not let out by bids, but are entered into between the Department and the particular shops throughout the Commonwealth at different points where it is thought most advisable for these shops to be. A rigid scrutiny of the prices charged by these shops is maintained. A schedule, or standard set of prices is more or less followed and the approval by the Division of all repair work is usually required. In the case of minor repairs, this approval is not regularly enforced. In cases of emergency, repairs may be undertaken, but very often a prior consent of the Division is required. The Highway Department makes its own repairs at its various storage sheds throughout the Commonwealth and maintains a central garage for storage and repair purposes in Harrisburg. The State Institutions store and repair their cars at their own storage sheds. The State Motor Police also maintain their own garages and repair shops. Minor repairs are made through

the Division's mechanics, while major repairs and maintenance, including washing of the cars, are contracted out to individuals.

(1) The Mechanical Inspection Division

The Mechanical Inspection Division is concerned chiefly with the regular inspection of State-owned automobiles, while a section is also concerned with the question of garages and servicing and maintenance problems. The Statistical Records Section compiles the regular reports received from the various users of automobiles and draws up tables indicating the mileage traveled and costs involved.

c. Division of Real Estate and Insurance

The leases entered into by the Department for the accommodation of the various departments, boards and commissions are handled through this Division. The Department acts as a negotiating agent and the approval of the Executive Board and the Board of Commissioners of Public Grounds and Buildings is required before any branch offices may be established outside of Harrisburg. With the approval of the Governor, contracts are also entered into with the General State Authority to lease, as lessee, any of the projects undertaken by the Authority for a term of not exceeding 30 years. When the Department acts as lessor to an individual firm or corporation of any of the unused properties, the lease may not be for a longer term than one year and so on from year to year. Any lands necessary for the proper exercise of functions by a department, board or commission are leased through this Division.

In general, each agency pays for its own rentals in accordance with the rate negotiated by the Department. This is invariably true in the case of these offices not in government buildings and outside of Harrisburg. With regard to the use of any Capitol buildings, these agencies

which operate on special funds are assessed in accordance with the space they occupy at the rate of about 20¢ per square foot. This is considerably less than the average rate of about \$2.00 a square foot which is the usual charge in Harrisburg. However, the lesser amount is not based on the cost of the building, or the ground, but on the operating expense which the State incurs in maintaining a particular agency in one of its buildings. The Department of Property and Supplies is responsible for those rentals which have to be paid to the General State Authority. For this purpose, the appropriation in the last budget totaled \$7,687,000, of which \$588,000 went for rentals to buildings at the Pennsylvania State College. This represents an appropriation increase of \$5,000,000 over the previous biennium and is explained by the fact that most of the buildings that had been under construction have now been completed and are occupied.

A problem which confronted the Department for a number of years was the lack of inspectional supervision in the leasing of office space and other accommodations for the various agencies in the Government. Under former regulations, the Department was chiefly concerned with the negotiations of the leases and took no official stand on the question of inspecting any of the locations and accommodations which were being contemplated for rental. To alleviate this situation, the Division has taken on several regional inspectors who are now engaged, under the supervision of a central real estate expert, in the inspection of all sites before any leases are signed for use by the Government. This work includes also the making of any surveys of available accommodations, even though there may be no immediate necessity for such space. The surveys also include the relocation of present leased holdings for the purpose of effecting economies. This is a proper function of the Division, since the duty of con-

tracting the leases necessarily includes the inspection of the contemplated lease sites, to determine their availability for the agency in question.

The power to purchase land, either by sale or condemnation, is within this Division. As already noted, the Department has the general authority to purchase any land desired by the Commonwealth so long as such purchase has been approved by the Governor, authorized by the Legislature and appropriation provided therefore. With regard to the sale of land, the Department also acts as general vendor for the Commonwealth, although here also an act of legislature must give the proper authorization. Exceptions to these rules with respect to purchase and sale of land, are those powers vested in the Department of Forests and Waters, and the Highway Department and Game Commission to acquire and sell land for their own purposes. Otherwise, the Department of Property and Supplies either conveys or obtains property in the name of the Commonwealth "at prices or such price as may be agreed upon." Sometimes the specific act of the Legislature provides for approval by some other department with respect to the terms and conditions of the sale or purchase and the price. The Act of 1933, placing within the custody of the Department all real estate devised to the Commonwealth, provides that the Department may dispose of such real estate "upon such terms and conditions, at either public or private sale, as the Secretary.....may deem advisable and the Department of Justice may approve.....". There is thus no general law with respect to the purchase and sale of real estate for and by the Commonwealth.

The Bureau of Land Records in the Department of Internal Affairs is the depository of all title papers and other documents with regard to land owned by the Commonwealth. This Bureau also has the authority to

acquire and sell any land in the Commonwealth which is found not to be owned by any private person or companies. Thus, the function of acquiring and selling land for and by the Commonwealth is divided between the Departments of Property and Supplies, Internal Affairs, Forests and Waters, Highways and the Game Commission.

The Division of Real Estate and Insurance also secures bonds in the case of all State officers and employes who are required by statute to give surety bonds for the faithful performance of their official duties. The approval of the Attorney General is necessary before the procurement of these bonds. As previously mentioned, several of the departments may acquire their own bonds, although these are not usually in the nature of surety and fidelity bonds. The annual payments of the Commonwealth for surety bonds amount to approximately \$52,000. In Table XVI-J, page 1646 is shown such premiums by departments. Although the Administrative Code provides that the Commonwealth may establish its own indemnity fund, no real progress in this direction has as yet been achieved.

This Division also procures liability insurance covering vehicles owned by the Commonwealth and operated by State Officers, employes and enlisted men of the Pennsylvania National Guard. It also obtains fire insurance on State buildings and any other kind of insurance lawful for the Commonwealth. The Department of Property and Supplies pays for this insurance out of its appropriation, except in the case of officers, employes or property operating under special funds, or where the general fund appropriation for a particular agency provides for such payments.

d. Procurement Control Division

This Division in general enforces the administration policy governing the standardization or purchasing schedules established by the

Department and also enforces centralized purchasing regulations. All requisitions, for purchases, from the various departments, boards, and commissions are received in this Division and analyzed to determine their adherence to the standards, specifications and procedures required for such purposes. Sometimes they are returned to the Department, board or commission inquiring why such an article or commodity is required. The requisition is also analyzed to determine whether it falls under any of the Department's schedules and contracts, and if so, the requisition is numbered, priced and sent to the Bureau of Purchases for ordering. This Division thus acts as a control or clearing house for the receipt of all requisitions.

e. Departmental Filing, Mimeographing and Multilithing.

Files of all departmental correspondence including purchase information, construction data, et cetera are maintained in this Division, which is also responsible for the care of all matters transmitted to it for filing. A central mimeographing section is responsible for departmental mimeographing and addressegraphing while the multilithing processes are operated under a separate section.

f. Stererooms

A central storeroom is maintained for the receipt and distribution to appropriate departments, boards and commissions of all stationery, office supplies, and other materials and equipment purchased. Stock control and inventories of these supplies and equipment, including furniture, are carried on by the Division.

g. Division of Furniture Inventory Control

This Division maintains a perpetual inventory of all furniture and fixtures located in the various Commonwealth offices in the Capitol

Group of buildings, including the Publications Building. It places identification marks on all new furniture and equipment purchased and makes a record of the same. It makes periodic audits by physically checking the furniture and equipment against the records and makes a report of this audit to the heads of the various departments.

2. Bureau of Construction

This Bureau is under the supervision of a chief engineer, and comprises three divisions; the Division of Construction Supervision and Field Inspections; the Division of Plans and Specifications; and the Division of Bureau Office Procedure.

The erection, construction, and the contracting for such erection and construction of any new buildings, or of any alterations or additions to existing buildings of the Commonwealth which involve an expenditure of more than \$4,000 comes directly under this Bureau. Where another department, board or commission may be authorized to make any constructions or alterations, this is still under the complete supervision and responsibility of the Department of Property and Supplies, acting through this Bureau. The work also includes the erection and supervision of the erection of all monuments belonging to the Commonwealth. In addition, upon the approval of the Governor, this Bureau rebuilds, restores or replaces property damaged or destroyed; prepares, or causes to have prepared, plans and specifications, has contracts executed and supervises the erection, construction or replacement of property damaged by fire or other casualties. The cost of such material furnished and work and labor performed is paid for from the State Insurance Fund.

In conjunction with its powers of construction, the Bureau, through the Executive Office, advises on the purchase or condemnation of land essential to its buildings program. Since the creation of the General State

Authority, the Administrative Code provides that the Department of Property and Supplies may grant, assign and convey, with or without consideration, to the Authority any lands or buildings or both, now or hereafter to be acquired by the Commonwealth for the purpose of having the Authority erect and construct thereon any office building for the use of the Commonwealth. In certain instances, these properties may be leased to the Authority for a term not exceeding 99 years. (4)

As a result of the conveying to the General State Authority of certain properties owned by the Commonwealth, buildings were erected upon the properties by the Authority which, when finally completed, were leased to the Commonwealth for use by the State Teacher's Colleges and by other State Institutions and Departments for their additional activities.

Since the General State Authority has nearly completed its building program, the Department of Property and Supplies must now take over the construction of such additional buildings, and also any additions to existing buildings as may be hereafter required.

Through the Bureau of Construction, the Department of Property and Supplies enforces all contracts and maintains a continual supervision over the progress of the work, certifying to the materials furnished and the work or labor performed. It arranges for prompt payments to the contractors, and enforces the maintenance of fair and equitable wages provided in the contract and also enforces the use of materials made by Pennsylvania manufacturers, so far as possible.

a. Division of Construction Supervision and Field Inspection

In the performance of these various functions, the Department employs and fixes the compensation for such capable superintendents of

of construction, engineers, or inspectors as may be necessary to properly supervise the repairing, altering, or improving of State buildings. Such supervision and inspection work is carried out whether the work is done by departmental employes, by the employes, patients or inmates of State institutions, by outside contractors under Department supervision, or independently of the Department. In 1937 this Division assumed the supervision of the operation of all mechanical and electrical equipment used in connection with State buildings.

b. Division of Plans and Specifications

This Division of the Bureau is concerned with the drawing up of plans and specifications for any new buildings and for alterations or additions to existing buildings. At least once every two fiscal years, a survey is made by the Department of all buildings, equipment, land and improvements connected with each State institution. A report is prepared on the basis of this survey indicating the needs for repairs, improvements and alterations, and is filed with the Governor as well as used by the Departments concerned as a guide in formulating their budgetary requests for appropriations for the maintenance, repairs and improvements to the buildings, lands and equipment of these institutions.

The plans and specifications previously mentioned are subject to the approval not only of the Department of Property and Supplies but of the particular department, board or commission using or intending to use the building being erected or constructed or to which an alteration or addition is being made. This approval is necessary in order to attain uniform and proper floor layouts, natural light, artificial illumination, ventilation or such other equipment necessary or peculiar to the building. As in the case of the survey of State institutions, the plans and specifications

containing also estimates of the costs of any erections, alterations or additions, must be prepared prior to the meeting of the General Assembly.

The procedure in the preparation of plans and specifications, and in anticipation of requests for appropriations based upon these is outlined in detail in the Administrative Code. ⁽⁵⁾ Briefly, it is provided that when a particular department, board or commission desires any construction work, or when the Department of Property and Supplies itself decides that such work is necessary, an architect is appointed to prepare plans and specifications under a contract approved by the particular agency desiring the work. The plans are then prepared under the direction of the particular agency except that in every case the exterior design of the building must be approved by the State Art Commission. The plan and specifications require the approval by the Departments of Property and Supplies, Labor and Industry, and Health, to the extent to which those departments respectively have jurisdiction to require the submission to them for approval of certain features of the building. Upon completion and approval of the plans and specifications, the Department advertises for proposals, as in the case of the erection, alteration or enlargement of buildings for which the General Assembly has appropriated money, except that the advertisement and invitation to bidders shall state that the Department may reject any bids and that the contract will not be awarded prior to May 31 of the year in which the General Assembly shall meet.

(1) Procedure in Construction Work

When the General Assembly shall have appropriated money to the Department of Property and Supplies, or to any other Department for the erection of buildings, alterations or additions to existing buildings

where the work is to be done by outside firms but not independent of the Department, the Administrative Code has provided a definite procedure. (e) The Department of Property and Supplies on the basis of the appropriation selects an architect to draw up plans and specifications along lines indicated in the previous paragraphs. Upon completion of these plans and their approval by all necessary State agencies, the Department shall invite proposals, by advertisements inserted at least three times, in not less than 6 or more than 12 newspapers of large general circulation in different parts of the Commonwealth. These proposals must be accompanied by certified or bank checks and shall be publicly opened and tabulated at the time and place specified. The Department then awards the contracts to the lowest, responsible, qualified bidder although it may reject any or all bids or parts of bids. In order for a bid to be accepted, the bidder must be qualified in accordance with a questionnaire calling upon the bidder to furnish information relative to his financial status, experience, equipment and integrity. The successful bidder must also deliver to the Commonwealth at the time of executing the contract, a surety bond having as surety, a surety company authorized to transact business in the Commonwealth. These bonds protect the State against defective or inferior materials or workmanship and for the proper performance of the contract and provide that the contractor will promptly pay for all material furnished and labor supplied or performed in the offices of the Auditor General, the State Treasurer and the department, board or commission for which the work is to be done.

e. Division of Bureau Office Procedure

This Division is chiefly concerned with the drawing up of the various contractor's contracts, blueprinting, minimum wage enforcement

and all the stenographic work entailed in the letting of bids, their acceptance and the drawing of contracts. Among the more important advantages to the Commonwealth and benefits to the institutions resulting from the work of this Bureau, the following may be mentioned: Reduction of construction costs to the Commonwealth, closer inspection to see that the State actually gets what it pays for, uniform raising of the standards of State buildings, savings in advertising, and the taking of the responsibility for looking after construction work away from departments and agencies that are not equipped to handle it properly.

3. Bureau of Purchases

For the conduct of its functions, this Bureau, under its director is organized into 5 separate divisions. One division is concerned with purchases and contracts for State institutions only. A separate division is concerned with purchases and contracts for the Highway Department, and a Division of Departmental Buying serves for the remainder of the departments, boards or commissions. This arrangement results in greater efficiency and speed in awarding contracts for institutional and highway purposes which are of a more specialized nature than those for the other departments, boards or commissions and prevents the begging down of institutional and Highway programs.

In this Bureau there is also provided a Division of Price Schedules and Contracts which handles the procedure with respect to the awarding of contracts and the adherence to specifications and price schedules. A stenographic and order typing section is chiefly concerned with the vast amount of clerical work involved in handling the State's annual purchases of supplies and equipment.

The purchases made and the contracts drawn by the Department are generally for stationery, paper, printing, binding, ruling, lithographing,

engraving, envelopes and other printing and binding supplies; for fuel, telephone, heat and light, furniture, furnishings, repairs, improvements; for automobiles and automobile equipment and repairs; for rentals of branch offices, et cetera. A system of object classifications is uniformly used for all purposes connected with budgeting for supplies and equipment, and their requisition and purchase.

a. Divisions of Institutional, Departmental & Highway Buying

Since the work of these three divisions is similar in character, differing only in detail the following discussion of the functions and procedures of this Bureau will be devoted to the general buying powers and methods of the Department which apply alike to each of its three purchasing divisions.

It must first be understood that the purchasing practices of the State Government have undergone a considerable alteration during the past five years. In the report of the Joint Legislative Committee on Finances, (7) 1933, it was recommended that a system of centralized contracting be substituted for the then existing system of centralized purchasing. This recommendation, therefore, included the establishment of a system of uniform standards and specifications, and the practice of ordering and purchasing under contracts previously made by the Department in accordance with the needs and with the cooperation of the various governmental agencies. Today, centralized contracting is a fact and has replaced centralized purchasing. The advantage of this change lies in the fact that those departments requiring perishable food stuffs for use in State institutions may make such purchases directly and where any such department is able, after competitive bidding, to purchase any article for a lower price, f.o.b. the institution, than the price at which such articles can be furnished by the Department, the purchase may be made directly. The Department of Pro-

erty and Supplies may also authorize any other board or commission to make direct purchases in the field, not exceeding a specified amount. In all cases, any purchases made by either this Department or any other department must conform to the specifications contained in the effective supplies contracts with the Department, unless the Board of Commissioners of Public Grounds and Buildings shall have specifically authorized a departure therefrom. This allows for greater efficiency and flexibility in making purchases for State institutions and other agencies, where the amount involved is so small that the adherence to the procedure of the Department would not only prove expensive but create unnecessary delays.

Prior to 1937, it was the practice as well as the law for the Legislature to appropriate to the Department of Property and Supplies funds of sufficient amount to cover any purchases or contracts for purchases which the Department would have to enter into for the various departments, boards and commissions during the coming biennium. After each appropriation, the Governor reallocated to the several departments, boards and commissions, such portions of the appropriation as fairly represented the needs of those agencies for the biennium. Beginning in 1933, a special fund agency was assessed according to purchases and expenses incurred on its behalf by the Department. Since 1935, the State Health Institutions have received appropriations to cover their purchases and expenses so that the Department of Property and Supplies is no longer responsible for the expenditures under these appropriations. Under an Act passed in 1939, it was provided that the Department of Property and Supplies should no longer receive the above appropriations to cover purchases by the various governmental agencies. Rather, it was provided that each department, board and commission should receive for itself an appropriation to cover purchases and contracts which must be made for it by the Department. The appropriation for motor

supplies and equipment, however, is solely within the control of this Department. Only the Legislature and the Judiciary have their appropriations for purchases of supplies as well as contracts for printing handled entirely within the Department of Property and Supplies.

The work of purchasing in this Bureau is conducted chiefly by buyers, each with an assistant. Each buyer is usually a specialist in purchasing particular articles. It is interesting to note the method of purchasing automobiles since this is somewhat different from the usual procedure. State automobiles are not purchased according to specification, but according to make. The Department makes a survey of all agencies of the State Government with regard to their needs of automobiles for the coming biennium. Any department which requests the purchase of an automobile and desires to trade in an old car, may not have this approved until an Inspector from the Bureau of Purchases has inspected the automobile and decided that it would be too expensive to make the necessary repairs. Some automobiles have been driven as much as 70,000 to 90,000 miles before being traded in. Dealers in the particular class of cars to be purchased, or traded in, are contacted and invited to submit their bids.

b. Division of Price Schedules and Contracts

The Administrative Code provides in detail the method of awarding contracts for stationery, paper, fuel, repairs, furnishings and supplies. (8) It specifies, that after the various departments, boards and commissions make their requests to the Department of Property and Supplies for articles which they need, that Department will consolidate and classify the article so requested preparing regular periodical schedules thereof. These schedules are used to show plans and specifications and

contain information indicating those items upon which bids must be received. The schedules also contain the qualities of the articles requested. The Department shall, not less than 6 weeks prior to the termination of the schedule contracts now existing, or that may be made in the future, advertise the opening of bids for the annual, semiannual or quarterly schedules. The bids must be sealed and delivered in duplicate, accompanied by a properly certified or bank check. On a day fixed after the opening of bids, contracts are to be awarded to the lowest responsible bidder on each of the items of the several classifications of the schedules. The Department may reject any or all bids. Successful bidders must file a bond, conditioned for the faithful performance of the terms of the contract. Whenever any contract for the furnishing of materials or use of labor in the construction or maintenance of highways exceeds \$500.00, the Department shall require the contractor to furnish an additional bond, conditioned for the payment of materials or labor. All contracts awarded are made severally unless first approved by the Governor, the Auditor General and the State Treasurer.

Under this mandate, the enforcement of all supply contracts is under the direct control and supervision of the Department and is handled by the Division of Price Schedules and Contracts of the Bureau of Purchases. Provisions are also made for the rejection of articles not found to be up to the standard required, and proper penalties are provided in such cases. As already indicated storerooms are provided for the safekeeping of articles purchased. In the case where requests are made for articles the want of which was not anticipated at the time of making the schedules, the Department may invite proposals from at least two responsible bidders or, where the article costs less than \$50.00, may make such purchase in the open market.

4. Bureau of Standards

The purpose of the Bureau of Standards is to formulate and establish standards and specifications for all articles, materials and supplies purchased and used by all departments, boards, commissions and institutions of the Commonwealth. The Bureau also prepares a catalogue to be used by the requisitioning officers in requisitioning the materials to be used by their Department.

The Bureau operates under a Director and includes four divisions, the Division of Standardization and Simplification; the Division of Specification Preparation; the Division of Cataloguing; and the Division of Laboratory Tests and Inspection Service.

a. The Division of Standardization and Simplification

This Division is concerned primarily with drawing up of standards in cooperation with the various branches of the State Government without whose approval no standard or specification can be effective.

When such standards and specifications are to be drawn up, the Department of Property and Supplies calls in the various departments, boards and commissions. The manufacturers and producers of the articles and supplies are also brought in to confer with the purchasing agents and other governmental heads. The specifications as finally determined represent an attempt to harmonize or reconcile the ideas of these two groups, by adjusting the requirements of the departments and institutions to the practical considerations of modern manufacturing. This procedure assures good and suitable products, with specifications which permit competition among the reputable manufacturers in the field.

b. The Division of Specification Preparation

This Division prepares from the standards arrived at by the

above process of consultation between State departments or agencies and manufacturers, such specifications as will satisfy the State's requirements while conforming to the necessities of manufacturing.

The Division of Cataloguing sets such schedules, standards and specifications in catalogue form to be used by manufacturers. Since the adoption of centralized contracting the development of a complete series of standards and specifications for all the commodities and services required by the State's departments and institutions has been found to be vitally necessary.

e. The Division of Laboratory Tests and Inspection Service

This Division is assigned the duty of inspecting all materials and supplies purchased under the Department's specifications. The manufacturer, when he ships the material, furnishes it in accordance with the specification that he agreed to follow. Samples are taken and sent to a laboratory in this Division for testing, and if found not to meet the standards set forth in the specifications, they are rejected, and in some instances, the manufacturer is surcharged if he fails to replace any substandard material. Such rejections have been rather numerous, thus indicating the extent to which the Commonwealth has gone in enforcing its standards. At present, these inspection laboratories exist in various parts of the State, and in several departments. For example, besides a laboratory in the Department of Property and Supplies, there is one in the Department of Highways to test highway materials and products; there is a laboratory for the Department of Health and also one in the Bureau of Animal Industry of the Department of Agriculture, as well as laboratory services in Philadelphia to test food products.

5. Bureau of Publications

The duties performed by the Bureau of Publications are in accordance

with the provisions of the Administrative Code, namely editing for publication all reports, bulletins and other publications of departments, boards and commissions. It contracts for the furnishing of printing used in the General Assembly, the Judiciary, and in the Executive and Administrative departments and agencies. It compiles and edits the Pennsylvania Manual, formerly known as Smull's Legislative Hand Book; publishes the advance sheets of the pamphlet laws; classifies printing and binding; advertises for and awards contracts; copyrights publications of the Commonwealth; accumulates for sale all waste paper, documents and other materials no longer required; prepares orders for printing on receipt of signed requisitions; distributes all documents of and for all departments, boards and commissions upon request, including packing, mailing and shipping the same. It controls the sale of all documents, since the law requires that all departmental publications costing more than 5¢ must be sold at the cost of publication. (10) Finally, it acts as agent in the placing of printing orders required by all State institutions.

The Department no longer receives an appropriation which is reallocated to the other departments, boards, or commissions to cover printing costs. Instead, each of the administrative agencies receives its own appropriation which it expends on the basis of the contract drawn for it through the Bureau of Publications. However, the Department is responsible for contracts covering Legislative and Judicial printing, and the printing of the Capitol News Clip Sheet as well as the Pennsylvania State Manual. The Bureau of Publications is operated independently of the Bureau of Purchases because of the specialized knowledge required in the printing business, and because the production

of publications and forms cannot strictly be classified as purchases. The Bureau is under a Director and is organized into three divisions, that of Paper and Printing, that of the Pennsylvania Manual and that of Documents. It also employs a News Room Correspondent.

a. The Division of Paper and Printing

This Division of the Bureau prepares and executes contracts for the printing, binding, lithographing, cuts, plates, dies, supplies and materials incident thereto, which contracts are given to the lowest responsible bidder below the maximum price, subject to the approval of the Governor, Auditor General and State Treasurer. For contracts, the Bureau is required to prepare specifications according to Federal Government standards. This makes possible a great saving below the commercial rate charged for individual small printing jobs. The Bureau carefully follows and checks the printing and binding and gives supervision to the work as it progresses through the printing shop in order to ensure that the printing and binding contracts and the specifications are adhered to by the contractors.

The Administrative Code sets up certain regulations and procedures with regard to the awarding of contracts for printing and binding. Contracts must first of all be for terms of not less than one nor more than four years. The different types of printing and binding are divided into classes on the basis of established specifications and schedules drawn by the Bureau. At least two months prior to the termination of any contract then existing, the Department advertises for proposals covering public printing and binding, which proposal must be accompanied by a certified bank check in such amount as determined by the Department. These proposals are then opened publicly and the lowest responsible bid-

der below the maximum price fixed in the schedule shall be awarded the contract.

Successful contractors must present evidence to the Department satisfying it that they have sufficient machinery and equipment properly and promptly to perform and execute any orders given to them under the proposed contract. No printing and binding may be performed by any contractor for any State agency unless and until authorized in writing by the Department. The rates of compensation for such printing and binding shall be according to such schedules sent out in the specifications furnished by the Department and incorporated in the contract, and if the contractor performs work in violation thereof, the Department may refuse to accept the work, or if it shall accept it, it shall fix a reasonable price therefor. Every contract must include provisions for the delivering of all printing, binding and other work done by the contractor. Emergency contracts may be awarded from time to time through competitive bids without advertising.

The President pro tempore of the Senate and Speaker of the House, together with the Department determine the size and character of the various publications to be printed for the use of the General Assembly. These Legislative publications include advanced sheets of the laws, bills, calendars, journals, pamphlet laws, committee reports and publications and the Pennsylvania Manual.

b. The Division on the Pennsylvania Manual

The work of writing and editing the Pennsylvania Manual entails a large volume of detailed work in the collection and compilation of statistics and other material. The editing is an item of vital importance. This volume is published biennially and the quantity published

must be fixed by the Department. Copies published for public sale are disposed of at \$1.00 per volume.

c. The Division of Documents

This Division attends to the storing, distribution, and sale of the various State publications. The publication of the advanced sheets of the pamphlet laws requires the arduous work of transmitting one copy thereof by mail, to each Department, board and commission of the State Government, to each prothonotary, to each law judge of the Court, and to every county and public library of this Commonwealth and to each member of the General Assembly. Such copies are sent free, as provided by law. Members of the general public desiring these documents are supplied them upon the payment, to the Department, of the sum of \$5.00 for each session of the Legislature. In addition, the Division of Documents has the job during Legislative sessions, of seeing that the printed journals and bills are furnished promptly to the General Assembly with the least possible delay.

Publications are sold to the public at a price to cover the cost of publication, except documents published for the Governor and the General Assembly, or where the costs are less than 5¢ per copy in which case they are distributed without charge. All monies collected by the Department through such sales or through any other sales, including the sale of waste material and waste paper are paid into the General Fund of the State Treasury.

d. News Room Correspondent

The Bureau of Publications employs a News Room Correspondent whose duty it is to edit a weekly clip sheet, the Capitol News, containing reports of the activities of the Departments of the State Gov-

ernment, and also items of public interest gathered by them in the course of their activities. This publication is issued for the use of newspapers and periodicals and for the information of the people of the Commonwealth.

6. Bureau of Grounds and Buildings

The duties performed by this Bureau include the control, supervision and maintenance of the State Capitol Buildings, as well as the Executive mansion, the State Garage, and the Publications Building. The heating, lighting and servicing of these buildings is under the Bureau's care as well as the supervisions of all repairs, alterations and improvements, and the policing and cleaning of both buildings and grounds, as provided (11) for in the Administrative Code.

The Bureau of Grounds and Buildings has the additional responsibility of operating the Forum, or auditorium, connected with the Education Building in the Capitol Group. The Director of the Bureau executes all leases for the renting of this Auditorium, subject to the approval of the Comptroller and the Executive Office of the Department.

Under its direction, the Bureau maintains two divisions, namely, Mechanical Maintenance and Custodial Maintenance.

a. The Division of Mechanical Maintenance

The work of this Division is concerned with the mechanical upkeep of the Capitol Buildings. This work is performed by carpenters, electricians, mechanics, upholsterers, painters, plumbers, et cetera. A problem that confronted the Bureau of Grounds and Buildings was the lack of standardized care in the maintenance of the buildings. Although a centralized responsibility would appear to be the proper and desirable thing, in practice it did not work out so well as expected. Maintenance

and service operations were constantly delayed because of the inability of one man to conduct all the work. This system consequently was changed and at present there is a superintendent for each building, operating under standard rules and regulations for all the buildings.

In addition to mechanical repair and up-keep this Division is also responsible for providing light, power, water and heat to the buildings of the Capitol Group and to the Executive Mansion, the Publications Building, and the State Garage. In the year ending May 30, 1940, the total cost of such services was \$138,176.72.

b. The Division of Custodial Maintenance

This Division employs such police officers as are necessary to preserve order in the Capitol grounds and buildings, and such other employes as are needed for the cleaning, care and preservation of the Capitol grounds and buildings and the furnishings therein, and for operating the mechanical plants for these buildings, and for service at the Executive Mansion. Its employes also include guides to conduct parties of visitors about the Capitol Building.

The work of this Division includes the cleaning of 1,164,225 square feet of floor space in the Capitol and 8 other buildings of the Government group in Harrisburg. This immense daily task, performed by 164 janitors and assistants is itemized in Table XVI-C.

7. Board of Commissioners of Public Grounds and Buildings

Prior to 1914 this Board acted as the Department of Property and Supplies for the Commonwealth under the supervision of a Superintendent. The Administrative Code in 1923, took away most of the powers and duties of this Board and placed them in the new Department of Property and Supplies. The Board, however, was retained and was given certain formal

TABLE XVI-C

CLEANING MAINTENANCE BY
DEPARTMENT OF PROPERTY AND SUPPLIES
AS OF SEPTEMBER 1, 1940

Name of Building	Sq. Ft. of Floor Space Cleaned by Prop. & Supp.	Janitors	Floor Ladies	
			Matrons	Janitresses
Capitol.....	328,161	16	25	
North Office.....	89,387	8	12	
South Office.....	152,076	6	22	
Education--Forum.....	18,541	2	--	
Education--Other Space.....	203,717	7	20	
Finance.....	230,335	5	21	
Museum.....	51,315	2	1	
Temporary No. 1.....	21,816	-	2	
Publication.....	53,116	3	3	
Executive Mansion.....	15,761	1	--	
Assignments not directly associated with above floor space:				
Paper Baling.....		2	--	
Truck Driving.....		2	--	
Craft Quarters.....		1	--	
Supervising.....		1	2	
Total.....	1,164,225	56	108	

duties for which it is still responsible. At present it is a departmental administrative board within the Department and consists of the Governor, the Auditor General and the State Treasurer, none of whom serve upon it actually but only through deputized secretaries. These officers, however, exercise in person those powers with regard to the approval of contracts entrusted to their Board in the Pennsylvania Constitution. The Secretary of Property and Supplies is not a member of the Board, although an employe within the Department acts as its Secretary. The Board has rarely met within the last several years, and its various functions

have been entirely performed by the employe who serves as Secretary. He prepares the minutes for the Board and various matters that require signature and approval, and presents them to the Auditor General, the State Treasurer and the Governor.

The chief powers and duties of the Board are to assign rooms in the State Capitol to the Governor, the General Assembly, and the officers and committees thereof, the Supreme and Superior Courts and the judges and officers thereof, and so far as possible, to the several administrative departments, boards and commissions of the State Government. It approves the proposed leases negotiated by the Department for branch offices, rooms and accommodations outside the Capitol city, and assigns such offices. Finally, it approves proposed purchases by the Department of articles not contained in the purchasing schedules, standards and specifications of the Department.

8. State Art Commission

This is a departmental administrative commission and consists of five citizens of the Commonwealth appointed by the Governor. It has the power to examine, approve or disapprove the exterior design and proposed location of all public monuments, buildings and other structures as well as private structures proposed to be erected on State or municipally owned land, anywhere in the Commonwealth, other than first and second class cities. It supervises the erection and construction of certain memorials throughout the Commonwealth. The Commission has been in existence since 1919 and, instead of merely approving or disapproving the designs submitted to it, has acted as a consulting body, offering constructive criticism in the form of pencil studies and the like, whenever it seemed advisable to do so. The suggestions offered have been given with the idea of reducing

costs and in most instances, in addition to improved appearance, have effected savings not only to the counties, boroughs or municipalities involved, but to the Commonwealth as well. During the past eight years, the quality of architectural designs submitted to the Commission has greatly improved, due probably in large measure to the efforts of the Commission. In general, the architectural profession has come to recognize the value of the service to the public bodies of the Commonwealth as well as the benefit to the profession resulting from this unbiased criticism of designs submitted to it.

D. PERSONNEL

Perhaps no department of the State Government requires a greater variety of services and skills for its conduct than that of Property and Supplies. This is necessarily true because of the diverse nature of its responsibilities in the purchase of the large quantity of specialized supplies and materials necessary for the conduct of the State Government, and in the maintenance of quality in the materials and economy in their cost. When in addition to this function it must also supervise the construction of Commonwealth buildings, purchase and sell real estate, maintain the Capitol grounds and buildings, and conduct a considerable publishing business for the various departments, and at all points in these undertakings set standards and devise specifications to protect the interests of the State, it is clear that a fairly large number of employes with special skills and knowledge are necessary for its operation.

Of the 571 employes on the Department's payroll as of June 1, 1940, there were 93 in the Executive Bureau, including the Secretary, the Deputy Secretary and the Secretary to the Board of Grounds and Buildings, the Divisions of Accounting, of Real Estate and Insurance, of Procurement

Control, of Automobiles and various Service Units. Thirty-two are employed in the Bureau of Construction, 13 in the Bureau of Standards, 31 in the Bureau of Publications, 65 in the Bureau of Purchases, 335 in the Bureau of Grounds and Buildings, and 2 on the State Art Commission.

Employment and compensation in the various Bureaus and their sub-divisions are listed in the following schedule:

TABLE XVI-D

NUMBER OF EMPLOYEES AND THEIR ANNUAL SALARIES
AS OF JUNE 1, 1940 DETAILED BY FUNCTIONS

Bureau and Division	Number of Employees	Annual Salaries
<u>EXECUTIVE BUREAU</u>		
Secretary, Deputy -- Secretary to Board of Grounds and Buildings.....	<u>10</u>	<u>\$ 28,280</u>
<u>Division of Accounting</u>		
Comptroller.....	3	\$ 7,400
Personnel.....	2	2,280
Bookkeeping.....	11	17,800
Invoice Approval.....	2	2,520
Vouchering, Typing	2	2,700
Telephone Accounting	<u>1</u>	<u>1,020</u>
Total.....	<u>21</u>	<u>\$ 33,720</u>
<u>Division of Real Estate & Insurance</u>	<u>7</u>	<u>\$ 18,240</u>
<u>Division Procurement Control</u>	<u>5</u>	<u>\$ 8,760</u>
<u>Service Units</u>		
Stock Control.....	3	\$ 4,380
Storerooms.....	5	6,360
Multilith	2	3,000
Mimeographing	4	4,560
Filing	6	6,720
Furniture Inventory.....	2	2,520
Mail Room	<u>5</u>	<u>5,520</u>
Total.....	<u>27</u>	<u>\$ 33,060</u>

TABLE XVI-D (Continued)

Bureau and Division	Number of Employees	Annual Salaries
<u>Division of Automobiles</u>		
Supervision & Clerical.....	12	\$ 17,580
Garage & Chauffeurs.....	11	15,120
Total.....	23	\$ 32,700
Total - Executive Office.	93	\$154,760
<u>BUREAU OF CONSTRUCTION</u>		
Supervision and Assistants	4	\$ 15,200
Plans and Specifications	5	11,940
Stenographic	12	13,200
Field Construction.....	9	21,420
Blue Printing.....	1	1,380
Contract.....	1	2,400
Total.....	32	\$ 65,540
<u>BUREAU OF STANDARDS</u>		
Administrative.....	1	\$ 1,380
Division of Standards.....	4	4,380
Technical Division.....	6	13,860
Division Test & Inspection Service.....	2	3,000
Total.....	13	\$ 22,620
<u>BUREAU OF PUBLICATIONS</u>		
Supervision and Contract.....	15	\$ 23,180
Pennsylvania Manual.....	1	2,700
Documents - Record Control.....	4	4,920
Documents - Supervising-Receiving-Shipping.	10	11,520
Total.....	30	\$ 42,320
News Room Custodian.....	1	\$ 3,300
<u>BUREAU OF PURCHASES</u>		
Director and Assistants	3	\$ 6,540
Buyers, Asst., & Pricing Sect.(Except Hwy.)	27	40,560
Schedules & Contracts.....	3	4,740
Information & Reception.....	2	2,220
Central Routing Section.....	4	4,080
Purchase Order Writing.....	6	6,120
Total.....	45	\$ 64,260
Highway Purchasing Section.....	20	24,120
Total - Purchases.....	65	\$ 88,380

TABLE XVI-D (Continued)

Bureau and Division	Number of Employees	Annual Salaries
<u>BUREAU OF GROUNDS AND BUILDINGS</u>		
Office & Buildings Supts.....	11	\$ 23,040
Electricians	7	10,200
Elevator Mechanics.....	4	6,240
Hardwood Floor Mechanics.....	4	5,580
Plumbers.....	3	4,620
Metal Furniture Mechanics	2	2,280
Clocksmith.....	1	1,140
Locksmith.....	1	1,620
Typewriter Mechanics.....	2	2,820
Janitors and Janitresses.....	155	129,972
Capitol Policemen.....	44	51,480
Guides.....	7	8,160
Elevator Operators.....	44	45,120
Carpenters.....	8	10,860
Painters	6	8,280
Marble Mechanics.....	2	2,760
Sub-Station Operators.....	7	8,640
Upholsterers.....	3	3,540
Gardeners.....	11	12,420
Steamfitters.....	6	8,820
Mansion.....	7	8,760
Total.....	<u>335</u>	<u>\$356,352</u>
STATE ART COMMISSION	2	\$ 5,700
Grand Total.....	571	\$738,972

E. FINANCES

Because of the nature of its functions a distinction must necessarily be drawn between the operating appropriations and expenditures of the Department and its total expenditures as agent for other departments, boards or commissions of the Commonwealth.

Thus, it will be seen from Tables XVI-E and F, which lists its expenditures, for the 1937-39 biennium, that while the expenditures under the Department's operating appropriations totalled \$2,739,325.98, the ex-

penditures for Legislative printing, and for Legislative and Judicial supplies and equipment which are under the Department's charge totalled \$804,352.81, while expenditures for other purposes, of which the largest items were contracted building and construction, real estate rental and land purchase, totalled \$3,009,032.57. As shown in Table XVI-F, a large part of the construction undertaken during the 1937-39 biennium was for the purpose of eliminating fire hazards in State institutions, for which purpose \$1,291,326.83 of this total was expended, while rentals paid to the General State Authority accounted for \$370,467.51, and the construction of the Liquor Board Building for \$1,217,289.30.

In the following tables are summarized the Department's expenditures by object classification and by function.

TABLE XVI-E

DEPARTMENT OF PROPERTY AND SUPPLIES
EXPENDITURES FROM APPROPRIATIONS BY OBJECT CLASSIFICATION
1937-39 BIENNIUM

Object	Department Operating Expenditures	Allocation for Legislative Printing General Expense General Assembly and Judicial	Expenditures for Other Purposes	Total
Salaries.....	\$ 1,507,018.34	\$ --	\$ 42,763.04	\$ 1,549,781.38
Wages.....	44,000.47	--	37,112.01	81,112.48
Fees.....	2,863.46	--	133,255.89	136,119.35
Printing, Binding & Stationery.....	35,292.24	719,223.70	41,783.59	796,299.53
Food and Forage.....	170.05	228.20	--	398.25
Materials and Supplies.....	102,256.41	18,194.07	15,123.00	135,573.48
Traveling Expense.....	20,780.54	--	4,066.71	24,847.25
Automobile Supplies & Repairs.....	86,943.83	--	24.38	86,968.21
Freight, Express & Cartage.....	4,979.97	744.98	499.58	6,224.53
Postage.....	33,544.32	4,800.00	3,232.35	41,576.67
Telephone & Telegraph.....	84,056.11	17,361.01	--	101,417.12
Advertising.....	8,189.67	--	5,813.00	14,002.67
Light, Heat, Power & Water.....	259,329.04	--	68.68	259,397.72
Contracted Repairs.....	20,073.90	3,048.03	45.63	23,167.56
Rent of Real Estate.....	11,948.50	--	370,467.51	382,416.01
Rent of Equipment.....	7,890.10	--	--	7,890.10
Bond & Insurance.....	80,345.92	--	93.70	80,439.62
Other Service and Expense.....	15,507.34	762.09	38.50	16,307.93
Motor Vehicles.....	243,027.46	--	--	243,027.46
Equipment & Machinery.....	29,285.71	20,590.21	12,940.20	62,816.12
Land.....	--	--	164,006.55	164,006.55
Contracted Building & Construction....	134,918.95	--	2,156,698.25	2,291,617.20
Subsidies, Grants-Bounties.....	--	--	21,000.00	21,000.00
Inventory.....	--	19,400.52	--	19,400.52
Purchasing Fund.....	6,903.65	--	--	6,903.65
Total.....	\$ 2,739,325.98	\$ 804,352.81	\$ 3,009,032.57	\$ 6,552,711.36

TABLE XVI-F
DEPARTMENT OF PROPERTY AND SUPPLIES
EXPENDITURES BY BUDGET CLASSIFICATION
1937-39 BIENNIUM

Budget Classification	Department Operating Expenditures	Allocation for Legislative Printing General Expense General Assembly and Judicial	Expenditures for Other Purposes	Total
Salary of Secretary.....	\$ 16,361.01	\$ --	\$ --	\$ 15,361.01
Salaries & General Expenses.....	1,752,891.06	--	--	1,752,591.06
Heat, Light, Power, -Capitol Bldgs....	526,544.39	--	--	526,544.39
Bonds & Insurance.....	59,663.71	--	--	59,663.71
Motor Supplies & Equipment.....	325,166.96	--	--	325,166.96
Salaries & Gen. Exp. Highway Pur.Sec.	89,998.85	--	--	59,998.85
Supplies & Equip. Leg. & Jud.....	--	250,000.00	--	250,000.00
Supplies & Equip. Leg. & Jud.....	--	250,000.00	--	250,000.00
Supplies & Equip. Leg. & Jud. (Deficiency).....	--	304,352.81	--	304,352.81
Purchasing Fund.....	--	--	15,000.00	15,000.00
Convention Reports.....	--	--	8,367.89	8,367.89
Capitol News & Penna. Manual.....	--	--	37,352.05	37,352.05
Harrisburg Fire Companies.....	--	--	5,000.00	5,000.00
Cresson Fire Company.....	--	--	1,000.00	1,000.00
Daniel Boone Homestead.....	--	--	6,211.00	6,211.00
Ephrata Cloisters Park.....	--	--	200.00	200.00
Kutztown State Teachers College.....	--	--	7,500.00	7,500.00
Edinboro State Teachers College.....	--	--	8,000.00	8,000.00
California State Teachers College....	--	--	13,171.90	13,171.90
Sewage-E. Stroudsburg S.T. College...	--	--	24,797.38	24,797.38
Surveys-Capitol Park Extension.....	--	--	3,348.71	3,348.71
Eliminating Institutional Fire Hazards.....	--	--	1,291,326.83	1,291,326.83
General State Authority Rentals.....	--	--	370,467.51	370,467.51
Construction of Liquor Bldg.-State Stores Fund.....	--	--	794,086.41	794,086.41
Receipts for Liquor Board-Bldg. - General Fund.....	--	--	423,202.89	423,202.89
Total.....	\$2,739,325.98	\$ 804,352.81	\$3,009,032.57	\$6,552,711.36

TABLE XVI-G

DEPARTMENT OF PROPERTY AND SUPPLIES
EXPENDITURES BY FUNCTION
1937-39 BIENNIUM

Function	Amount
OPERATING	
Executive Bureau.....	\$ 63,482.33
Accounting Division.....	80,313.66
Service Sections.....	112,232.83
Automobile Division.....	169,446.26
Art Commission.....	15,297.61
Bureau of Construction.....	164,160.15
Bureau of Grounds and Buildings.....	1,217,884.50
Bureau of Standards.....	79,367.56
Bureau of Purchases.....	242,628.03
Bureau of Publications.....	120,838.19
Total.....	<u>\$ 2,265,651.12</u>
CAPITAL	
Executive Bureau.....	\$ 2,753.45
Accounting Division.....	758.74
Service Sections.....	2,341.22
Automobile Division.....	41,367.72
Art Commission.....	---
Bureau of Construction.....	1,915.72
Bureau of Grounds and Buildings.....	142,386.78
Bureau of Standards.....	9,498.59
Bureau of Purchases.....	2,810.26
Bureau of Publications.....	1,887.82
Total.....	<u>\$ 206,220.30</u>
Operating Other Departments.....	\$ 57,604.57
Capital Other Departments.....	201,788.16
Inventory.....	8,061.83
Grand Total.....	<u>\$ 2,739,325.98</u>

TABLE XVI-H

DEPARTMENT OF PROPERTY AND SUPPLIES
 APPROPRIATIONS FOR OPERATING PURPOSES
 BY OBJECT CLASSIFICATION
 1939-41 BIENNIUM

Object	Amount
Salaries.....	\$ 1,451,749.00
Wages.....	23,660.00
Fees.....	1,000.00
Printing, Binding, Stationery.....	30,283.00
Food and Forage.....	280.00
Materials and Supplies.....	23,455.00
Traveling Expenses.....	15,409.00
Motor Vehicle Supplies and Repairs.....	3,507.00
Freight, Express and Cartage.....	3,879.00
Postage.....	33,565.00
Telephone and Telegraph.....	93,276.00
Newspaper Advertising and Notices..	5,685.00
Light, Heat, Power, Water, Sewage and Fuel.....	4,000.00
Contracted Repairs.....	3,947.00
Rent of Real Estate.....	12,103.00
Rent of Equipment.....	9,618.00
Insurance, Surety & Fidelity Bonds.	21,000.00
Equipment and Machinery.....	9,278.00
Other Maintenance Services and Expenses.....	9,306.00
Reserve.....	30,000.00
Total.....	\$ 1,785,000.00

TABLE XVI-J

DEPARTMENT OF PROPERTY AND SUPPLIES
ANNUAL PREMIUM PAYMENTS FOR BONDING STATE EMPLOYEES
NUMBER OF POSITIONS BONDED AND AMOUNTS
CLASSIFIED BY DEPARTMENTS

Fund and Department	Number Positions Boned	Amount of Bonds	Annual Premium
GENERAL FUND			
Agriculture.....	52	\$ 103,000	\$ 419.00
Auditor General.....	3	33,000	103.00
Banking.....	17	300,000	1,054.50
Commerce.....	1	20,000	70.00
Forests & Waters.....	40	88,000	345.00
Governor's Office.....	1	5,000	17.50
Health.....	26	132,000	472.50
House of Representatives....	4	26,000	91.00
Insurance.....	7	75,000	262.50
Internal Affairs.....	3	32,500	113.75
Justice.....	3	23,000	82.00
Labor & Industry.....	53	84,000	366.00
Legislative Reference Bureau	1	10,000	35.00
Military Affairs.....	13	114,000	372.50
Milk Control Commission.....	5	13,000	50.00
Mines.....	2	20,000	70.00
Motor Police.....	29	139,000	486.50
National Guard.....	--	--	--
Property & Supplies.....	17	71,500	263.75
Public Assistance.....	495	784,000	3,314.50
Public Instruction.....	149	549,500	1,960.75
Public Utility Commission...	15	118,000	433.75
Revenue.....	334	944,000	3,455.75
Senate.....	6	24,000	85.50
State.....	6	41,000	143.50
Treasury.....	58	2,559,000	6,273.75
Welfare.....	123	375,000	1,933.50
Sub-Total.....	<u>1,463</u>	<u>\$6,683,500</u>	<u>\$22,275.50</u>
SPECIAL FUND			
Fish Commission.....	43	\$ 75,000	\$ 321.00
Game Commission.....	182	244,000	1,127.50
Highway.....	15	84,500	304.75
Liquor Control Board.....	2,931	8,594,000	25,721.00
Revenue - Liquid Fuels.....	73	187,500	656.25
Revenue - Motor Vehicles....	116	333,000	1,274.50
Workmen's Insurance Fund....	140	168,000	799.00
Sub-Total.....	<u>3,500</u>	<u>\$9,686,000</u>	<u>\$30,204.00</u>
FEDERAL FUNDS			
Labor & Industry.....	212	\$ 379,999	\$ 1,145.00
Grand-Total.....	<u>5,175</u>	<u>\$16,749,499</u>	<u>\$53,624.50</u>

FOOTNOTES

- (1) 1933, P. L. 1000
- (2) 1933, P. L. 1468 - Administrative Code, 1929, Section 2417
- (3) Administrative Code, 1929. Section 515 and 2407
- (4) 1937, P. L. 1865 - Administrative Code, Section 508 (e)
- (5) Administrative Code, 1929. Section 2411
- (6) Administrative Code, Section 2408
- (7) A Survey of the Government of Pennsylvania pp 616-618
- (8) Administrative Code, Section 2409
- (9) Administrative Code, 1929. Section 2403 and 2410
- (10) This does not apply to publications of the Governor, or of the General Assembly
- (11) Administrative Code, Section 2402-A

CHAPTER XVII

DEPARTMENT OF PUBLIC ASSISTANCE

After the passage of the Federal Social Security Act, on January 9, 1935, it immediately became evident that an entirely new relief program would have to be inaugurated for Pennsylvania. Just what new legislation it would be necessary to enact before the State would be in position to benefit from the provisions of the Social Security Act became a matter of primary importance. Because of this fact the Governor appointed, in December of 1935, a committee composed of 24 members drawn from the ranks of labor, business, government, publishing, welfare work, and the professions. This committee, known as the "Pennsylvania Committee on Public Assistance and Relief," and frequently referred to as the "Goodrich Committee," was charged with making a comprehensive study of assistance and relief problems in Pennsylvania, what these problems had been, how they had been met in the past, and what the current problems were in order that recommendations might be made to cover future procedures, especially in relation to the new Social Security Act.

After receipt of the Goodrich Committee report, the Legislature in 1937 created the Department of Public Assistance ⁽¹⁾ and passed the "Public Assistance Law," ⁽²⁾ which provided for a centralized system of administration and distribution of assistance and relief.

A. FUNCTION

The chief function of the Department of Public Assistance is, as its name indicates, to distribute relief to various groups, eligible to receive same, as specified in the "Public Assistance Law," and in such manner and to such extent as the law authorizes.

In performing this important and far-reaching function, the Department now does, as a centralized agency, work formerly done separately by 67 Mothers' Assistance Fund Boards under the Department of Welfare (blind pensions, aid to the aged, and aid to dependent children), the Emergency Relief Boards (general unemployment relief,) and the State's 425 poor districts (general outdoor relief).

B. POWERS AND DUTIES

The "Public Assistance Law," referred to above, imposes wide powers and duties on the Department of Public Assistance, and its affiliated boards, bureaus, and divisions. Included are the following:

I. General

- a. To allocate to the several assistance programs, funds with which to provide assistance, and, as may be needed from time to time, to keep reasonable emergency funds in the hands of local boards, which funds shall be used by the executive director for the furnishing of assistance in emergency cases;
- b. To establish, with the approval of the State Board of Public Assistance, rules, regulations and standards, consistent with law, as to eligibility for assistance and as to its nature and extent;
- c. To supervise local boards, and to establish for such boards, rules, regulations and standards, consistent with law;
- d. To cooperate with other agencies, including any agency of the United States or of another state, in all matters concerning this Act, and particularly in projects for child welfare, for the relief of persons in areas of special need, and for the care of transient and homeless persons, and to make such reports, in such form and containing such information, as the Social Security Board of the United States Government, or any other agency of the United States may, from time to time, require, and to comply with such provisions as such board or agency may, from time to time, find necessary to insure the correctness and verification of such reports;
- e. To receive and to supervise the disbursement of funds, provided by the Federal Government or, from any other source, for use in this Commonwealth, for assistance;

- f. To gather and study current information and to report, at least annually to the Governor, as to the nature and need of assistance, of each local board, and as to the work of each local board, and to cause such reports to be published for the information of the public;
- g. To report, at least annually to the Governor, as to the cost of living in the various counties, as related to the standards of assistance and the amounts expended for assistance, and to cause such reports to be published for the information of the public;
- h. To collect and report to the Governor, and to cause to be published for the information of the public, information as to the work of the Department;
- i. To direct and supervise the liquidation of the affairs of the Boards of Trustees of the Mothers' Assistance Fund, the Boards of Trustees of Pension Fund for the Blind, and the State Emergency Relief Board;
- j. Whenever the Department deems it necessary and advisable, to purchase credit reports and other services on a fee basis for the purpose of supplementing the investigation of eligibility for assistance;
- k. To recommend to the Governor that any person employed by the Department be suspended or removed from service. Upon receipt of such recommendation, the Governor shall have the power to suspend or remove such employe if he deems the same to be to the best interests of the public service.

2. The State Board of Assistance

- a. To approve or disapprove and adopt rules, regulations, and standards, consistent with law, recommended by the Department of Public Assistance and local boards, as to eligibility for assistance and as to its nature and extent. To establish for the Department and local boards, rules and regulations concerning the administration of this Act as provided by law.
- b. To study the work of the Department of Public Assistance and, from time to time, to recommend to the Governor changes in administrative policy or in the law.
- c. To take any other action authorized or required by law.

3. County Boards of Assistance

- a. To appoint, transfer, lay off, suspend, and remove its employes.

- b. To appoint and remove an Executive Director.
- c. To conform to the rules, regulations, and standards established by the Department, as to accounting, forms, records and reports.
- d. To submit assistance and administrative budgets to the Department as a basis for allocation of funds.
- e. To hear and determine appeals from actions affecting rights of applicants for assistance.
- f. To supervise administration of and promote any other information related to assistance which is committed to the Board by a political subdivision with the State Board's approval.
- g. To receive and send contributions from any source for purposes related to assistance.
- h. To make recommendations to the Department as to rules, regulations, and standards of eligibility for assistance.
- i. To study reports and interpret policies.
- j. To establish policies and practices as to amounts of assistance granted in individual cases within State regulations.
- k. To appoint community committees to supply information on eligibility, recommend local policies and stimulate employment.
- l. To encourage employables to accept full time positions or part time employment.
- m. To appoint Labor Review Committees to pass on eligibility of applicants or recipients who refuse offers of employment.
- n. To employ services of commercial credit rating agencies to determine eligibility.
- o. To make available to the public, names, etc., of those on relief roles.

4. Employment Board

- a. To prepare and conduct examinations for employment, which shall be practical in their character, and, so far as may be possible, shall relate to those matters directly bearing on and which will fairly test the relative capacity and fitness of persons examined to discharge the duties of the service into which they seek to be appointed, but no applicant

shall be required to have had any scholastic education or special training or experience. In written examinations, the identity of each applicant shall be unknown to the examiners.

- b. To grade each person taking an examination by a method of rating published as part of the announcement of the test, except that, in the final rating of all applicants, persons who were engaged in the military or naval service of the United States during any war in which the United States was engaged, and who have an honorable discharge from such service, shall receive in addition to all other ratings an additional five per centum, and any such person who shall have been disabled by wounds or in any other manner while engaged in such service (so long as he is able to perform the work of the employment for which he is examined), shall be rated an additional five per centum over and above the five per centum hereinbefore set forth, and in either case, the total per centum mark or grade thus obtained shall determine the standing of any such persons on any list of eligibles.
- c. The qualifications shall be such as will best promote the most efficient administration of public assistance, and shall provide that persons applying for positions in the offices designated by the secretary as central administrative offices (which shall include all those having jurisdiction throughout the State) shall be citizens of the United States, and shall have been legal residents of Pennsylvania for a period of not less than one year before making application, and persons applying for positions in district offices (which shall include all those whose jurisdiction is limited to a particular district) shall be citizens of Pennsylvania for a period of not less than one year and in the district in which such office is located for a period of not less than six months before making application.
- d. The Secretary of Public Assistance and local boards shall have power to appoint provisional employes for the purpose of carrying on the work of the Department of Public Assistance and of local boards, until such time as appointees have been qualified by examination, and have been appointed under the provisions of this Act; but such provisional appointments shall not be continued in employment after March first, one thousand nine hundred and thirty-eight, unless theretofore qualified by examination conducted by the employment board, as herein provided. Thereafter employes, except special examiners appointed by the Employment Board, shall be appointed from a list of eligibles who have passed the required examinations. Such lists shall be used and the names on them shall be placed in an order fixed by the rules of the Employment Board; Provided, however, that no name shall remain on such list longer than two years. In an emergency, if there is no such list, an employer may, with the approval of the Employment Board, nominate a person for non-

competitive examination, and may appoint him provisionally if he passes the required examination. After the first day of June, one thousand nine hundred and thirty-eight, no such provisional appointment or successive appointment (in the aggregate) shall be valid for more than ninety days.

- e. Probation. Every employe shall be on probation for a period of not less than three nor more than six months, as fixed by the rules and regulations of the Employment Board. During this period the employer may terminate the employment for just cause.
- f. Transfers. A transfer to a new class of employment having the same or a higher maximum salary shall be made only after examinations, as in the case of an original appointment.
- g. Suspensions. An employer may for just cause suspend an employe without pay for periods totalling not more than thirty days in a calendar year. Written reasons for every suspension shall be promptly sent to the Employment Board, and shall become part of its public records.
- h. Demotion and Removal. An employer may demote or remove an employe for just cause only after giving him written reasons for such action, and an opportunity to file a written answer. Both of such writings shall be promptly reported to the Employment Board, and shall be part of its public records. Such employes may appeal to the reviewing board under the rules and regulations established jointly by the State Board of Public Assistance and the Employment Board.
- i. Political Activity. An employe shall be removed if he shall during his employment --
 - (1) Be a member of a political committee or an officer of a political organization;
 - (2) Solicit, or receive a contribution for political purposes;
 - (3) Injure or benefit an employe or one who applies for or receives assistance, or threaten or promise to do so because of making or withholding a contribution for political purposes because of any past or future vote, or because of taking or refraining from taking any political action;
- j. No employer shall demand from any employe before or at the time of appointment any resignation or agreement to resign.
- k. No employe shall receive any compensation until the Employment Board shall certify that it is for lawful employment.
- l. Improper discrimination. Race or religion or political or labor union affiliation shall not be a qualification of an applicant, nor a just cause for reduction in compensation, suspension, layoff, demotion or removal.

m. Rules. The Employment Board shall make rules and regulations, not inconsistent herewith, to carry this section into affect.

5. Joint Actions by Department and Employment Board.

The Department of Public Assistance and the Employment Board shall jointly have the following powers and duties --

- a. To classify employment positions according to the duty involved and the qualifications required.
- b. To fix maxium and minimum salaries for each class of employment.
- c. To establish qualifications for applicants for any class of employment.
- d. To make and promulgate rules and regulations establishing the procedure to be followed by an employer in demoting or removing an employe.

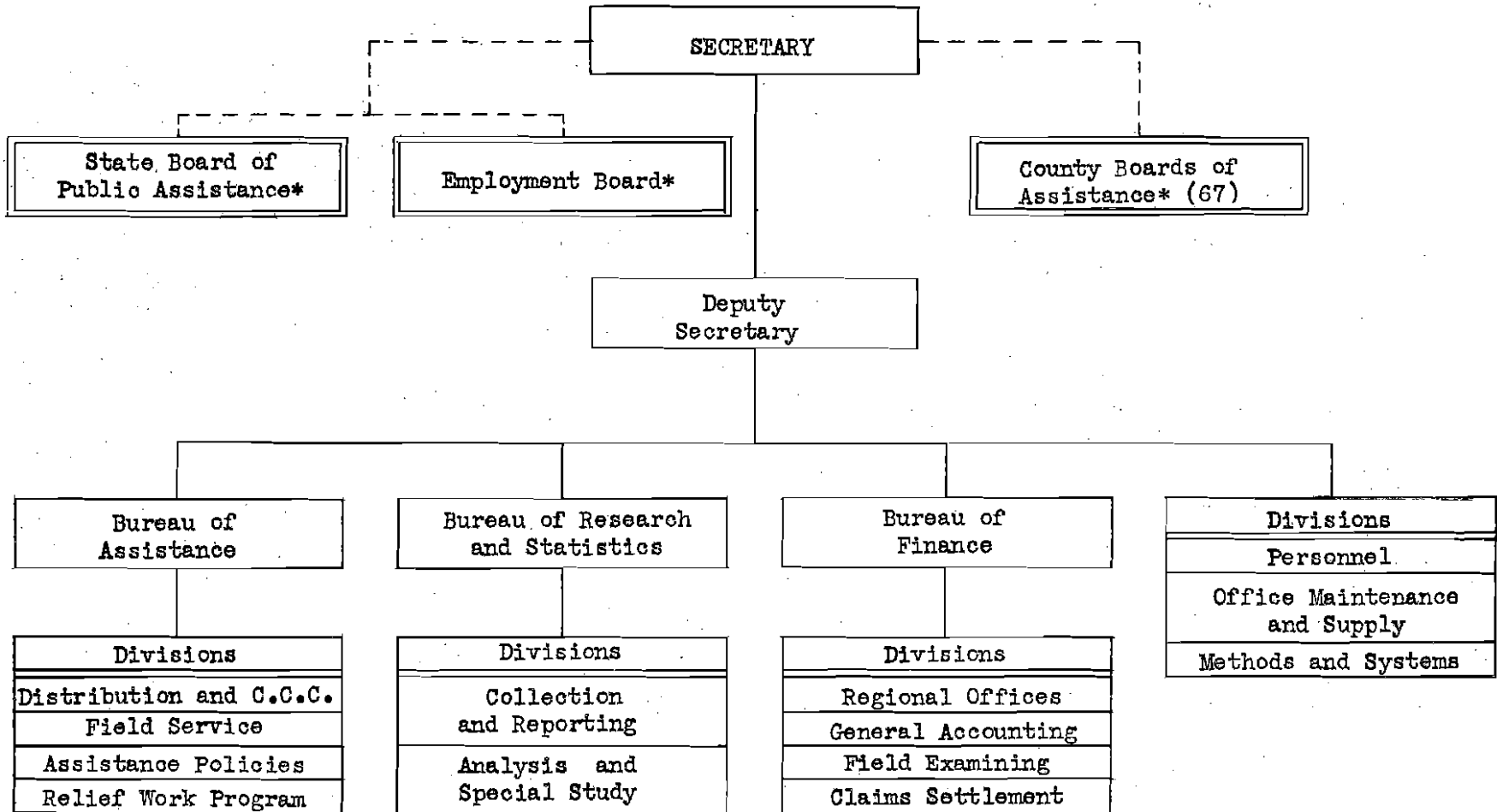
C. ORGANIZATION AND OPERATIONS

As is indicated in Chart XVII-1, page 1708, the chief executive officer of the Department of Public Assistance is the Secretary, who is appointed by the Governor, with the consent of the Senate, for a term of four years. He receives an annual salary, set by statute, of \$10,000. As administrative head of the Department, the Secretary is responsible for the supervision of State and local administration of the public assistance program. For the expenditure of Federal funds in connection with the special categories of assistance, he is responsible to the Federal Social Security Board.

Directly responsible to the Secretary of Public Assistance for the administration of the 3 bureaus and 3 staff divisions of the Department is the Deputy Secretary, who, in the absence of the Secretary, exercises all the powers and performs all the duties vested in and imposed upon the Secretary.

CHART XVII-1

ORGANIZATION OF THE DEPARTMENT OF PUBLIC ASSISTANCE



-1708-

* Departmental Administrative Board.

The Secretary of Public Assistance, the Deputy Secretary, and one secretary to the Secretary are excepted from the merit system provisions of the statute governing the Department. The Deputy is exempt under a ruling by the Attorney General.

For administrative purposes, the Department is organized into 3 bureaus and 4 staff or service divisions in the administrative office. Besides these administrative units, there are two departmental administrative boards, the State Board of Public Assistance and the Employment Board. In addition, there are 67 county boards of assistance, one for each county.

1. Administrative Office

This office includes the staffs of the Secretary and the Deputy Secretary, and is responsible for the general administrative work of the Department. Functions pertaining to personnel, office maintenance and supplies, methods and systems, and public relations come under the direct supervision of the Secretary, through his Deputy.

a. Personnel Division

The Personnel Division performs all administrative work connected with the personnel system, with the exception of recruitment, examination, selection and placement, which functions are performed by the Employment Board. The Personnel Division maintains all personnel records pertaining to vacations, leaves, etc.

b. Office Maintenance and Supply Division

The chief of this Division is in charge of all office supplies, equipment, and office furniture. He works directly with Property and Supplies in all purchases for the Department of Public Assistance. He is charged with keeping an inventory of everything belonging to the Depart-

ment throughout the State.

c. Methods and Systems Division

The head of this Division is the procedure analyst. He is charged with writing and setting up the procedure for the Department, and the forms for all printing. This Division also issues the Visitors' Manual and the Handbook of Procedure.

d. Public Relations Division

This Division consists of a staff officer whose work is closely tied in with the Secretary's office. He is responsible for all public reports of the Department, news releases, press contacts, correspondence explaining the assistance program, and consultations with county boards on community relations.

2. State Board of Public Assistance

The State Board of Public Assistance, a departmental administrative board, consists of the Auditor General, the State Treasurer, and seven other citizens appointed by the Governor for terms of six years. No member may serve consecutively for more than two terms.

The members elect a chairman, from among the appointed members, and a secretary, who need not be a member of the Board. The Board is required by statute to hold at least 6 regular meetings each year.

The principal duty of the Board is "to approve or disapprove and adopt rules, regulations, and standards..... as to eligibility for assistance and as to its nature and extent." It is also empowered to study the operation of the Department and make recommendations to the Governor regarding changes in administrative policy or in the Law.

3. Employment Board

The Employment Board is comprised of three members appointed by the Gov-

ernor for four-year terms. They may hold no other public position to which a salary is attached, and they receive actual expenses and a per diem compensation, not exceeding \$25.00 per day, fixed by the Executive Board and approved by the Governor.

The Employment Board is jointly responsible with the Department of Public Assistance for the classification of positions, fixing of salary schedules, and the establishment of rules governing demotion and removal procedure.

The Board is itself responsible for preparing, conducting, and grading examinations, and certifying lists of persons eligible for employment by the Department and the county boards.

4. County Boards of Assistance.

Much of the responsibility for administration of the public assistance program lies with the local Boards of Assistance, which are, in name and fact, administrative boards.

In Philadelphia and Allegheny Counties, the Boards are composed of eleven members each, and in all other counties of seven members each. Members are appointed by the Governor for terms of three years. They serve without compensation but are reimbursed for necessary expenses. The Public Assistance Law ⁽³⁾ requires that no member may hold office in any political party and that "not all of the members of a board shall belong to the same political party."

Each Board elects from among its members a chairman and a secretary.

5. Bureau of Assistance

The Bureau of Assistance is directly responsible to the Deputy for the actual operation of the public assistance program. It is this Division which administers the machinery for providing the required public aid to

those in need.

(4)

a. Types of Assistance Administered

(1) General Assistance

General Assistance frequently referred to as "direct relief" is the general type of assistance available to persons whose needs arise from unemployment or other causes, and who are not eligible for old age assistance, aid to dependent children or blind pension. General Assistance is provided for in the form of weekly cash grants entirely from State funds.

(2) Aid to Dependent Children

Grants, here, are on a needs basis only, and are restricted to individuals or families lacking means to support themselves and without responsible relatives able to support them. A dependent child is defined as any needy child under the age of 16, or under the age of 18 if regularly attending school, who has been deprived of parental support or care and is living with a parent, grandparent, step-parent, brother, sister, step-brother, step-sister, uncle, or aunt in a place of residence maintained by one or more of such relatives.

(5)

Under the terms of the Federal Social Security Act, as amended, the Federal Government bears half the cost of administering the aid to dependent children program.

(3) Old Age Assistance

Old Age Assistance is also granted on a needs basis and is restricted like general assistance, to individuals lacking means to support themselves, and without relatives able to support them. Through 1937, the counties paid part of the administrative costs of old age assistance. The Federal Government shares these grants on a 50-50 basis with the State. The age limit for applicants eligible under this program was reduced from

70 years to 65 years, beginning January 1, 1940. (6)

(4) Pensions for the Blind

This is the only pension authorized by the Public Assistance Law. Payments are fixed at \$30 monthly for all blind persons meeting certain statutory requirements. Personal resources up to \$1,200 annual income (including pension) and \$5,000 in property are permitted, and relatives are not held liable for support. Because payments are not based on individual need, Federal participation was withdrawn, effective January 1, 1938. (7)

(5) Burial Assistance

Under specified circumstances the State Department of Public Assistance compensates burial directors up to \$100 for the burial of recipients of any type of assistance or blind pensions where no other source of payment exists.

(6) Medical Care

(8)
Under Act 10 of 1938, the Department of Public Assistance was authorized to provide necessary medical service to persons on assistance rolls.

To supplement the experience gained through the medical assistance program administered by the State Emergency Relief Board during 1934-35, an experimental program was put into effect September 15, 1938, and the data gained from the program was used to establish a long range plan.

The present Medical Program provides for free selection of practitioner by patient and includes medical and nursing service, dental extractions necessary for health, and prescribed drugs. A maximum degree of control has been vested in volunteer County Healing Arts Assistance Committees, representing all services included in the program. These committees are,

in turn, subject to the supervision of a State Healing Arts Assistance Committee.

By agreement, doctors' bills are limited to \$1.00 for office visits and \$2.00 for home visits, with an allowance for mileage in rural areas. Prescription charges are limited, and may be made only in accordance with a fixed schedule. Nursing service is paid at the rate of 95¢ a visit, and visits after the first must be authorized by a physician. All bills rendered by practitioners are subject to approval by the Local Healing Arts Assistance Committee, which also has the responsibility of pro-rating doctors' and nurses' bills downward whenever, in any month, the sum allocated for medical care by the Department for that month is insufficient to meet the aggregate amount of bills submitted. Medical care allocations to the various committees each month are based on the number of assistance recipients in the county.

(7) Milk

The Public Assistance Law was amended in 1939 to provide that the local boards must issue milk orders as a part of assistance grants if there are children in the family or if the reports of the investigators indicate that adults require milk for their physical welfare. (9)

Beginning with September, 1939, milk orders have been included in grants issued to families receiving aid to dependent children, and to families receiving general assistance which include children under 16. In occasional instances, milk orders have been issued to older assistance recipients when milk is required for reasons of health.

b. Organization

(1) Division of Commodities Distribution and Civilian Conservation Corps Enrollment

The Department of Public Assistance cooperates with the Feder-

al Surplus Marketing Administration as State agent for the distribution to assistance recipients of food stuffs purchased by the Corporation from crop surpluses. Assistance families receive coupons entitling them to whatever commodities are available at designated distribution points. In accordance with Federal regulations, surplus commodities are distributed, in addition to, not in substitution for, authorized assistance grants. In certain areas of the State, where the Federal Food Stamp Plan has been instituted, physical distribution of commodities has been replaced by the system of selling stamps which entitle recipients to purchase certain specified commodities at designated retail stores.

The Department serves as State agent for the selection of unemployed youths eligible for enrollment in the Civilian Conservation Corps. The Executive Director of the County Assistance Board acts as local agent and receives applications. Civilian Conservation Corps enrollees, who must be between the ages of 17 and 23 $\frac{1}{2}$ are required to allot part of their monthly pay to their dependents, and preference is given youths who are members of public assistance families.

Forty-nine C.C.C. camps were scheduled for operation in Pennsylvania during the period October 1, 1939 to March 31, 1940. A maximum of approximately 9,800 enrollees were scheduled for this period.

The Department has no fiscal responsibility for this program.

(2) The Field Service Division

The field representatives, as the authorized agents for the Department, have the duty of working with the county assistance organizations in striving to achieve the best possible results with the funds and resources available. They are responsible for studying and reporting on the work of local administration and the problems encountered, and for

acting in a liaison capacity between the State office and the county organizations.

In addition to discharging the duty of general supervision and coordination on behalf of the Department, the field representatives are in a position to aid county boards and executive directors in important State policies, making available the experience of other counties, and making recommendations for seeking advisory service regarding administration procedure.

The work of the field representatives includes conferences with the Board chairmen and periodic meetings with the Boards, as well as regular contacts and consultations with the Executive Directors and with employes in charge of particular divisions of the local offices.

This Division includes a staff training section.

(3) Division of Assistance Policies

This Division, as the name implies, sets up the policies, under the Law, for the Department. This Division and the Bureau of Methods and Systems, together with the State Board of Assistance and the executives of the other bureaus and divisions, must work in close harmony at all times.

(4) Division of Relief Work Program

Under the Relief Work Act of 1939, (10) (The Pierson Act), employables on general assistance rolls are required to perform work assigned to them by the County Boards of Assistance. Those who refuse to comply with such orders without giving adequate reason, are denied assistance.

The County Boards make available to political subdivisions, State Institutions, the State Highway Department, charitable organizations, and State and Federal Employment Offices, names of employable persons classified by occupation. The work performed by such relief recipients is for the care, maintenance, improvement, and policing of highways, streets, buildings,

grounds, parks, and streams, of the agencies mentioned. The employables are not required to report for work at a distance greater than one mile from their domicile, except that the cost of transportation be provided by the agencies. The number of hours assigned to any employable shall be equal to the number of hours that such employable would work if he received identical compensation for private employment at prevailing rates of pay in the locality. All work projects contemplated under this program are not in substitution of existing, or sponsored, projects under the Federal Works Program.

In addition to assigning General Assistance recipients to work projects, the Relief Work Program provides for the guidance and referral of assistance recipients wishing to enroll in State or Federal vocational training programs and courses provided by Act 389, approved June 28, 1939.

Following passage of the Pierson Work Act, the State Board of Public Assistance adopted the following regulations:

- (a) No project shall be approved for assignment of relief recipients to replace workers involved in a labor dispute.
- (b) In assignments of relief recipients to work projects, no discrimination shall be made because of race, creed, or membership in any club or organization.
- (c) Sponsors shall carry workmen's compensation for all Relief Work Program workers on their respective projects.

Sponsors are further required to provide supervision and necessary materials and supplies, and are required to provide items subject to unusual wear and tear as part of the equipment.

The Act further provides that a private employer may ask the County Board of Assistance to refer suitable persons for employment openings. Such employment is, of course, compensated by the employer and is in exactly the same category as any other private employment, which might be obtained by an assistance recipient. The Act further provides that employ-

able persons who fail to accept or continue at private employment, without reason deemed sufficient by the County Board of Assistance, are ineligible for assistance.

Since August, 1939, there has been a steady rise in the volume of relief work activity. This rise has been reflected in the number of employables working on Relief Work Program projects, the amount of assistance worked for, and in the number of projects in operation. The administrative costs during October 1940 were about \$26,000, and the average number of relief workers on projects approximately 22,000 persons, making an average cost of administration per R.W.P. worker of \$1.25. These costs do not represent the full administrative costs of conducting the Relief Work Program, as the cost of investigating eligibility, issuing checks, and other over-all operating costs are now included in the regular cost of administration of the public assistance program. Table XVII-A, page 1719, summarizes the first year of operation of the Relief Work Program.

(5) Resources Investigation Division

This Division at State headquarters is concerned with the searching of the records of the Bureau of Vital Statistics for dates of birth, and with the Social Security Board at Washington when such information cannot be found at Harrisburg. This Section works with County Boards in the developing of special local investigating units that contact employers and financial institutions to check payrolls and bank accounts against relief files.

(6) W.P.A. Certification

This Bureau also supervises the activity of county offices in the certification of names of employables to the Works Progress Administration. By a formal agreement between the two organizations, W.P.A.

TABLE XVII-A

DEPARTMENT OF PUBLIC ASSISTANCE
SUMMARY OF RELIEF WORK PROGRAM
AUGUST 1939 TO JULY 1940

Month	Average Number of Projects in Operation	Average General Assist Case-Load	Average No. of Cases with a Worker on R.W.P.		Average Number Workers Per Project	Total Man Hours Worked	Amount General Assistance Granted			Average Hourly Work Rate	Cost of Administration
			Number	% of Col.(2)			Amount Worked For On Relief Work Program				
							Total	Amount	% of Col.(7)		
1939	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Aug....	133	273,000	1,612	0.6	12.1	117,067	\$9,220,851	\$ 52,380	0.6	0.45¢	\$46,000
Sept...	658	273,100	8,261	3.0	12.6	567,724	8,805,482	267,378	3.0	0.47	40,000
Oct....	1,031	253,100	12,355	4.7	12.0	804,267	7,620,330	395,929	5.2	0.49	37,675
Nov....	1,197	218,800	15,502	7.1	13.0	998,960	6,656,110	507,720	7.6	0.51	36,450
Dec....	1,221	205,700	16,601	8.1	13.6	1,053,707	6,301,236	537,047	8.5	0.51	36,885
<u>1940</u>											
Jan....	1,225	200,100	17,068	8.5	13.9	1,097,169	\$6,195,495	\$558,981	9.0	0.51	36,993
Feb....	1,339	200,800	20,574	10.2	15.3	1,273,788	6,024,032	648,919	10.8	0.51	33,719
Mar....	1,433	201,100	22,931	11.4	16.0	1,513,154	6,331,101	768,366	12.1	0.51	33,000
April..	1,545	195,100	23,226	11.9	15.0	1,453,996	5,840,309	742,105	12.7	0.51	36,020
May....	1,568	176,800	23,586	13.3	15.0	1,605,454	5,655,644	825,241	14.6	0.51	36,711
June...	1,577	165,000	25,674	15.6	16.3	1,598,286	4,672,960	818,496	17.5	0.51	35,071
July...	1,590	166,800	26,843	16.1	16.9	1,753,299	4,959,077	898,622	18.1	0.51	33,000

standards for certification are recognized in general to be the same as the standards of eligibility for general assistance. It is the responsibility of the County Boards to certify all members of general assistance cases who are immediately available for employment, with certain exceptions, such as those needed in the home, aliens, housewives, those known to be physically or mentally incapable of securing or holding employment, etc.

6. Bureau of Research and Statistics

The Bureau of Research and Statistics collects, analyzes, and publishes statistical information on the administrative operations of the Department and County Boards; conducts special research; and prepares special administrative studies, statistical bulletins, and reports for the United States Social Security Board.

For administrative purposes, the Bureau is organized into a collection and reporting section and a special studies and analysis unit.

7. Bureau of Finance

The Bureau of Finance, in charge of the Comptroller of the Department, is responsible for assistance check-writing, general accounting, field examination, and claims settlement.

It is well here to explain the fiscal relationship with the Department of Public Assistance of the Department of the State Treasurer and the Auditor General.

The State Treasurer makes all disbursements of Public Assistance Funds. Allocation is made from appropriations for public assistance to reimburse the State Treasurer for administrative expenditures incurred in connection with the disbursement of assistance checks. Direct charges to the Department of Public Assistance by the State Treasurer began July 1,

1937. Prior to that time the SERB issued checks directly, and the cost of issuing checks for the Special Assistance Program was borne by the State Treasurer.

Under the State Fiscal Code, the Department of the Auditor General has the authority to audit and approve or disapprove all expenditures from State funds. This function involves periodical examination of the records and documents in support of assistance grants, salary payments, and other administrative expenses. Funds to defray costs incurred by the Auditor General for audit of departmental accounts are allocated out of Public Assistance appropriations. The direct charges to the Department of Public Assistance by the Auditor General began July 1, 1937. Prior to that time the cost was borne by the Auditor General.

a. Regional Offices

The work of the Department is conducted through the headquarters office in Harrisburg and four regional financial offices located in Philadelphia, Pittsburgh, Harrisburg, and Scranton.

These offices are responsible for the processing of relief authorization notices, the writing of assistance checks and the maintenance of necessary accounting and case records.

The State Treasurer and the Auditor General have representatives in all regional offices to act as their agents in performing their particular work.

b. General Accounting Division

This Division has charge of the clerical work and actual accounting and auditing of all accounts of the Department. It also sends men into the local area offices for the purposes of auditing their accounts.

c. Field Examining Division

The Field Examining Staff deals with Social Security Board exceptions taken with respect to individual grants. They cooperate with the counties in clearing of necessary verification of eligibility points which have been questioned. It is their duty to examine the mechanism by which restitutions are collected in claim settlement units; to examine county board accounts to verify emergency grants; to examine and keep control of supplies; to check FSCC stamps; to check warehouse systems, truck charges, and facilities; and to handle special requests for investigations by county, State, or claim settlement units.

d. Claims Settlement Division

At present, there are five State offices for claims settlement located in Philadelphia, Harrisburg, Pittsburgh, Erie, and Wilkes-Barre.

This Division receives notice of over-payment from any place in the organization, and arranges for an interview with the relief recipient who is the subject of the claim. If a claim is established, the Department uses a weekly follow-up system to see that the money is sent to the accounting department, from which it is then sent to Revenue. If, however, the recipient refuses to make voluntary repayments, regular restitution proceedings are instituted.

This Division is also responsible for all investigation, collection, and legal work connected with restitutions and reimbursements. Repayment of money under the Public Assistance laws is required under two circumstances: (1) restitution of money received for which the recipient was ineligible; and (2) reimbursement from property owned while receiving assistance. In addition to claims against property, legally enforceable claims are created whenever an individual accepts public assistance for

which he is ineligible at the time of receiving it. Restitution in such cases is accomplished either by voluntary settlement or by prosecution.

D. PERSONNEL

All employes in the Department of Public Assistance, excepting the Secretary and his Deputy are selected on a civil service basis according to rules and regulations prescribed by the Employment Board for the Department. The Secretary, who is appointed by the Governor, with the advice and consent of two-thirds of the members of the Senate, at an annual salary of \$10,000, is delegated with the duty to administer and carry out the provisions of the Public Assistance Law, and to supervise local assistance boards.

The county boards, like the State Department are subject to the rules and regulations adopted by the Employment Board in establishing a merit system of employment under the Law. The Public Assistance Law designated the power of the county boards with respect to personnel as follows:

"To appoint, transfer, lay-off, suspend and remove an Executive Director and other employes, which employes shall, on behalf of the Board and under the supervision of the Executive Director, provide assistance in the territory under its jurisdiction in accordance with the Law."

In keeping with the spirit and intent of the merit principle in public administration, it is the Boards constant aim to secure and retain the ablest in personnel available. The Department in conjunction with the Employment Board is drawing plans for a system of service ratings for employes of various grades which will be of help to county boards in arriving at decisions as to promotions, demotions, lay-offs and removals.

Full authority exists in the Law for county boards to take appropriate action in dismissing incompetent, negligent or inefficient employes, when-

ever such action is justified by the facts. However, the preservation of public confidence and of staff morale requires valid reasons for decisions effecting personnel, based on a comparison with predetermined standards.

The Executive Director of County Boards of Public Assistance, because of his over-all knowledge, may be looked upon to make recommendations as to appointments, changes in classification, and release of employes, but each decision affecting personnel must be considered and authorized by the County Board.

The Law and the regulations of the Employment Board provide for the appointment by the County Board of a special, local Reviewing Board to hear and determine appeals by employes from orders of demotion or removal.

On June 1, 1940 the number of employes operating under the Commonwealth's Public Assistance program totaled 8,193 receiving annual salaries aggregating \$11,254,224. Table XVII-B, presents a summary distribution of these employes according to their location in the State or County divisions of the Department's set-up.

TABLE XVII-B

DEPARTMENT OF PUBLIC ASSISTANCE
SUMMARY OF EMPLOYES AND ANNUAL SALARIES PAID
JUNE 1, 1940

Location	Number of Employes	Annual Salaries
Employment Board.....	138	\$ 213,444
Department of Assistance..	985	1,346,976
County Assistance Boards..	7,060	9,693,804
Total.....	8,183	\$11,254,224

On December 31, 1940, the number of employes had decreased to 7,094 or a reduction of 13.3%. This drop in personnel occurred chiefly in the

county assistance boards which had 6,050 employes on December 31, 1940, or 1,010 less than on June 1, 1940. During this same period, the case load of the Department for all types of assistance, decreased 24,786, or from 323,566 on June 1, 1940 to 298,780 on December 31, 1940.

1. Relationship Between Personnel and Case Load

Since assistance is administered on a case basis rather than a person basis, (the case being the administrative unit), the study of relationship between personnel and public assistance must take into consideration the number of applications plus active assistance cases.

The data set forth in Table XVII-C, includes in so far as available, the period covered by the SERB for direct and work relief only, since special assistance at that time was administered by the Department of Welfare and data for the number of employes in the Department of Welfare engaged in the administration of assistance is not available. The data for the Department of Public Assistance period includes general assistance, old age assistance, aid to dependent children, and pensions for the blind.

Although SERB began work in September, 1932, it was not until June, 1933, that data became available. Application figures are not available prior to May, 1934.

Applications and active cases are given equal weight, despite the fact that investigation of new applications requires more factors than does the reinvestigation of an active case.

When the SERB was taken over by the Department of Public Assistance in July, 1937, the personnel was also taken over and completed the year, so that the average number of employes for 1937 is on a comparable basis with the other years.

TABLE XVII-C

DEPARTMENT OF PUBLIC ASSISTANCE
AVERAGE NUMBER OF CASES AND APPLICATIONS
PER EMPLOYEE PER MONTH

Yearly Averages: 1934 - 1940

Year	Average Number of Cases a/	Average Number of Employees b/	Average Number of Cases Per Employee	Average Number of Applications Received Per Month c/	Average Number of Applications Received Per Employee	Average Number Cases and Applications Received Per Employee
1934...	339,344	4,871	69.7	d/	d/	d/
1935...	414,158	9,512	43.5	60,999	6.4	49.9
1936...	169,991	5,644	30.1	43,400	7.7	37.8
1937...	151,452	3,664	41.3	35,686	9.7	51.0
1938...	320,866	6,750	47.5	59,502	8.8	56.3
1939...	369,176	7,547	48.9	56,095	7.4	56.3
1940...	318,784	6,797	46.9	47,096	6.9	53.8

a/ Figures for 1934-1937 represent the average number of cases on SERB rolls (direct or work relief); figures for 1938-1940 represent the average number of cases on DPA rolls (GA, OAA, ADC, BP).

b/ Figures for 1934-1937 represent the average number of employees on the SERB County and Regional staffs, excluding Works Division employees; figures for 1938-1940 represent the average number of employees on the DPA County and Regional staffs, excluding RWP employees.

c/ Data are not available to show applications on a strictly comparable basis throughout the entire period. The figures for 1935-1938 represent formal applications, and do not include requests which were withdrawn as a result of preliminary interviews. Figures for 1939-1940 represent requests for assistance.

d/ Not available.

E. FINANCES

During the eight-year period 1932 to 1939, inclusive, the Commonwealth of Pennsylvania and the Federal Government expended an aggregate of approximately \$924,545,000 in the distribution of relief to residents of the State. As is shown in Table XVII-D, \$379,339,000 of this amount was paid for by Federal funds, \$532,502,000 by the State and \$12,704,000 by the 67 counties in the Commonwealth.

TABLE XVII-D

DEPARTMENT OF PUBLIC ASSISTANCE
EXPENDITURES FOR RELIEF PURPOSES
IN PENNSYLVANIA FROM
1932 TO 1939

Source of Funds	Expended	Per Cent of Total
Federal.....	\$379,339,000	41.0
State.....	532,502,000	57.6
Counties.....	12,704,000	1.4
Total.....	\$924,545,000	100.00

In addition, the Federal Government spent in the State, for W.P.A. during the above period a total of \$736,185,000. Hence, aggregate relief expenditures in Pennsylvania have totaled \$1,660,730,000 during the above eight-year period.

Table XVII-E, pages 1728 and 1729, presents the above expenditures in detail by source of funds for each year and shows the purposes for which moneys were expended during each year.

Of the total yearly expenditures during 1939 of \$144,641,000, the State contributed \$130,440,000, or 90.2%. The Federal contribution to Old Age Assistance, amounting to \$10,158,000, was allocated on a 50-50 basis with the State funds. The Federal contribution to Aid to Dependent

TABLE XVII-E

EXPENDITURES FOR PUBLIC ASSISTANCE
BY TYPES AND BY YEARS
FEDERAL - STATE - COUNTY
1932 TO 1939, INCLUSIVE

(000 Omitted)

Source of Funds by Years	General Assistance	Work Relief	Aid to Dependent Children	Old Age Assistance
1932 - TOTAL	\$11,447	\$ --	\$1,191	\$ --
Federal	7,646	--	--	--
State	3,801	--	595	--
County	--	--	596	--
1933 - TOTAL	74,794	--	3,494	--
Federal	44,318	--	--	--
State	30,476	--	1,747	--
County	--	--	1,747	--
1934 - TOTAL	91,984	19,546	3,363	663
Federal	70,386	15,825	--	--
State	21,598	3,721	1,681	663
County	--	--	1,682	--
1935 - TOTAL	149,409	23,718	3,478	9,125
Federal	119,448	19,697	--	--
State	29,961	4,021	1,739	9,125
County	--	--	1,739	--
1936 - TOTAL	63,444	--	3,647	11,704
Federal	--	--	496	3,352
State	63,444	--	1,575	8,352
County	--	--	1,576	--
1937 - TOTAL	57,813	--	6,091	22,640
Federal	--	--	2,031	11,320
State	57,813	--	2,030	11,320
County	--	--	2,030	--
1938 - TOTAL	75,979	--	7,270	23,477
Federal	--	--	2,387	11,739
State	75,979	--	4,883	11,738
County	--	--	--	--
1939 - TOTAL	91,646	--	10,841	20,317
Federal	--	--	3,053	10,158
State	91,646	--	7,788	10,159
County	--	--	--	--
Total	\$616,516	\$43,264	\$39,375	\$87,926

a/ Includes non-relief earnings and materials and equipment of SERB

Pensions to Blind	Other Programs ^{a/}	Administration	Totals
\$ --	\$ 1,269	\$ 368	\$ 14,275
--	869	155	8,670
--	400	148	4,944
--	--	65	661
--	6,565	3,604	88,457
--	3,974	1,857	50,149
--	2,591	1,557	36,371
--	--	190	1,937
660	14,498	10,147	140,861
--	11,484	7,676	105,371
660	3,014	2,252	33,589
--	--	219	1,901
1,380	13,102	18,701	218,913
--	10,749	14,121	164,015
1,380	2,353	3,935	52,514
--	--	645	2,384
2,947	1,474	9,993	93,209
1,407	50	29	5,596
1,540	1,424	8,947	85,282
--	--	755	2,331
3,749	842	8,363	99,498
1,874	39	884	16,148
1,875	803	6,019	79,860
--	--	1,460	3,490
4,178	2,336	11,451	124,691
--	63	1,000	15,189
4,178	2,273	10,451	109,502
--	--	--	--
4,432	4,165	13,240	144,641
--	35	955	14,201
4,432	4,130	12,285	130,440
--	--	--	--
\$17,346	\$44,251	\$75,867	\$924,545

Children of \$3,053,000 was about 30% of the actual State payments, and the Federal contribution to administration was \$955,000 as against the State's \$12,285,000.

Pensions to the blind of \$4,432,000 and expenditures for general assistance amounting to \$91,646,000 are paid from State funds exclusively, the two items together taking 69.5% of the total expenditures for public assistance and 73.7% of the State's appropriation for the public assistance program.

While the figures for the three categories in 1939 remained fairly constant at around \$3,000,000 a month, the variable is expenditures for general assistance, which reached a high of \$9,220,851 for August and a low of \$6,301,236 for December.

The year 1932 saw the creation of the SERB by the Woodward Act. It also marked the low in State expenditures for public assistance. From September, 1932 to November, 1933, the State distributed food orders for direct relief by local boards. The first Talbot Act appropriated \$10,000,000 to the Department of Welfare for aid to political subdivisions for direct relief. There were some work projects but no available records have been kept. This was followed by the second Talbot Act which appropriated \$12,000,000 to SERB for direct and work relief and was allocated to the counties. Financing was through or by the Emergency Relief Sales Tax Act, which levied 1% on gross income from sales, and was in effect from September 1, 1932 to February 28, 1933.

The following Pennsylvania State-wide program for unemployment relief went into operation September 1, 1932, under the SERB:

1. Relief on the basis of actual need.
2. No relief to those who refused to work.
3. Funds for food orders and some work relief (Highway Department).

4. Local boards were directly responsible for organizing the work.

The Federally sponsored CWA operated from November, 1933 to March, 1934 to which was freely assigned those from general assistance and others to absorb the relief and non-relief unemployed. This was not a work relief program. The purpose was to provide real employment, at prevailing rate of pay. All work relief was suspended during this period.

From April, 1934, to August, 1935, the State operated a work relief program under the FERA and the SERB until the WPA came into existence and assumed all work relief and left direct relief to the State.

Federal direct relief reached a high in 1935 of \$164,015,000 and dropped to \$5,596,000 in 1936. This accounts for the tremendous jump in State expenditures in 1936 to over \$85,000,000 with only one-half the case load of 1935.

The following year, 1937, showed a slight decrease in cases and grants, followed by an increase in 1938 and the record high in 1939 of State expenditures for public assistance of \$130,440,000 due to the drastic curtailment of WPA.

FOOTNOTES

- (1) 1937, P. L. 2003, Section 3, Article XXV-A, 2502-A
- (2) 1937, P. L. 399
- (3) 1937, P. L. 2051
- (4) See Public Assistance Law - 1937, P. L. 2051 as amended by 1938 P. L. 31; 1939, P. L. 1089; 1939, P. L. 1091; and Act No. 8, 1940.
- (5) 1937, P. L. 2051, as amended by 1939, P. L. 1091 and Act No. 8, 1940, Section 9 (a)
- (6) 1937, P. L. 2051, Section 9 (b)
- (7) 1937, P. L. 2051, Section 9 (c)
- (8) 1938, P. L. 31
- (9) 1939, P. L. 1089
- (10) 1939, P. L. 1184

CHAPTER XVIII

DEPARTMENT OF PUBLIC INSTRUCTION

A. FUNCTION

The Department of Public Instruction was created to carry out the constitutional provision that "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public schools wherein all the children of the Commonwealth above the age of six may be educated....."⁽¹⁾ It administers the school laws and assists the school districts of the State in conducting their educational programs; examines and licenses the practitioners of sixteen different professions and occupations; and supervises fourteen State Teachers Colleges and various State-owned schools which are a part of the public school system.

The Department is headed by a Superintendent of Public Instruction, a constitutional officer,⁽²⁾ who is appointed by the Governor for a term of four years, by and with the consent of the Senate. His statutory salary is \$12,000 per annum.⁽³⁾ He is president and chief executive officer of the State Council of Education;⁽⁴⁾ a member and chairman of the Public School Employes' Retirement Board;⁽⁵⁾ a member of the Pennsylvania Historical Commission;⁽⁶⁾ and a member of thirteen professional examining boards.⁽⁷⁾

B. POWERS AND DUTIES

The Department of Public Instruction administers the school laws, manages the State Library and State Museum, conducts civil service examinations for the Pennsylvania Liquor Control Board, and supervises the work of the various boards and commissions assigned to it.

More specifically, it is vested with powers and duties as follows:⁽⁸⁾

1. To administer the laws of the Commonwealth with regard to the establishment, maintenance, and conduct of public schools.
2. To prepare forms with suitable instructions for conducting the various proceedings and details for the system in a uniform and efficient manner.
3. To prepare and furnish to proper persons suitable blanks and all other papers required by law.
4. To give advice, explanations, etc., relative to the school laws, and all other matters calculated to promote the cause of education.
5. To classify the high schools of the State.
6. To issue all commissions to superintendents and assistant superintendents of schools in this Commonwealth.
7. To prescribe minimum courses of study for the public schools.
8. To prepare and furnish to boards of school directors sample forms for keeping and reporting school accounts, sample bonds for various needs and any other forms required by law.
9. To endorse and make valid for teaching in Pennsylvania any permanent or life teacher's certificate from any other State.
10. To condemn, as unfit for use, any school building, school site or outbuilding, in the Commonwealth, on account of unsanitary or other improper conditions.
11. To administer the laws relating to vocational, industrial, agricultural and household arts education.
12. To investigate the need for, aid in establishment of, supervise, inspect and approve for reimbursement by the State, schools, departments and courses for vocational and practical education, and continuation schools, when a part of the school system.
13. To pay for the education of deaf and blind children, in schools which afford vocational training for such children, and supervise the education of State pupils in such schools.
14. To determine, value, standardize and regulate the preliminary education of those to be admitted to the practice of medicine, dentistry and pharmacy in the Commonwealth.
15. To hold examinations to determine the fitness of applicants unable to furnish satisfactory certificates, and to issue certificates to those found proficient.

16. To establish reciprocity with other States as to preliminary education and professional licenses.
17. To determine and publish a standard high school course and to publish, from time to time, a list of elementary and secondary schools of the State which conform to the official standard.
18. To keep the records of all the professional examining boards, established in the department.
19. To issue all certificates and other official documents of the various professional examining boards in the department.
20. To assist any professional examining board in the department and cooperate in the determination and establishment of standards of professional education.
21. To set up the organization for examination, licensing or registration, whenever the General Assembly shall condition the right to practice any profession or to work at any trade or occupation upon such examination, licensing, or registration.
22. To direct and control the State Library and Museum, including a law library.
23. To edit the Pennsylvania Archives.
24. To preserve all public records throughout the Commonwealth, especially those of the State Government of historical value.
25. To examine into the condition of the records, books, maps, documents, etc., kept, filed or recorded in the offices of boroughs, cities, and counties of the State.
26. To cause all laws relating to public records to be enforced.
27. To furnish to applicants, certificates relating to, or copies of public records on payment of the prescribed fee.
28. To give advice and counsel to free libraries of the State, and to communities wishing to establish such libraries.
29. To supervise and inspect free libraries and to establish and maintain a system of traveling libraries.
30. To preserve objects illustrating the flora and fauna of the State, and its minerology, geology, arts, history and education.
31. To examine all motion pictures to be exhibited in Pennsylvania and to approve or disapprove such pictures.

The State Council of Education and the various boards and commissions of the Department of Public Instruction have vested in them the following powers and duties:

1. To report and recommend to the Governor, and the General Assembly, legislation needed to make the schools more useful and efficient.
2. To equalize, through special appropriations, or otherwise, the educational advantages of the different parts of the Commonwealth.
3. To inspect and require reports of schools and institutions wholly or partly supported by the State and not supervised by the public school authorities.
4. To encourage and promote such vocational and practical education as the needs of the Commonwealth require.
5. To prescribe rules and regulations for sanitary equipment and school house construction and to take action deemed necessary or expedient to promote the physical and moral welfare of the children in the public schools.
6. To investigate and make recommendations pertaining to the work of any school of design, school of industrial arts or other educational institutions receiving a State appropriation.
7. To change the name of any State Normal School to State Teachers' College, and to designate the certificates and degrees conferred.
8. To determine and promulgate standards for certificates to teach in the elementary and secondary schools which conform to the official standards of the Department.
9. To administer the Public School Employes' Retirement System.
10. To mark with proper monuments, tablets, or markers, places or buildings within this Commonwealth where historical events have transpired; and places outside the Commonwealth having to do with its history.
11. To undertake the preservation or restoration of ancient or historical public buildings, military works, or monuments, connected with the history of Pennsylvania.
12. To arrange for publication or republication of matters of historical or archaeological interest.
13. To conduct investigations upon historical or archaeological matters.
14. To assume the preservation, care and maintenance of historical buildings, grounds, monuments or antiquities, committed to its custody by the General Assembly.

15. To accept for the Commonwealth, gifts, or bequests of relics, or other articles of historical interest, or gifts or bequests for the endowment of its work.
16. To approve or disapprove the design and proposed location of all historical monuments, buildings, etc., and to cooperate in the care or restoration of historic sites, battlefields, and other historical undertakings, maintained or executed in whole or part at the expense of the State.
17. To accept and take title, in the name of the Commonwealth, to the sites of historical markers.
18. To examine any record within the control of any agency of the Commonwealth for the purpose of historical research.
19. To examine or cause to be examined or excavated, the sites and areas of former aboriginal or American Indian occupation within the Commonwealth, to acquire archaeological collections for the State Museum and prepare a list of such sites, report upon their specific archaeological culture and prepare such information for publication.

The Boards of Trustees of State Institutions within the Department of Public Instruction are vested with the following powers and duties:

1. Subject to approval of the Governor, to elect a president, principal, etc., to administer the institution and, if deemed advisable, a business manager.
2. On nomination of the administrative officer, to appoint officers and employes and fix their salaries.
3. To make by-laws, rules and regulations for the management of the institution, subject to the approval of the Superintendent of Public Instruction.

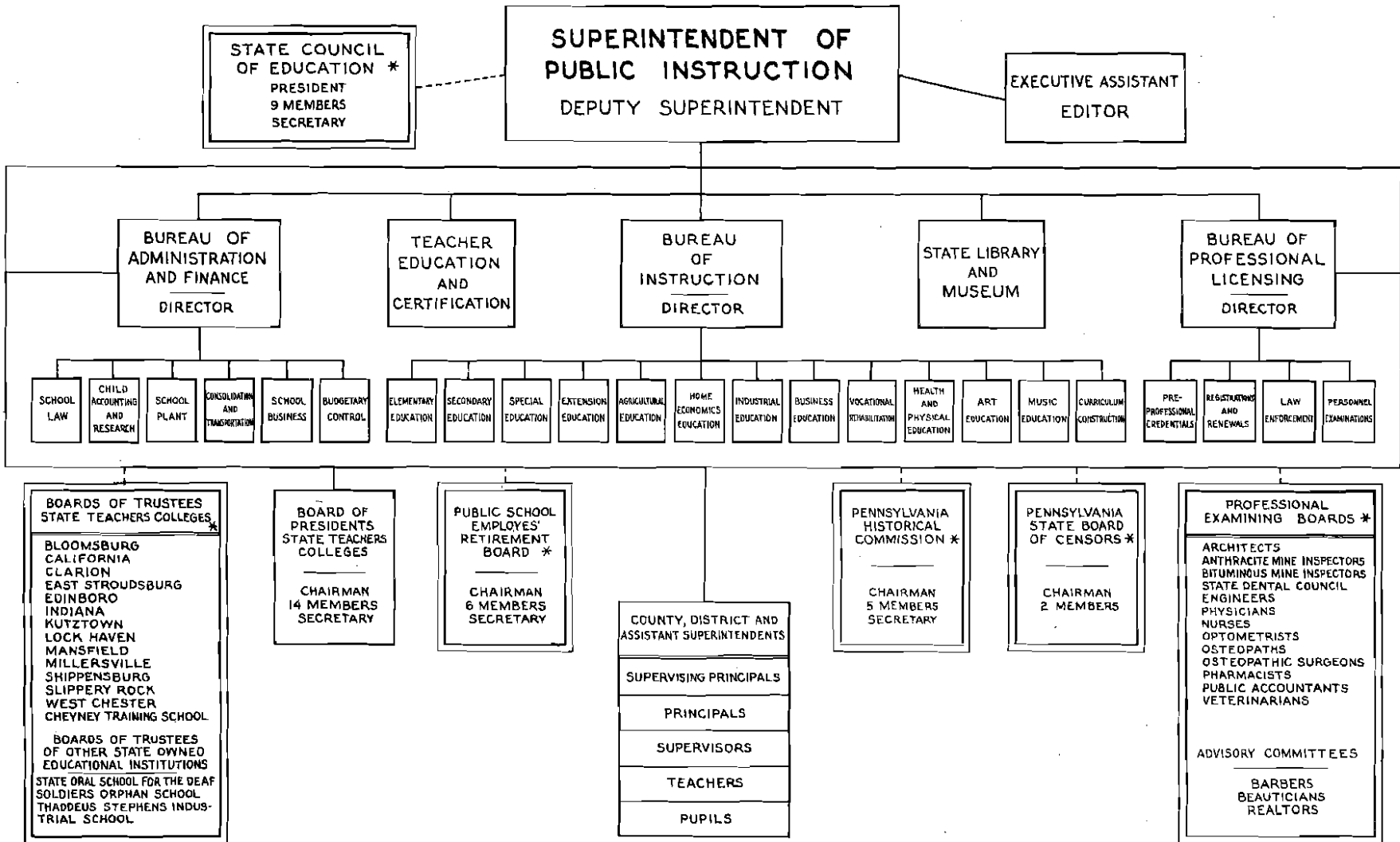
C. ORGANIZATION AND OPERATIONS

The present organization of the Department, shown in the chart on the following page, was approved by the Executive Board on August 19, 1936, providing for the following:

State Council of Education
 Bureau of Administration and Finance
 Teacher Education and Certification
 Bureau of Instruction
 State Library and Museum
 Bureau of Professional Licensing

CHART XVIII-1
ORGANIZATION CHART OF THE DEPARTMENT OF PUBLIC INSTRUCTION

-1806-



*DEPARTMENTAL ADMINISTRATIVE BOARD OR COMMISSION

Boards of Trustees, State Teachers' Colleges
Boards of Presidents, State Teachers' Colleges
Public School Employes' Retirement Board
Pennsylvania Historical Commission
Pennsylvania State Board of Censors
Professional Examining Boards

1. State Council of Education

(4)

The State Council of Education consists of the Superintendent of Public Instruction, who shall be president and chief executive officer thereof, and nine other members. All appointments are for terms of six years. The Council is authorized to elect a secretary who need not be a member of the Council.

For the purpose of administration of Federal aid, the State Council of Education has been designated ⁽⁹⁾ as the State Board of Vocational Education. The members serve without pay, but receive reimbursement of expenses incurred in attending meetings.

The State Council controls and manages the State School Fund; approves consolidated schools; provides for the special education of handicapped children; establishes regulations in accordance with which all teachers' certificates, other than those specifically provided for in the Administrative Code, are issued; approves the creation of new school districts of the fourth class; approves the reopening of one-room schools that have an average daily attendance of ten or more pupils; prescribes the standards in accordance with which the degree-granting power is conferred upon universities and colleges; approves additional school subjects; prescribes regulations for the award of State scholarships; determines true valuations of school districts; recommends new legislation to the Governor and the General Assembly; provides plans and specifications for school buildings and prescribes rules and regulations for the sanitary equipment and inspection of such buildings.

In connection with the work of supervision, reports may be required of schools and institutions wholly or partly supported by the State. The School Code provisions especially emphasize the powers of the Council over the various types of vocational education.

Table XVIII-A shows the appropriation and enrollment of the four universities of the Commonwealth which receive State aid:

TABLE XVIII-A
 APPROPRIATIONS AND ENROLLMENTS
 OF THE FOUR STATE-AIDED UNIVERSITIES

Institution	Appropriated 1939-1941	No. Full Time Students 1939-1940*	Appropriation Per Student 1939-1940
Pennsylvania State College..	\$4,460,000	7,187	\$310.28
University of Pennsylvania..	1,485,000	15,970	46.49
University of Pittsburgh....	1,238,000	8,447	73.28
Temple University.....	900,000	6,975	64.52

* This does not include part-time students.

Each of these institutions must give three scholarships annually to each Senator, who awards them under the regulations of the State Council of Education. The value of the scholarships in relation to tuition charges is as follows:

a. Tuition Charges

University of Pittsburgh: Annual tuition in all schools except Medicine and Dentistry is charged at the rate of \$10 for each semester credit, with an additional charge for laboratory and other fees, total ranging from \$300 to \$350. The basic tuition charge in the Schools of Medicine and Dentistry is \$250, with laboratory charges of \$235 in the School of Medicine and \$150 in the School of Dentistry.

Pennsylvania State College: The basic fixed charges are \$139.50 per student, including incidental fee of \$100 but excluding course fees ranging from \$6.25 to \$38. Students, non-residents of Pennsylvania, pay an additional non-resident fee of \$150.

Temple University: Tuition fees are as follows: School of Medicine, \$375; School of Chiropody, \$280; School of Dentistry, \$250; School of Pharmacy, \$235; School of Dental Hygiene, \$200; School of Commerce, \$200; School of Law (day), \$185; School of Law (evening), \$150; College of Liberal Arts and Sciences, \$200; Teachers' College, \$200; University High School, \$75.

University of Pennsylvania: The tuition charge is \$400 in all schools, except the following: Music, \$300; Medicine, \$500; Graduate School of Medicine, first year, \$800; Veterinary, \$225; Graduate School, \$325. Other principal fees include Matriculation Fee, \$5; General Fee, \$20; Deposit to cover breakage, etc., ranging from \$5 to \$25.

b. Senatorial Scholarship Values

University of Pittsburgh: The value of a senatorial scholarship is the \$250 basic tuition charge, applied to all schools in the University.

Pennsylvania State College: Credit of \$100 is applied against the incidental fee.

Temple University: The value of a scholarship is as follows: School of Medicine, \$200; School of Chiropody, \$200; School of Dentistry, \$200; School of Pharmacy, \$185; School of Dental Hygiene, \$150; School of Commerce, \$200; School of Law (day), \$185; School of Law (evening), \$150; College of Liberal Arts and Sciences, \$200; Teachers' College, \$200; University High School, \$75.

University of Pennsylvania: Credit is given for full amount of tuition charges, except in the Graduate School of Medicine, where scholarships are awarded only in rare instances, and in the School of Dentistry, which is managed by the Board of Trustees of the Evans Institute.

In determining the true valuation of school districts, the Council often encounters tremendous variations between the poorer and the wealthier districts. The ability to pay in the wealthier districts is thus many times that of the poorer, yet the same laws apply to the latter, and the observance of the same or similar standards is expected. Table XVIII-B shows a distribution of school districts according to the true valuation per teacher for the 1939-41 biennium:

TABLE XVIII-B

DISTRIBUTION OF SCHOOL DISTRICTS
ACCORDING TO TRUE VALUATION PER TEACHER
FOR 1939-41*

True Valuation Per Teacher	School Districts
Over \$100,000	751
More than \$50,000 but not more than \$100,000 ...	865
More than \$25,000 but not more than \$ 50,000 ...	780
\$25,000 and less	154
Data not available	3
Total	2,553

* Based on Computations of October, 1938

2. Executive Office

The Executive Office is charged with general administration of the affairs of the Department, coordinating the work of the various divisions and exercising direct supervision in all personnel matters. Its Publications Division edits courses of study and other publications of the Department and prepares material for publication in the Pennsylvania Education Bulletin.

3. Bureau of Administration and Finance

The Bureau of Administration and Finance is responsible for all financial and budgetary matters of the Department, its boards and commissions, and all subsidies to the school districts. It consists of divisions of School Law, Child Accounting and Research, School Plant (including institutions in school districts), Consolidation and Transportation, School Business, and Budgetary Control. The legal authorization for the performance of these several duties is found in the provisions of the Administrative

Code and the School Code.

The Division of School Law has charge of legal relations and legal services of the Department. The Child Accounting Division administers the school attendance law, the child labor law as it relates to school children, and assists in the preparation of special studies and reports. Table XVIII-C and Table XVIII-D show the improvement in attendance and increase in enrollment for various periods.

TABLE XVIII-C

NET ENROLLMENT, PERCENT OF ATTENDANCE, DAYS OF ABSENCE
AND DAYS OF ABSENCE PER PUPIL ENROLLED IN PENNSYLVANIA
PUBLIC SCHOOLS FOR VARIOUS YEARS

School Year	Net Enrollment	Percent of Attendance	Total Days of Absence	Days of Absence per Pupil Enrolled
1918-1919	1,583,187	86.0	-	-
1923-1924	1,802,505	92.7	22,725,198	12.6
1928-1929	1,897,128	92.8	22,434,933	11.8
1933-1934	1,994,022	93.9	20,499,115	10.2
1938-1939	1,886,833	94.4	18,011,013	9.5

Decrease in total days of absence 1923-1924 to 1928-1929 1.2 percent
Decrease in total days of absence 1923-1924 to 1933-1934 9.7 percent
Decrease in total days of absence 1923-1924 to 1938-1939 ... 20.7 percent

TABLE XVIII-D

PERCENT OF CHILDREN ACCORDING TO AGE GROUPS
ENROLLED IN PUBLIC SCHOOLS OF PENNSYLVANIA
SCHOOL YEARS 1927-1928 AND 1937-1938*

Age Group	Percent in School	
	1927-1928	1937-1938
6-7 years inclusive	72.1	81.7
8-13 years inclusive	84.2	86.2
14-15 years inclusive	75.0	84.6
16-17 years inclusive	-	68.3

* Excluding enrollment in special classes and private schools.

Table XVIII-E shows a comparison of the compulsory school attendance and work permit ages in the various States:

TABLE XVIII-E
 COMPULSORY SCHOOL ATTENDANCE
 AND WORK PERMIT AGES, BY STATES ^{1/}

State	Compulsory Attendance Ages	State	Compulsory Attendance Ages
Alabama	7-16	Nebraska	7-16
Arizona	8-16	Nevada	7-18
Arkansas	7-16	New Hampshire	8-16
California	8-16	New Jersey	7-16
Colorado	8-16	New Mexico	6-16
Connecticut	7-16	New York	7-16
Delaware	7-17	North Carolina	7-14
Florida	7-16	North Dakota	7-17
Georgia	8-14	Ohio	6-18
Idaho	8-18	Oregon	7-16
Illinois	7-16	Oklahoma	7-18
Indiana	7-16	Pennsylvania	2/ 8-17
Iowa	7-16	Rhode Island	7-16
Kansas	7-16	South Carolina	7-16
Kentucky	7-16	South Dakota	8-17
Louisiana	7-14	Tennessee	7-16
Maine	7-17	Texas	7-16
Maryland	7-16	Utah	8-18
Massachusetts	7-16	Vermont	8-16
Michigan	7-16	Virginia	7-15
Minnesota	8-16	Washington	8-16
Mississippi	7-17	West Virginia	7-16
Missouri	7-16	Wisconsin	7-16
Montana	8-16	Wyoming	7-17

^{1/} Information in this table was corrected as of January 1, 1940, by the United States Office of Education.

^{2/} Children admitted to the lowest grade in the elementary school prior to age of eight years are under the compulsory attendance requirement thereafter. Pupils are exempt from compulsory attendance as follows:

- a. Anyone who holds a certificate of graduation from a regularly accredited senior high school.
- b. Anyone who is legally employed.
- c. Anyone who has been legally excused from attendance on account of physical or mental reasons.

The School Plant Division renders assistance to school districts and to the institutions within the Department in the formulation and development of school building programs, approves building plans, and aids in the standardization of school building construction. The Division of Consolidation and Transportation is concerned with the merging of small, inefficient local districts into larger units of school administration, the relocation of elementary and secondary attendance areas, and the consolidation of small schools within those areas. Such a program necessarily results in a constantly increasing demand for better transportation service. The development of such services is one of the major functions and responsibilities of this Division.

The cities, boroughs, and townships as well as one incorporated town, constitute the local units of school administration in Pennsylvania. These several civil units are divided into four classes of school districts, according to population, as shown in Table XVIII-F:

TABLE XVIII-F
 TYPES AND NUMBER OF SCHOOL DISTRICTS IN PENNSYLVANIA
 DURING 1931 AND 1940

Type of District	Population Range	Number	
		1931	1940
First Class	Over 500,000	2	2
Second Class	30,000 to 500,000	20	20
Third Class	5,000 to 30,000	262	258
Fourth Class	Less than 5,000	2,300	2,269
Total number of districts		2,584	2,549

It has generally been conceded that the first and second class school districts and certain of the third class districts are sufficiently large

units to give an efficient and economical school administration, offering complete first class educational facilities for all of the people within their limits. It is also conceded that the fourth class districts and some of the third class districts are too small in geographical area and too much limited in population and wealth to offer complete first class educational facilities for all the people within the area. In 1931, there were eighteen school districts whose school population was so small that not a single school was maintained in them, the few pupils being sent to neighboring schools on a tuition basis. There were 114 school districts that had one teacher; 404 school districts that had either two or three school teachers. During the 1939-40 school year, there were 17 districts maintaining no schools, with pupils being sent to neighboring districts on a tuition basis; 122 school districts with only one teacher; 161 with only two teachers; and 149 with only three teachers.

The School Business Division assists school officials in the business affairs of their districts. It receives and checks the financial reports of the districts, and the applications for appropriation, determining the amounts due each district applying. It also receives budgets and auditors' reports, investigates applications for special aid, and makes financial studies.

All agencies in the Department dealing with school business and school financial problems from an administrative angle are thus consolidated in this one Bureau.

The Division of Budgetary Control formulates the biennial educational budget covering the Department itself and all educational agencies looking to the Commonwealth for complete or partial support. It sets up appropriate controls over all expenditures under such budget. It initiates and develops

unit costs in both State-owned and State-aided institutions and assists them in the establishment and maintenance of a uniform accounting system.

4. Teacher Education and Certification

All activities in the field of teacher education and certification are centered in this bureau. Three main services are performed: teacher education, teacher certification, and teacher placement.

In connection with teacher education, the Bureau is responsible for the maintenance of proper standards in institutions of higher learning, of all teacher training activities in the Liberal Arts Colleges and Universities, and the State Teachers' Colleges, as well as with the direct supervision of the fourteen State Teachers' Colleges. It is responsible for the evaluation of credentials and the issuance of certificates to teachers and supervisory officers; such as county, district, assistant county and assistant district superintendents and supervising principals. Certificates for both elementary and secondary school principals are issued, and reciprocal relationships are maintained in this field with other States. The Bureau verifies applications received from school districts for reimbursements of teachers' salaries and it recommends for approval teacher-preparation courses, as well as qualified and certificated teachers for vacancies in public school positions.

In this latter connection, studies are prepared on the basis of supply and demand for teachers. Subjects or fields taught by all teachers in Pennsylvania are checked on the application for appropriation, on the basis of which State aid is allocated each year to school districts. Teacher guidance service is provided. Cumulative records of all teachers past and present are maintained. Applications are evaluated and recommendations for approval or non-approval made to the State Council of Education.

5. Bureau of Instruction

The Bureau of Instruction as now constituted, comprises the following divisions, the efforts of each of which are directly related to public education:

- Kindergarten and Elementary Education
- Secondary Education
- Extension Education (including home classes for foreign-born mothers)
- Special Education
- Art Education
- Music Education
- Health and Physical Education (including school nursing)
- Vocational Rehabilitation
- Agricultural Education
- Business Education
- Home Economics Education
- Industrial Education
- Curriculum Construction

The Bureau prepares standards and plans curricula and courses of study; it renders assistance to school districts in the adoption and maintenance of proper standards, by means of reports, visits, conferences and demonstrations; in addition to which it administers the guidance program and the departmental library. The Health and Physical Education Division prepares and directs programs and supervises school nurses. The Kindergarten and Elementary Education Division assists school districts in the maintenance of proper standards for the kindergarten and elementary grades. Assistance to school districts in the maintenance of proper standards for high schools is furnished by the Division of Secondary Education; this agency also classifies public secondary schools. Two other divisions, known as the Division of Art and Music Education, prepare and direct a State program in these fields. The Extension Education Division assists school districts, institutions and agencies in the organization and development of extension courses and classes for continuing education, and approves extension classes and

courses. Another division in this Bureau is devoted to special education; its purpose is to assist school districts in the organization of special schools and classes for the education of handicapped children; to approve such classes and courses already established, and to secure the enrollment of pupils in approved institutions for the instruction of the deaf and blind.

a. Education of the Deaf and Blind

The item of \$1,150,000 which has remained substantially the same amount for a number of years, has been a biennial appropriation for the education of the deaf and blind. It is expended in the form of State aid to four institutions -- Mt. Airy School, the Overbrook School in Philadelphia, and the Edgewood School and the Western School for the Deaf in Pittsburgh. These schools are of the residential type and under the School Code three-fourths of the cost is paid by the State and one-fourth by the school districts. The School Code provides that the Superintendent of Public Instruction shall determine the cost in accordance with a careful audit. These activities are supervised by the Division of Special Education. The above appropriation does not include one of \$5,000 for blind babies and one of \$24,000 for higher education.

b. Vocational Education

The Division of Vocational Education enforces the Pennsylvania laws relating to this subject, and has charge of vocational education under the Federal subsidy acts -- Smith-Hughes, George-Reed and George-Deen acts. The Agricultural Division investigates the need for, and inspects and approves vocational agricultural schools and departments. The Home Economics Division performs a similar function in this field, while the Industrial Division investigates the need for, and inspects and approves trade and in-

dustrial schools and classes, and continuation schools.

These activities were inaugurated during the period of the World War when the Federal Government appropriated funds for education primarily vocational, which would be matched on an equal basis by the State. The Federal law required that as a condition the State create a State Board of Vocational Education which should thereafter be responsible for the administration of the program. The General Assembly designated the State Council of Education to serve in this capacity, so that the members of this Board function in two separate and distinct capacities. The appropriations for this work have varied from \$995,000 in 1933 to \$850,000 in 1935, \$850,000 in 1937 and \$1,175,000 in 1939. In spite of this considerable increase, the Commonwealth is still failing to qualify for the entire allocation to which it is entitled. It would seem desirable to seriously consider ways and means of increasing the amount of State appropriations so that the entire Federal allocation might be used for this much needed work.

Table XVIII-G is a comparative statement of Federal and State appropriations for vocational education:

TABLE XVIII-G
FEDERAL AND STATE APPROPRIATIONS FOR VOCATIONAL EDUCATION
1933-1941

Biennium	State	Federal	State % of Federal
1933-35	\$995,000	\$1,218,213	82%
1935-37	850,000	1,436,578	59%
1937-39	850,000	2,792,403	30%
1939-41	1,175,000	2,792,403	42%

Under the provisions of the George-Deen Act, especially, some new and important developments in the field of vocational education have been made

possible. For many years there have been conducted in California, New York and other States, in-service training programs for State and local government employes. The George-Deen Act has made possible the establishment of such programs in all States. Some progress has been made by the Pennsylvania Public Service Institute which has planned and organized courses of study for fire and police officers, for inspectors of various types, for assessors, tax collectors and other types of local government employes sufficiently numerous and whose duties are sufficiently important to justify the development of such a program.

6. State Library and Museum

As now constituted, the State Library and Museum operates through five divisions: General Library, Law Library, Archives, Extension, and Museum.

The General Library comprises a collection of over 200,000 volumes, covering the whole field of knowledge, but specializing in history and biography, literature and social science. The Division provides a reference service available to all departments of the State Government and to all citizens. Books are loaned for home use, locally and in cooperation with the Extension Division. Over 30,000 volumes of newspapers, some of which date back to the Revolution, afford splendid source material for historical research. The Law Library comprises a collection of 50,000 volumes; it serves both the State and Federal courts and the Department of Justice, and lends books and furnishes extracts to attorneys in all parts of the Commonwealth. The Archives Section preserves and classifies particular types of manuscripts of the State and county government, all military service records prior to the Civil War, church and graveyard records. Special attention is given to the preservation of records of the State Government not in current use, but of historical value.

The Genealogical Section is known and used by every State in the Union and by some foreign countries. The records in this section have been of great assistance in locating personal data required in connection with the social security program. It assists persons in securing information so that they may become members of various historical and patriotic societies. It also furnishes passport information. The Extension Division comprises a collection of 75,000 volumes, and maintains a system of traveling libraries, and does reference work for public and school libraries as well as for individuals. It endeavors to make the resources of the general library available to all parts of Pennsylvania, especially those places without other library service. It administers the State appropriations to county libraries.

The State Museum is charged with the responsibility of collecting, preserving and displaying objects illustrating the flora and fauna of the Commonwealth, its mineral resources, its geologic and archaeologic formations, and its history, arts and education. It distributes geographical cabinets furnished by the Philadelphia Commercial Museum and circulates a collection of 70,000 slides.

Included in the Museum's collections are nearly 90,000 Indian artifacts and large numbers of outstanding and unique objects which serve to visualize Pennsylvania history from earliest times to the present day. Old exhibits have recently been renovated and completely rearranged in larger quarters.

7. Bureau of Professional Licensing

The Bureau of Professional Licensing administers the several laws of the Commonwealth providing for the examination and licensing of persons de-

siring to engage in thirteen professions and three trades or vocations. Through its five divisions -- Pre-Professional Credentials, Registrations and Renewals, Law Enforcement, Personnel Examination, and the thirteen professional licensing boards and three advisory committees -- it provides licensing service annually to approximately 200,000 persons. This means that one out of every fifteen or twenty people in Pennsylvania, in a wage-earning capacity, has a certificate authorizing his professional or vocational practice from the Department of Public Instruction.

The Bureau is purely an administrative agency. Pre-professional and Professional Certification are determined by the several professional licensing boards and advisory committees, and the examinations, given to applicants for registration are framed by these agencies. The boards supervise the grading of the examination papers, and determine which applicants are qualified for registration. The Bureau keeps the records, conducts the correspondence, and in other ways assists in administering the law. It has no authority in determining what persons shall be registered except in the evaluation of credentials. The Law Enforcement Division conducts hearings on complaints, prepares written opinions, investigates and prosecutes violators, and may recommend the revocation and suspension of licenses. This organization makes possible a centralization of enforcement work related to all the licensing boards. A list of the examining agencies, in order of creation, is given in Table XVIII-H:

TABLE XVIII-H

**EXAMINING AGENCIES OF LAW ENFORCEMENT DIVISION
AND DATES ON WHICH THEY WERE CREATED**

Name	Date Created
Board of Pharmacy	May 24, 1887
Board of Examination of Public Accountants	March 29, 1899
Dental Council and Examining Board	May 7, 1907
Board of Osteopathic Examiners	March 19, 1909
Board of Examiners for Registration of Nurses	May 1, 1909
Board of Medical Education and Licensure	June 3, 1911
Bituminous Mine Inspectors Examining Board	June 9, 1911
Board of Veterinary Medical Examiners	May 5, 1915
Board of Optometrical Examiners	March 30, 1917
Board of Examiners of Architects	July 12, 1919
Anthracite Mine Inspectors Examining Boards	May 17, 1921
Registration Board for Professional Engineers	May 25, 1921
Osteopathic Surgeons Examining Board	April 27, 1925
Real Estate Advisory Committee	May 1, 1929
Barbers Advisory Committee	June 6, 1931
Beauticians Advisory Committee	May 3, 1933

The professional boards have the power and duty of establishing professional standards and making most of the decisions involved in the enforcement of them. In the case of the advisory committees, however, the Department of Public Instruction is obliged to assume these responsibilities.

Typical fee schedules of examining bodies are presented in Table XVIII-J:

TABLE XVIII-J

TYPICAL FEE SCHEDULES OF PROFESSIONAL EXAMINING BOARDS

<u>State Board of Medical Education and Licensure</u>	<u>State Board of Examiners For The Registration of Nurses</u>
A. <u>Renewal</u> Annual Renewal \$1.00	A. <u>Renewal</u> Annual Renewal \$1.00 Licensed Attendant .. .50
B. <u>Certificate and License</u> Certificate to practice medicine across State line 10.00 Certifying Pennsylvania licensure to other States 10.00 Duplicate License 10.00 License by Endorsement . 100.00 Transcript copy of license 10.00	B. <u>Certificate and License</u> Duplicate certificate 1.00
C. <u>Examinations</u> Examinations 25.00 Midwife 10.00	C. <u>Examinations</u> Examinations 10.00 Examination by Endorsement 10.00 Licensed Attendant .. 5.00 Re-examination 5.00
D. <u>Miscellaneous</u> No fee required	D. <u>Miscellaneous</u> No fee required
<u>State Board of Pharmacy</u>	<u>Real Estate Advisory Committee</u>
A. <u>Renewal</u> Annual Renewal \$2.00	A. <u>Renewal</u> Branch office \$2.50 Broker 5.00 Corporation 5.00 Salesman 2.50
B. <u>Certificate and License</u> Certificate 25.00 Change in name on certificate 20.00 Pharmacist certificate.. 20.00 Assistant Pharmacist certificate 10.00 Re-issued certificate .. 5.00	B. <u>Certificate and License</u> Broker's license by reciprocity 10.00 Original branch office license 2.50 Original corporation license 10.00 Salesman license by reciprocity 5.00
C. <u>Examinations</u> Examinations 5.00	C. <u>Examinations</u> Broker 10.00 Salesman 5.00
D. <u>Miscellaneous</u> Apprentice 2.00 Certifying grades 1.00 Investigation 15.00 Permit 2.00 Permit Change 2.00	D. <u>Miscellaneous</u> No fee required

8. Pennsylvania Historical Commission

(10)

The Pennsylvania Historical Commission consists of the Superintendent of Public Instruction, ex officio, and five citizens of the Commonwealth. The Commission selects a chairman from its own membership and a secretary who need not be a member. The Commission fixes the salary of the secretary.

In addition to historical properties, ranging in size from eight to one hundred forty-four acres, the Commission is charged with the care of one hundred fifty-six State-owned roadside markers. A nice balance must be maintained between preserving all important historic sites and buildings and over-expanding in this field to a point where the program becomes burdensome.

9. Pennsylvania State Board of Censors

(11)

The Pennsylvania State Board of Censors consists of "three residents and citizens of Pennsylvania, well qualified by education and experience to act as censors of motion picture films and stereoptican views or slides." One member is designated as chairman, one as vice-chairman, and one as secretary. The chairman receives a statutory salary of \$4,800 and the other two \$4,500 each.

It is the duty of the Board to examine or supervise the examination of all films, reels, or views to be exhibited or used in the Commonwealth, to approve such as are proper and to disapprove such as are considered sacrilegious, immoral or offensive to ordinary standards of decency and good taste.

The work of the Board is performed in its office in Philadelphia, where all the members sit in view on feature pictures, assisted by the chief examiner and staff who handle work on comics and other short films. In the course of a biennium, more than 100,000 reels are examined and passed upon.

A force of four inspectors is maintained to check violations of the law.

10. Public School Employees' Retirement Board

(12)

The Public School Employees' Retirement Board consists of the Superintendent of Public Instruction who is chairman, the State Treasurer, a member appointed by the Governor, three members elected from the School Employees' Association, and one member not an officer or employe of the State, elected by the Board. The member appointed by the Governor serves until his successor is appointed. The members elected by the School Employees' Association are elected for a term of three years. The member elected by the Board is elected annually for a term of one year.

The Board administers the law relating to the creation and establishment of the School Employees' Retirement System, and invests the funds belonging to the System.

The School Employees' Retirement System with a managerial board was created in 1917. In the first fifteen years, the several funds grew to nearly \$100,000,000, with a total membership of more than 76,000. As of June 30, 1940, the active membership stood at 82,749 and total resources at \$186,045,813.52. Contributions by teachers to the School Employees' Retirement System range from a minimum of 3.17% to a maximum of 5.3%. An accurate idea of the sources of revenue which maintain the School Employees' Retirement Board is given in Table XVIII-K.

TABLE XVIII-K

CASH RECEIPTS OF SCHOOL EMPLOYEES' RETIREMENT BOARD
JUNE 1, 1937 TO MAY 31, 1939

Source	Amount
Interest on Securities	\$12,108,836.00
Premiums on Sale of Securities	2,121,781.89
Interest on Deposits	16,641.79
Securities Redeemed or Sold	55,394,529.00
Miscellaneous	288.14
Contributions of School Employes	9,140,945.51
Returned Contributions of School Employes	61,359.47
Contributions of School Districts	5,403,453.88
Appropriations from Commonwealth of Pennsylvania..	8,011,722.30
Refund of Expenditures	17,039.05
Total	\$92,276,597.03

The resources of the System are carried in five different funds or accounts. The Employes' Annuity Savings Account is made up of deductions from the salaries of employes. Each employe has an account, showing his total accumulative deductions, to which account the employe is credited at the rate of four percent per annum. Upon his retirement, the total accumulated deductions standing to his credit are transferred to the Employes' Annuity Reserve Account, from which his annuity is payable. Upon resignation from the service, or upon the death of the employe, the amount standing to his credit is returned to him or to his estate.

The State Annuity Reserve Account provides the reserves on account of new entrants; these are transferred upon their retirement. The State Annuity Reserve Account No. 2 is a fund in which all reserves are accumulated and held to provide benefits for present employes. The law provides for a semi-annual State contribution of 1.6 percent of the total

payroll of all employes into this account, which is to be continued until all the liabilities on account of present employes are liquidated. Finally, the Contingent Reserve Account is an account in which the reserves are accumulated to provide the benefits for new entrants. The Commonwealth makes a semi-annual contribution to this account for each new entrant, at a rate figured according to the age at entrance. The rate is computed so as to be sufficient to provide, during the active service of the new entrant, a reserve sufficient to cover the benefits payable by the Commonwealth on account of new entrants. Upon the retirement of a new entrant, the reserve sufficient to provide his annuity is transferred to the State Annuity Reserve Account.

The cost of administering a retirement system is determined largely by the number of members in it. The larger the system the more individual accounts must be kept and consequently the more clerical help is required. There are now ten important teachers' retirement systems organized on an actuarial basis, and for many years the administrative costs in Pennsylvania have been lower than those in other States. This appears to have been due to efficient management and partly to the fact that salaries paid to secretaries and other employes are lower in Pennsylvania than in some of the other States. Since 1933, no appropriation has been made for the salaries and expenses of the Board, since it has been possible to pay such expenses out of the earnings of the invested funds, in excess of 4%. This change was made on the recommendation of the Department.

11. State Teachers' Colleges

At May 31, 1940, there were fourteen State Teachers' Colleges valued at over \$22,000,000, with an enrollment of 10,827 full-time students. Table XVIII-L includes general statistical and historical data applicable to these institutions.

TABLE XVIII-L

HISTORICAL, FINANCIAL, AND OTHER DATA
RELATIVE TO THE FOURTEEN STATE TEACHERS' COLLEGES

State Teachers' College	Year Founded	Year Acquired By State	Allocations to State Teachers' Colleges 1939-40	No. of Equivalent Full-Time Students 1939-40	No. of Professional Staff 1939-40*	Annual Salary Rate of President 1939-40
Bloomsburg	1869	1916	\$159,777	814	75	\$ 5,000
California	1874	1914	165,440	1,021	82	7,000
Cheyney	1920	1921	82,442	204	31	5,000
Clarion	1886	1915	88,323	417	30	6,000
E. Stroudsburg ...	1893	1918	122,746	604	57	7,000
Edinboro	1861	1913	116,996	456	59	5,000
Indiana	1875	1920	203,266	1,693	110	8,000
Kutztown	1866	1917	132,378	636	74	7,000
Lock Haven	1877	1914	113,835	457	37	7,000
Mansfield	1862	1922	139,242	661	77	7,000
Millersville	1859	1917	119,956	718	47	6,500
Shippensburg	1873	1917	121,702	648	64	7,000
Slippery Rock.....	1889	1916	137,174	694	67	6,500
West Chester	1871	1913	186,117	1,804	143	7,000
Total			\$1,889,394	10,827	953	

-1828-

* Includes presidents, deans, instructors, directors of laboratory schools, laboratory school teachers, cooperative teachers, librarians, nurses, and dietitians.

Tables XVIII-M and N show the number of buildings and the valuation of land, buildings and equipment of the State Teachers' Colleges as of May 31, 1940, and related data.

TABLE XVIII-M

ORIGINAL CONTRACT PRICES OF BUILDING CONSTRUCTION WORK
BY THE GENERAL STATE AUTHORITY AT THE FOURTEEN STATE TEACHERS' COLLEGES

State Teachers' College	Original Contract Price
Bloomsburg	\$365,380
California	494,102
Cheyney	378,048
Clarion	321,878
E. Stroudsburg	530,239
Edinboro	597,790
Indiana	595,794
Kutztown	479,557
Lock Haven	523,770
Mansfield	463,846
Millersville	541,567
Shippensburg	515,613
Slippery Rock	681,625
West Chester	556,179
Total	\$7,045,388

These institutions are primarily for the training of teachers for the public school system but the low tuition charge brings advanced educational facilities within the reach of those who could not afford the higher costs of a liberal arts college.

All institutions offer a four year curriculum in both elementary, junior and senior high school fields. In addition, nearly all offer one or more special curricula in such fields as commercial subjects, industrial arts, home economics, health education, art, music and library training.

TABLE XVIII-N

NUMBER OF BUILDINGS AND VALUATION OF LAND, BUILDINGS AND EQUIPMENT
OF THE FOURTEEN STATE TEACHERS' COLLEGES AS OF MAY 31, 1940

State Teachers' College	No. of Buildings	Value of Land	Value of Buildings	Value of Equipment & Machinery	Total Value
Bloomsburg.....	14	\$255,739.05	\$ 824,481.37	\$271,341.90	\$1,351,562.32
California.....	16	181,965.16	694,927.75	275,595.62	1,152,488.53
Cheyney	21	40,033.87	513,725.17	110,149.32	663,908.36
Clarion	13	113,779.16	966,369.16	209,984.55	1,290,132.87
East Stroudsburg	13	76,222.00	1,535,347.80	72,744.72	1,684,314.52
Edinboro.....	16	15,098.20	765,904.39	207,769.06	988,771.65
Indiana	32	384,527.78	1,944,367.68	750,337.87	3,079,233.33
Kutztown	19	117,664.27	981,238.49	302,386.04	1,401,288.80
Lock Haven.....	10	190,385.72	776,697.63	105,009.83	1,072,093.18
Mansfield	30	125,676.73	1,559,116.66	465,271.95	2,150,065.34
Millersville....	15	82,829.81	882,611.70	277,048.02	1,242,489.53
Shippensburg....	9	129,446.33	1,008,091.04	211,528.27	1,349,065.64
Slippery Rock ..	22	114,950.00	751,508.00	285,739.00	1,152,197.00
West Chester....	16	413,696.47	2,651,594.82	543,222.45	3,608,513.74
Total...	246	\$2,242,014.55	\$15,855,981.66	\$4,088,128.60	\$22,186,124.81

D. PERSONNEL

The Department of Public Instruction employs 399 persons, 70 of whom earn an annual salary of \$3,000 or more. A large personnel with technical training is required for the complex work of the Department.

Tables XVIII-0 and P show a summary of personnel by bureau and other major groups as of June 1, 1940.

TABLE XVIII-0
SUMMARY OF PERSONNEL AND SALARIES
BY MAJOR DIVISIONS

Bureau	Number of Employees	Annual Salaries
Executive Office	21	\$ 35,260
Bureau of Administration and Finance	47	106,420
Teacher Education and Certification	21	32,020
Bureau of Instruction	97	254,940
State Library and Museum	47	74,280
Bureau of Professional Licensing	89	137,248
Public School Employees' Retirement Board.	43	61,790
Pennsylvania Historical Commission	14	19,720
State Board of Censors	20	39,960
Total	399*	\$761,638

* Includes part-time employes.

TABLE XVIII-P

SUMMARY OF PERSONNEL AND SALARIES BY FUNCTIONS
WITHIN THE MAJOR DIVISIONS

Classification	Number of Employees	Annual Salary
<u>Executive Office</u>		
Administrative.....	4	\$12,340
Personnel & Office Management.....	3	6,660
Central Files.....	3	3,540
Duplicating.....	3	3,600
Information.....	1	1,140
Mail & Storeroom.....	3	3,540
Messenger.....	2	2,280
Photostating.....	1	1,140
Publications.....	1	1,020
Total.....	<u>21</u>	<u>\$35,260</u>
<u>Administration & Finance</u>		
Administrative.....	2	\$ 6,620
School Law.....	2	2,820
Child Accounting & Research.....	10	20,580
School Plant.....	6	17,520
Consolidation & Transportation.....	3	10,340
School Business.....	14	32,820
Budgetary Control.....	<u>10</u>	<u>15,720</u>
Total.....	<u>47</u>	<u>\$106,420</u>
<u>Teacher Education & Certification</u>		
Administrative.....	2	\$ 7,440
Secondary Education.....	6	6,480
Elementary Education.....	6	10,080
Files.....	6	6,760
Issuing.....	<u>1</u>	<u>1,260</u>
Total.....	<u>21</u>	<u>\$32,020</u>
<u>Bureau of Instruction</u>		
Administrative.....	4	\$ 10,640
Elementary Education.....	3	8,640
Secondary Education.....	4	9,480
Special Education.....	3	9,060
Extension Education.....	2	6,380
Agricultural Education.....	38	100,740
Home Economics Education.....	31	77,700
Industrial Education.....	4	9,480
Health & Physical Education.....	2	3,780

TABLE XVIII-P (Continued)

Classification	Number of Employees	Annual Salary
<u>Bureau of Instruction (Continued)</u>		
Music Education.....	1	\$ 4,920
Art Education.....	2	6,380
Public Service Institute.....	3	7,740
Total.....	97	\$254,940
<u>State Library & Museum</u>		
Administrative.....	7	\$15,060
Clipping Service.....	3	3,540
General Library.....	9	12,240
Genealogy.....	3	4,740
Law Library.....	2	3,000
Documents.....	1	1,380
Archives.....	7	10,920
Extension Library.....	8	12,420
Museum.....	7	10,980
Total.....	47	\$74,280
<u>Bureau of Professional Licensing</u>		
Administrative.....	9	\$20,800
Registration & Renewals.....	8	11,220
Law Enforcement.....	19	36,860
State Board of Examiners of Architects.....	1	1,560
Barber Licensing.....	3	3,180
Beauty Culture Licensing.....	6	6,960
State Dental Council & Examining Board.....	1	1,020
State Registration Board for Professional Engineers.....	3	3,660
State Board of Medical Education and Licensure.....	15	7,328
State Board of Examiners for the Registration of Nurses.....	7	13,200
State Board of Optometrical Examiners.....	1	1,620
State Board of Pharmacy.....	4	7,260
State Board of Examiners of Pub- lic Accountants.....	1	1,440
Pre-Professional Credentials....	7	13,460
Personnel Examinations.....	2	5,280

TABLE XVIII-P (Continued)

Classification	Number of Employees	Annual Salary
<u>Bureau of Professional Licensing (Continued)</u>		
Real Estate Licensing.....	2	\$2,400
Total.....	89	\$137,248
Public School Employes Retirement Board.....	43	61,790
Pennsylvania Historical Commission.....	14	19,720
State Board of Censors.....	20	39,960
Grand Total.....	399*	\$761,638

* Includes part time employes.

E. FINANCES

The increasing cost of public education is one of the prime factors in the steadily increasing cost of government. The increase, however, is chiefly due to the larger subsidies to local districts since the cost of administration is relatively lower.

In times past, the support of public schools was regarded as primarily a local responsibility. The revenues raised by the school districts for the support of the schools were derived largely from general property taxes. When it became evident that to maintain a minimum educational program would impose an undue burden on real estate, the demand for increased State aid rose. The Edmonds Act established minimum rates of pay for each type of public school employe, in each class of district and provided annual increments for each type of employe except in fourth class districts. A subsidy based on a percentage of the minimum salary was created.

Since 1933 the financial situation has served to reduce the amount of State aid below the level required by the Edmonds Act, although the Act itself was never amended. With local real estate valuation decreasing, the

tax for school purposes has become more and more burdensome, so that State aid is needed more than ever.

Beginning in 1929, it was found necessary to make an appropriation for the relief of financially handicapped school districts. The purpose of this appropriation is to prevent the closing of schools in the distressed districts. Application must be made for the additional assistance and claims are carefully investigated. Table XVIII-Q shows appropriations for this purpose since 1929.

TABLE XVIII-Q
 APPROPRIATIONS FOR HANDICAPPED SCHOOL DISTRICTS
 BY BIENNIUMS 1929-31 TO 1939-41 INCLUSIVE

Biennium	Appropriation
1929-31	\$ 100,000
1931-33	1,250,000
1933-35	5,000,000
1935-37	4,000,000
1937-39	3,000,000
1939-41	4,000,000*

* As adjusted to January 31, 1941.

In Table XVIII-R the expenditures for 1937-39 are compared with the appropriations for 1939-41 as amended by the 1940 special session.

Comparing total expenditures with appropriations as above may be misleading. There appears to be a reduction of approximately \$7,000,000 for the current biennium but this is not the actual situation. For example, the expenditures for Special Vocational Classes, \$99,665.63 and Vocational Education, \$3,052,548.31, include Federal funds on a matched dollar basis and represent but approximately twice the State appropriation made in 1937-39.

TABLE XVIII-R
COMPARATIVE STATE APPROPRIATIONS AND EXPENDITURES FOR EDUCATION
FOR BIENNIUMS 1937-39 AND 1939-41

Purpose	Expenditures Biennium 1937 - 39	Appropriations Biennium 1939-41	Reduction in Appropriation Act 4A, 1940	Adjusted Appropriations Biennium 1939-41
Salary of the Superintendent	\$ 23,903.23	\$ 24,000	\$ 2,900	\$ 21,100
Salaries and General Expenses <u>1/</u>	633,533.33	600,000	2,500	597,500
Library and Museum	220,294.00	223,000	8,000	215,000
Press Information	14,922.49	10,000	--	10,000
Salaries of County Superintendents	481,732.40	509,000	--	509,000
Expenses of County Superintendents	47,260.81	50,000	1,500	48,500
Salaries of Asst. County Superintendents and Supervisors of Special Education ...	455,453.77	486,000	--	486,000
Expenses of Asst. County Superintendents and Supervisors of Special Education ...	63,538.65	70,000	3,000	67,000
Salaries of County Boards	26,935.00	39,600	--	39,600
Transportation	3,499,999.30	3,500,000	--	3,500,000
Transportation Deficiency	128,801.44	--	--	--
Special Vocational Classes <u>2/</u>	99,665.63	75,000	--	75,000
Vocational Education	3,052,548.31	1,100,000	--	1,100,000
Miscellaneous Subsidies	276,999.98	331,000	5,000	326,000
Support of Public Schools	59,999,980.64	61,000,000	--	61,000,000
Support of Public Schools Deficiency	1,509,987.29	--	--	--
Aid to Financially Handicapped School Districts	1,999,291.45	3,000,000	1,000,000 ^{5/}	4,000,000
Aid to Financially Handicapped School Districts Deficiency	996,211.06	1,000,000	--	1,000,000
Education of Deaf and Blind	1,131,360.23	1,150,000	10,000	1,140,000
Aid to Free Public Libraries	28,000.00	40,000	--	40,000
State Teachers' Colleges <u>3/</u>	8,071,145.47	3,820,000	100,000	3,720,000
State Oral School	154,993.66	180,000	--	180,000
Pennsylvania Soldiers' Orphan School	311,999.02	360,000	12,000	348,000
Thaddeus Stevens Industrial School	94,995.40	95,000	--	95,000
Eye and Ear Tests of Pupils	22,862.87	--	--	--
Examining Boards	552,264.80	500,000	--	500,000
Board of Pharmacy Lab.	19,457.64	18,000	--	18,000
Board of Censors	131,720.81	118,000	--	118,000
Pennsylvania Historical Commission	53,568.58	125,000	--	125,000
Maintenance of Ephrata Cloisters	--	10,000	--	10,000

TABLE XVIII-R (Continued)

Purpose	Expenditures Biennium 1937 - 39	Appropriations Biennium 1939 - 41	Reduction in Appropriation Act 4A, 1940	adjusted Appropriation Biennium 1939 - 41
Maintenance of Daniel Boone Homestead...	--	\$ 10,000	--	\$ 10,000
Maintenance of Flagship Niagara	--	10,000	--	10,000
<u>School Employes' Retirement Board</u>				
Contingent Reserve Account	\$2,450,000.00	2,450,000	--	2,450,000
Annuity Reserve Account	3,600,000.00	3,500,000	--	3,500,000
Former Teachers' Account	249,990.42	280,000	--	280,000
Pennsylvania State College	4,275,000.00	4,460,000	--	4,460,000
University of Pennsylvania	1,585,000.00	1,485,000	--	1,485,000
University of Pittsburgh	1,188,000.00	1,238,000	--	1,238,000
Lincoln University	50,000.00	50,000	--	50,000
Women's Medical College	100,000.00	100,000	--	100,000
Jefferson Medical College	125,000.00	125,000	--	125,000
Hahnemann Medical College	110,000.00	100,000	--	100,000
Temple University	900,000.00	900,000	--	900,000
Philadelphia Museum	30,000.00	27,000	--	27,000
Pennsylvania Museum and School of Industrial Arts	90,000.00	90,000	--	90,000
Moore Institute	20,000.00	--	--	--
Downingtown Industrial & Agricultural School	60,000.00	60,000	--	60,000
Pennsylvania Nautical School <u>4/</u>	149,597.22	--	--	--
National Farm School	35,000.00	35,000	--	35,000
Johnson Industrial School	22,500.00	22,500	--	22,500
Total	\$99,144,514.90	\$93,376,100	\$855,100 <u>5/</u>	\$94,231,200

- 1/ Includes a reimbursement from vocational funds including Federal money.
2/ Includes money from the Federal appropriation for vocational education.
3/ Includes money from receipts from students for contingency fees, housing, etc.
4/ Transferred to the Department of Forests and Waters beginning with the 1939-41 biennium.
5/ Increase

The expenditure for State Teachers' Colleges, \$8,071,145.47, includes receipts from students for fees of various kinds which are appropriated to the use of the institutions. The amount of the specific appropriation made by the General Assembly was the same in 1937-39 and 1939-41, viz., \$3,720,000.

Appropriations for administrative purposes for 1939-41 are approximately \$50,000 less than for 1937-39. Subsidy appropriations are \$700,000 more in 1939-41 despite an additional \$1,000,000 deficiency appropriation for 1937-39 made in the 1939 regular session of the Legislature. Total appropriations for 1937-39 were \$630,000 in excess of those for 1939-41, due to appropriations of \$1,000,000 for State Authority rentals and \$432,300 for eliminating fire hazards in 1937 regular and 1938 special sessions.

Tables XVIII-S and T show average salaries for teachers, etc., expenditures per capita and per student in average daily attendance, and estimated wealth and income per pupil for States comparable with Pennsylvania.

Within this group of comparable States, Pennsylvania is fourth in per capita and sixth in per pupil expenditures, fifth in estimated wealth and eighth in estimated income per pupil.

TABLE XVIII-S

AVERAGE SALARY OF TEACHERS, SUPERVISORS AND PRINCIPALS
IN STATES COMPARABLE WITH PENNSYLVANIA
SCHOOL YEAR 1937-38

State	Average Salary	Rank in Group
California	\$2201	2
Illinois	1608	5
Massachusetts	2009	4
Michigan	1586	7
New Jersey	2066	3
New York	2322	1
Ohio	1506	8
Pennsylvania	1593	6

The Commonwealth seems to be meeting its educational obligation ratably with comparable States.

TABLE XVIII-T

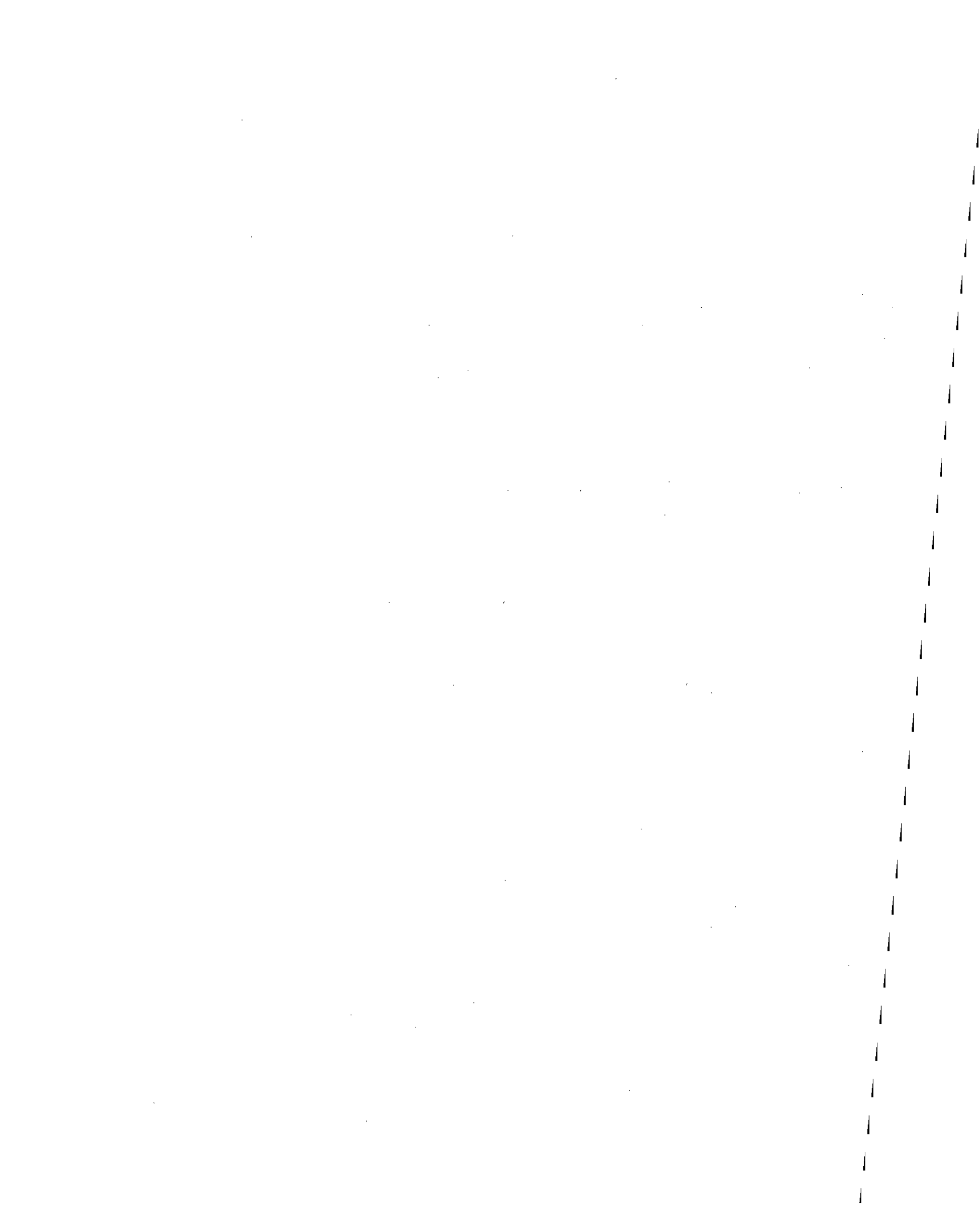
EDUCATIONAL DATA FOR PENNSYLVANIA AND SEVEN COMPARABLE STATES *

State	School Enrollment Elementary & Secondary	Annual Cost of Education of Public Schools				Estimated Wealth per Pupil (1936)		Estimated Income per Pupil (1938)	
		Total Per Capita of 1930 Population	Per Pupil In Average Daily Attendance			Per Pupil in Average Daily Attendance	Rank	Per Pupil in Average Daily Attendance	Rank
			For Current Expenses	For Outlays	Total				
California...	1,195,024	\$28.20	\$131.43	\$22.61	\$154.04	\$16,561	11	\$4,768	3
Illinois	1,281,854	17.92	103.77	16.99	120.76	17,522	7	4,192	8
Massachusetts	744,871	17.92	109.81	3.88	113.69	16,868	9	4,338	6
Michigan	959,827	17.90	89.31	8.16	97.47	14,067	19	3,158	15
New Jersey ..	746,383	21.74	125.53	7.61	133.14	13,984	20	3,945	9
New York	2,308,456	27.26	147.65	21.15	168.80	25,165	3	5,257	1
Ohio	1,251,005	16.75	86.23	10.78	97.01	13,741	21	3,399	13
Pennsylvania.	1,944,988	19.14	92.82	15.28	108.10	15,887	14	3,142	16

* Compiled from figures supplied by the Research Division, National Education Association, Washington, D. C., August 26, 1940

FOOTNOTES

- (1) Pennsylvania Constitution, Article X, Section 1
- (2) Pennsylvania Constitution, Article IV, Section 20
- (3) Administrative Code, Section 209
- (4) Administrative Code, Section 408
- (5) Administrative Code, Section 410
- (6) Administrative Code, Section 411
- (7) Administrative Code, Sections 412-418, 420-425
- (8) Administrative Code, Sections 1302-1311
- (9) School Code, Section 3420
- (10) Administrative Code, Section 411
- (11) Administrative Code, Section 409
- (12) Administrative Code, Section 410
- (13) 1921, P.L. 328



CHAPTER XIX

DEPARTMENT OF REVENUE

A. FUNCTION

The Department of Revenue was created as the tax settling and general collecting agency of the Commonwealth by the 1927 amendment to the Administrative Code. (1) It exercises the functions formerly carried out by the Auditor General, the State Treasurer, the Insurance Commissioner and all other agencies of the State Government in the settlement and collection of taxes, and the collection of license fees and all other money due the Commonwealth. The Department began to function May 1, 1929, except as to the Bureau of Motor Vehicles over which it assumed supervision June 1, 1929, and except as to the duties imposed by the Fiscal Code which became effective July 1, 1929.

The Secretary of Revenue is a member of the Board of Finance and Revenue (2) and, ex officio, of the State Athletic Commission. (3)

The State Athletic Commission consists of three members, appointed by the Governor for a term of 2 years, and the Secretary of Revenue. The members receive a statutory salary of \$5,000.00 per annum. The Commission may, with the approval of the Secretary of Revenue, appoint a secretary, whose salary is fixed by the Commission with the approval of the Governor. (4) The Commission was created in 1923 to control boxing, sparring and wrestling matches where a purse is given or admission charged. It was transferred to the Department of Revenue in 1937. (5)

B. POWERS AND DUTIES

The Department of Revenue is vested with the powers and charged with the duties as follows: (6)

1. To settle and collect, or collect all State Taxes.
2. To collect all fees for titling and registering motor vehicles and trailers and for licensing operators of motor vehicles.
3. To collect all moneys due the State, resulting from the operation of State-owned institutions.
4. To collect from magistrates, aldermen, justices of the peace, burgesses and mayors, all fines and penalties imposed by them for violation of the Acts of Assembly and payable to the State Treasurer or any other agency of the State Government.
5. To collect and receive from county officers all State Taxes, licenses, fees or other moneys payable through them to the Commonwealth.
6. To collect, either directly or through some designated agent, all moneys owing to the Commonwealth as a result of the activities of any department, board or commission.
7. To administer, through the State Athletic Commission, the laws allowing and regulating boxing, sparring, and wrestling matches and exhibitions within the Commonwealth.

C. ORGANIZATION AND OPERATIONS

The Department of Revenue, for administrative purposes, as shown in Chart XIX-1, page 1903, is divided into an Executive Office, and other divisions as follows:

- Bureau of Corporation Taxes
- Bureau of County Collections
- Bureau of Institutional Collections
- Bureau of Investigations and Collections
- Bureau of Motor Vehicles
- Bureau of Liquid Fuels Tax
- Bureau of Highway Safety

DEPARTMENTAL BOARDS - NON STATUTORY

- Board of Corporation Tax Resettlements
- Board of Enrollment and Disbarment

DEPARTMENTAL ADMINISTRATIVE BOARD

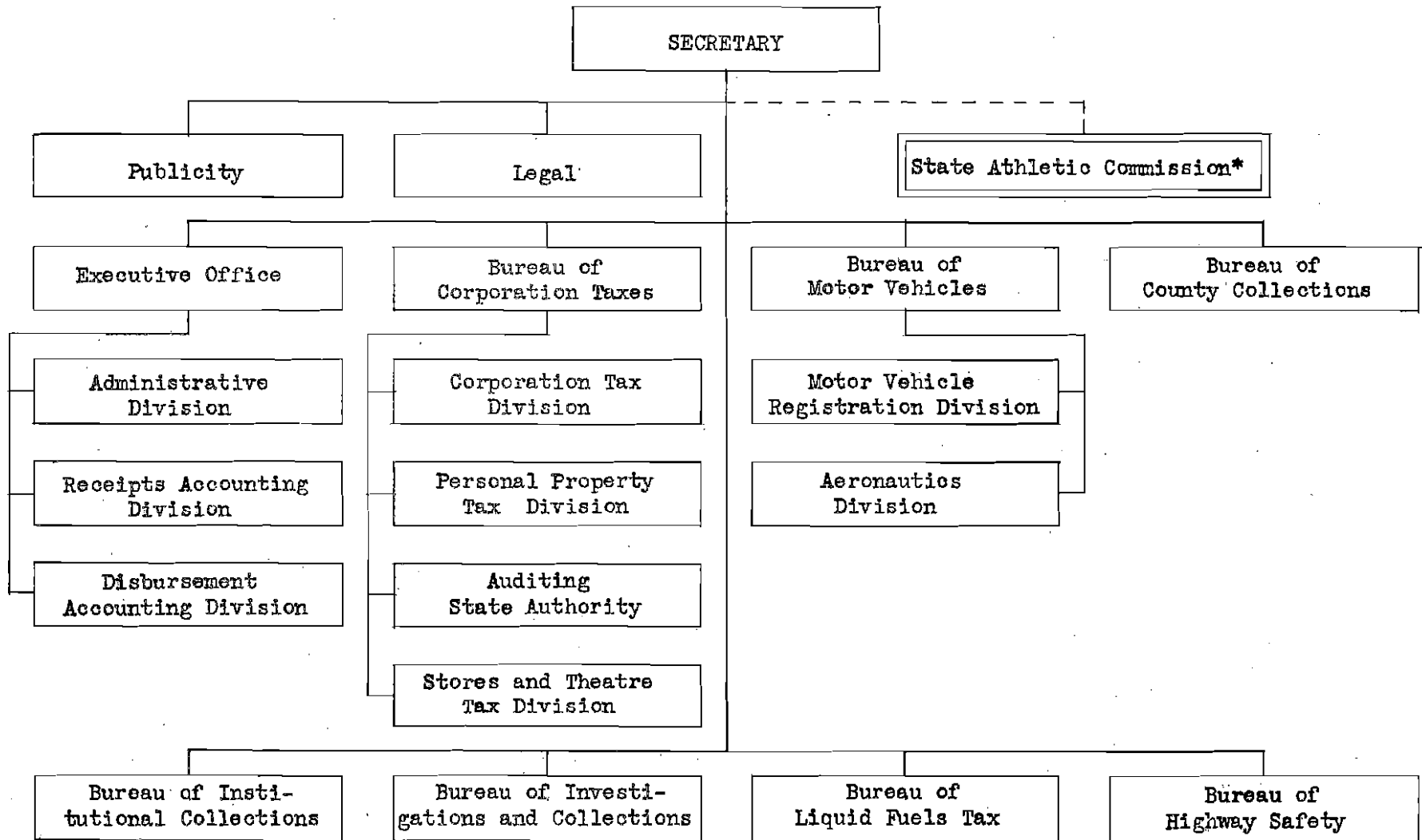
State Athletic Commission

1. Executive Office

The Executive Office conducts the general administrative work of the Department. It is responsible for establishing and maintaining all

CHART XIX-1

ORGANIZATION OF THE DEPARTMENT OF REVENUE



-1903-

* Departmental Administrative Commission.

accounting systems and forms for the collection and safeguarding of the State's revenues; answers inquiries regarding interpretations of tax laws; advises the public through various channels as to vehicle inspection campaigns, highway safety drives, tax laws and the manner of and place for payment thereof; and receives and verifies transmittals of cash from revenue agents of departments and institutions; issues receipts and transmits all receipts promptly to the State Treasurer. It also maintains a complete tabulation of corporation tax settlements, resettlements, write-offs and collections, including the preparation of open account statements of all corporation tax accounts; and maintains records from the Pennsylvania Motor Police reports as to arrests, makes investigations of fining officers' dockets and makes collections of delinquent fines outstanding.

2. Bureau of Corporation Taxes

The head of the Bureau of Corporation Taxes is the Deputy Secretary of Revenue who presides at meetings of the non-statutory Board of Corporation Tax Resettlement. He also sits on the statutory Board of Finance and Revenue.

The Bureau assesses and collects all corporation taxes, both normal and emergency, including foreign bonus, the capital stock tax, franchise tax, bank and trust company share taxes, corporate and municipal loans, gross receipts, net earnings, insurance premium and corporate net income taxes, and the tax on net incomes of saving fund societies without capital stock.

It reviews and settles all corporation tax reports, keeping a record of every corporation registered as organized under the laws of Pennsylvania or qualified to do business in the State; hears petitions for reset-

tlement of taxes in cooperation with the Department of the Auditor General; settles and collects the cigarette and the stock transfer stamp taxes and the personal property tax and conducts field investigations and audits whenever necessary to insure proper returns for these taxes. It attempts to locate owners of forgotten bank accounts, unclaimed estates, or other property of which there is no known owner and when such efforts fail, converts same in conjunction with the Department of Justice and transmits the proceeds to the State Treasurer.

3. Bureau of County Collections

The Bureau of County Collections administers the laws relating to inheritance and mercantile taxes and to motor boat, eel chute, fishing, hunters' and dog licenses.

a. Inheritance Taxes

Assessment and collection of resident inheritance taxes are made by the Register of Wills or corresponding county officer and the inheritance tax appraiser who is the agent of the Department of Revenue but is appointed by the Auditor General. Appraisals of resident estates are checked and supervised by the Bureau as to accuracy and value. It also directly appraises and collects all inheritance taxes from non-resident estates. Every death in the Commonwealth is investigated to determine the estates from which inheritance taxes are due.

As previously stated, appraisals of resident estates are made by appointees of the Auditor General who fixes their salaries, which salaries, together with expenses and costs of collection of the tax and commissions to the Registers of Wills, are paid from Inheritance Tax Receipts and the net proceeds remitted with proper statements to the Department of Revenue.

Collection costs are reflected in the following statement of Receipts, Commissions, and Expenses for the three bienniums, 1933-1939:

TABLE XIX-A

DEPARTMENT OF REVENUE
 INHERITANCE TAX RECEIPTS, COMMISSIONS AND EXPENSES
 FOR THE THREE BIENNIUMS - 1933-1939

Item	1933-35	1935-37	1937-39
Gross Tax.....	\$33,841,451.76	\$36,357,736.83	\$49,774,817.51
Commissions...	425,813.38	478,634.83	490,297.34
Expense.....	1,221,640.48	1,197,014.36	1,330,999.36
Net Tax.....	32,193,997.90	34,682,087.64	47,953,520.81

b. Mercantile Taxes

The Bureau supervises the work of the mercantile tax appraisers in the several counties and makes all rulings regarding legal matters concerning wholesale and retail licenses and similar levies upon various types of brokers, operators of billiard and pool rooms, auctioneers, and operations of eating and amusement places. The mercantile tax is collected by the County Treasurer after the appraisal by the mercantile tax appraiser who is appointed by the Auditor General but who is the agent of the Department of Revenue. The Auditor General fixes the salary and approves all expenses of the appraiser. These costs of collection are deducted before the fees are transmitted to the Department of Revenue.

The relation of commission and expenses to gross collections was 11.37% in 1933-35, 9.81% in 1935-37, and 10.85% in 1937-39. In other words, for each \$1,000 collected, the State paid in commissions and expenses \$113.70, \$98.10, and \$108.50 in the three bienniums respectively. No other State uses this tax, so no comparative data is available. Commissions and costs are reflected in the following statement:

TABLE XIX-B

DEPARTMENT OF REVENUE
MERCANTILE TAX RECEIPTS, COMMISSIONS AND EXPENSES
FOR THE THREE BIENNIUMS, 1933-1939

Item	1933-35	1935-37	1937-39
Gross Tax.....	\$6,452,454.70	\$7,807,299.03	\$7,401,812.18
Commission....	57,733.74	66,034.05	63,251.95
Expense.....	676,837.79	700,798.03	739,917.59
Net Tax.....	5,717,883.17	7,040,466.95	6,598,642.64

No attempt is made to justify the situation as to the appointment of the mercantile and inheritance tax appraisers by the Auditor General. Prior to the Fiscal Code, the Auditor General settled and collected all the tax and these appraisers were his agents and properly appointed by him. The power was probably allowed to remain as an offset to the many taken from him by the Fiscal Code.

c. Licenses

Dog Licenses are issued by County Treasurers who collect the fee and transmit it to the Bureau.

The Bureau supervises the issuance of fishing and hunters' licenses by issuing agents appointed by the Department. The County Treasurer may be such an agent. The matter of using such agents instead of the County Treasurers as before 1937, is discussed under the Board of Fish Commissioners, Chapter XXV, also under the Board of Game Commissioners, Chapter XXVI.

4. Bureau of Institutional Collections

The Bureau of Institutional Collections supervises the collections made by Revenue Agents either employed by the Department of Revenue or by the Department under whose jurisdiction the institution operates.

The duties of the Revenue agents, in addition to collections are to maintain collection records, make investigations as to the ability to pay off the patient or legally liable relatives, and classification of the patient based upon the investigation as indigent or pay.

In all cases in which the Bureau is unable to collect the amounts due the Commonwealth, they are referred to the Department of Justice for collection or write-off.

The Bureau collects amounts due the Commonwealth for services rendered in the following types of institutions:

a. State Medical and Surgical Hospitals

The amounts collected from patients in these institutions for board and medical services are at the rates approved by the Board of Trustees. (7)

b. State Insane Hospitals

The collections are made out of the estates of patients or legally liable relatives (8) for their care and maintenance at the per capita cost rate as established by the Department of Welfare. In cases where the patient is indigent, the Bureau collects \$3.00 per week from the institution districts from which they were committed, and if any amounts are collected, the institution district is credited with one half of the amount collected, not to exceed \$3.00 per week. The counties pay the full per capita (9) cost rate for prisoners transferred from penal institutions until the expiration of sentence. (10)

c. State Feeble-Minded and Epileptic Institutions

The Bureau collects from patients in these institutions out of the estate of the patient or from legally liable relatives at the per capita cost rate as established by the Department of Welfare. On indi-

gent cases and cases where the estates are not sufficient to pay the full
per capita cost, the Bureau collects from the institution district,⁽¹¹⁾
from which the patient was committed, \$40.00 per year for cost of cloth-
ing.

d. State Penal and Correctional Institutions

The collections made by the Bureau for the maintenance of in-
mates in these institutions are collected from the county⁽¹²⁾ at the per
capita cost rate as established by the Department of Welfare.

e. State Teachers Colleges

The Bureau collects from the students tuition, board, and fees
approved by the Board of Presidents of these colleges.⁽¹³⁾

f. State-aided Medical Hospitals

The Bureau of Institutional Collections collects out of the es-
tates of the patients in these institutions⁽⁸⁾ or legally liable relatives
at the rate of \$2.00 per week representing the Commonwealth's contribu-
tion to the county for maintenance of indigent patients.

g. Semi-Private Institutions

Elwyn Training School for Feeble-Minded Children

The Commonwealth of Pennsylvania contributes \$350.00 per year for
each indigent patient in this institution. The Bureau collects out of
the estate of the patient or from legally liable relatives the amount
contributed by the Commonwealth, providing the estates are sufficient to
pay a portion or the full amount of the Commonwealth's claim.

h. Dixmont-Insane Hospital

The Commonwealth contributes one-half the per capita cost for
indigent patients in this institution. The Bureau, in turn, collects
out of the estate of the patient or from legally liable relatives the

the full amount or a portion of the amount contributed, depending upon the size of the estate.

Table XIX-C shows a classified list of institutions from which the Bureau makes collections.

TABLE XIX-C

DEPARTMENT OF REVENUE
CLASSIFIED LIST OF STATE-OWNED AND STATE-AIDED INSTITUTIONS
FROM WHICH COLLECTIONS ARE MADE BY THE BUREAU OF INSTITUTIONS

I. STATE-OWNED INSTITUTIONS UNDER THE JURISDICTION OF THE DEPARTMENT OF WELFARE.

A. Medical and Surgical Hospitals located at -

1. Ashland
2. Blossburg
3. Connellsville
4. Coaldale
5. Hazleton
6. Locust Mountain
7. Nanticoke
8. Philipsburg
9. Seranton
10. Shamokin

B. Hospitals for the Mentally Ill Located at -

1. Allentown
2. Danville
3. Farview (for criminal insane)
4. Harrisburg
5. Norristown
6. Philadelphia
7. Torrance
8. Warren
9. Wernersville

C. Institutions for the Mentally Defective and Epileptics located at -

1. Laurelton (for females of child-bearing age)
2. Pennhurst
3. Polk
4. Selinsgrove (for epileptics only)

D. Penal Institutions

1. Eastern State Penitentiary
2. Western State Penitentiary

E. Correctional Institutions

1. Pennsylvania Industrial School, Huntingdon
2. Industrial Home for Women, Muncy
3. Pennsylvania Training School, Morganza

II. STATE-OWNED INSTITUTIONS UNDER THE JURISDICTION OF THE DEPARTMENT OF OF PUBLIC INSTRUCTION

A. State Teachers Colleges located at -

1. Bloomsburg
2. California
3. Cheyney
4. Clarion
5. East Stroudsburg
6. Edinboro
7. Indiana
8. Kutztown
9. Lock Haven
10. Mansfield
11. Millersville
12. Shippensburg
13. Slippery Rock
14. West Chester

B. Other State-Owned Schools

1. Pennsylvania State Oral School for the Deaf, Scranton
2. Home for Training in Speech, Philadelphia
3. Pennsylvania Soldiers' Orphan School, Scotland
4. Thaddeus Stevens Industrial School, Lancaster

III. STATE-OWNED INSTITUTION UNDER THE JURISDICTION OF THE DEPARTMENT OF THE ADJUTANT GENERAL

1. Pennsylvania Soldiers' and Sailors' Home, Erie

IV. COUNTY INSTITUTIONS

1. Allegheny County Home and Hospital, Pittsburgh (Woodville)
2. Blair County Hospital for the Insane, Hollidaysburg
3. Blakely Home and Hospital, Olyphant (R.D.)
4. Chester County Hospital for the Insane, Embreeville
5. Hillside Home and Hospital, Clarks Summit
6. Lancaster County Home and Hospital for the Insane, Lancaster
7. Mercer County Hospital, Mercer
8. Pittsburgh City Home and Hospital, Pittsburgh (Mayview)
9. Ransom Home and Mental Hospital, Ransom
10. Retreat Mental Hospital, Retreat
11. Schuylkill County Hospital for Mental Diseases, Schuylkill Haven
12. Somerset County Hospital, Somerset

V. STATE-AIDED INSTITUTIONS

1. Dixmont Hospital, Dixmont (for mentally ill)
2. Elwyn Training School, Elwyn, Delaware County

5. Bureau of Investigations and Collections

The Bureau of Investigations and Collections collects delinquent accounts of all classes of taxes imposed or collected by the Department and investigates in the field any tax matter, account or other business over which the Department of Revenue has jurisdiction.

It collects beverage tax from breweries, distilleries, rectifiers and importers through the sale of tax paid crowns, malt liquor tax stamps and spirituous and vinous liquor tax stamps.

Tax stamps are handled through the district offices of the Department of Revenue and through designated banks who work on a small commission on stamps sold.

The licensing of cigarette tax dealers and the enforcement of the act as well as the collection of delinquent cigarette taxes is handled through the Bureau of Investigations and Collections.

6. The Bureau of Motor Vehicles

The Bureau of Motor Vehicles was organized within the jurisdiction of the Department of Highways on January 1, 1906 and was transferred to the Department of Revenue on June 1, 1929. At the end of this first year the six employees of the Bureau had registered 10,954 passenger and commercial vehicles and collected \$42,460.42 in receipts. During the 1939 registration year, which was extended by an Act of Legislature to April 1, 1940, it registered 2,249,217 motor vehicles and collected \$37,037,344.17. Of the total number of 1939 registrations 39,671 motor vehicles were registered during the three month extension period, January, February, and March and \$695,390.44 was collected in receipts. On May 29, 1940 the Bureau recorded 507 salaried and 156 hourly employees.

To handle its mail order business efficiently, the Bureau operates its own post office through which it serves approximately 4,000,000 cash customers during the annual motor registration and operators licensing periods.

The Bureau collects all fees for the issuance of certificates of title and license plates for passenger automobiles, taxicabs, buses, trucks, motorcycles, and trailers. It also issues license plates for tractors, learners permits and operators licenses for motor vehicle operators. It maintains detailed records covering every motor vehicle and trailer and motor vehicle operator in the State.

Its Division of Aeronautics fosters and promotes aeronautics by the establishment of civil airways, emergency landing fields, and air navigation facilities. It inspects and licenses all airports and landing fields used for commercial purposes. It promulgates and enforces rules and regulations governing the operation of aircraft.

No resident of the Commonwealth may own a motor vehicle within the Commonwealth without a certificate of title issued by the Bureau of Motor Vehicles containing identification of both vehicle and owner, with a statement of liens and encumbrances against said vehicle. ⁽¹⁴⁾ A fee of \$2.00 is charged for the certificate of title except in the case of a manufacturer, jobber or dealer to whom the fee is 50¢.

The fee for non-commercial motor vehicles is based on the rated horsepower thereof being 40¢ for each horsepower or fractional part with a minimum of \$10.00. A flat rate of \$3.00 is charged for motorcycles and \$2.00 for bicycles with motors.

Commercial motor vehicles and truck tractors other than electrically operated are classified as to chassis weight and type of tire the weight

groups being the same. Thus the pneumatic tire type pays from a minimum of \$16.50 for vehicles under 2,000 pounds to \$225 for those 12,000 pounds and over. The fee for the solid tire type is from \$28.00 to \$350 and for the cushion rubber tire type from \$25 to \$275.

Electrically operated commercial motor vehicles and truck tractors are rated on the basis of the weight of chassis, battery, body and load in pounds, the fee being \$16.50 for less than 5,001 pounds to \$155 for those over 25,001 but under 26,000 pounds.

Trailers and semi-trailers regardless of type of rubber tire are classified by chassis weight with a fee of \$5.00 for less than 1,000 pounds to \$75.00 for 6,000 pounds and over.

Buses and omnibuses are classified according to type of tire and seating capacity starting at \$25.00 for pneumatic tire and \$37.50 for solid or cushion rubber tire buses with a seating capacity of five passengers or less.

The fee for operators license was reduced in 1937, to \$1.00 from the former fee of \$2.00. (15) The act also reduced the learner's permit fee from \$3.00 to \$2.00.

The Bureau also licenses approved lighting and signaling devices and equipment for brake testing.

The work of the Bureau of Motor Vehicles is divided into nine sections - General, Accounts, Title, Registration, Office Delivery, Graphotype, Record, Correspondence and Shipping and Mailing.

The title of each section is sufficiently descriptive to present a clear picture of the function performed. Certain additional information on some sections may serve, however, to reveal the magnitude of the task.

a. Accounting Section

The Accounting Section maintains a record of receipts and issuances, checks office delivery tellers reports, reviews claims for refunds,

assigns and accounts for registration, license and record numbers, secures the return of replaced license plates and reviews and approves applications for free reissues.

b. Title Section

The Title Section handles all incoming bureau mail, opening and routing it. Each application is checked as to horsepower, chassis weight, manufacturer's number, and fee and to see that all questions are answered correctly. During the peak of the registration season, the Title Section receives as high as 120,000 pieces of mail daily.

c. Office Delivery Section

The Office Delivery Section issues licenses direct to the public and performs every operation connected with the issuance of titles, registrations and licenses. About 20% of the number of licenses and registrations are handled by this section. A separate unit of this section handles the applications presented by messenger. For several days preceding the end of the registration period there is a constant stream of applicants sometimes forming a line five to six blocks long.

d. Graphotype Section

The Graphotype Section prepares an embossed plate for each application for title, learners permit, tractor, and dealer. These plates are used in preparation of certificates of title, applications for registration and operators' licenses and file cards and learner's permits. All changes of address must pass through this section so that plates are up to date. This section also prepares the actual renewal applications which total between four and five million each year.

e. Record Section

The Record Section is responsible for approximately 40,000,000

records pertaining to titles, registrations and licenses. The law requires that records pertaining to registration must be maintained for a period of three years, and all operators records for four years. Every application for title is checked in this section to determine whether or not there is record of a vehicle showing the same engine and manufacturer's numbers and title number, or whether there is stolen car information concerning the vehicle for which certificate of title is sought.

Seven distinct files are maintained to prevent duplication and for easy accessibility --

Title application filed by title number.
Learner's permit application by permit or plate number.
Registration, file cards according to registration number.
Registration, file cards alphabetically.
Title Record, file cards alphabetically.
Title Record, file cards by manufacturer's number.
Operators Record, file cards alphabetically.

f. Correspondence Section

The Correspondence Section has the centralized stenographic and typing service through which over 750,000 letters are written each year.

g. Shipping and Mailing Section

The Shipping and Mailing Section has its own branch post office, the largest of its type in the United States.

7. Bureau of Liquid Fuels Tax

The Bureau of Liquid Fuels Tax collects the tax on all Liquid Fuels of which gasoline constitutes the major item. Prior to 1931 the tax was collected from the individual dealers about 25,000 in all. (16)

In 1931, the law set up a system of licensed distributors. Each distributor is bonded for not less than \$2,500.00 and is liable for the tax on all liquid fuels used or sold by him within the Commonwealth. (17)
The Act provided that the distributor may add the amount of the tax to the

price of the fuel.

(18)

An amendment in 1937 provides that "Distributors shall be liable to the Commonwealth for the collection and payment of the tax imposed by this Act. The tax shall be collected by the distributor at the time the liquid fuels are used or sold and delivered by the distributor and shall be borne by the consumer."

The Liquid Fuels Tax as now in force consists of a permanent tax of three cents per gallon or fraction thereof as originally set up and a temporary tax of one cent per gallon for relief, added in 1935. (19) The temporary tax for a two year period has been twice extended and now expires on May 31, 1941.

The tax is divided, one cent, the temporary tax, going to the General Fund for unemployment relief, two and one-half cents to the Motor License Fund and one-half cent to the Liquid Fuels Tax Fund.

The moneys paid into the Liquid Fuels Tax Fund are returned to the respective counties of the Commonwealth on June 1st and December 1st of each year. Such money must be used by the county for the construction, reconstruction, repair, maintenance, etc. of highways, roads and bridges or for the payment of interest and sinking fund charges on bonds issued for highway and bridge purposes. The county commissioners are required to submit a report to the Department each six months showing the use of the money received from this fund. Such reports are transmitted to the Department of the Auditor General for audit.

The distributor is required to report, on or before the last day of each month, the amount of liquid fuels used, sold or delivered within the Commonwealth during the preceding month. At the same time, he is required to compute and pay the tax for the month reported. Taxes are due and payable on the last day of each month for the preceding month. Interest

at the rate of 1% per month or fraction is charged on unpaid amounts.
 If taxes are paid on time, a sliding scale of discount is allowed as
 (20)
 follows:

<u>Amount of Tax</u>	<u>Discount</u>
\$50,000 or less.....	2 %
Over \$50,000 but under \$75,000..	1 $\frac{1}{2}$ %
Over \$75,000 but under \$100,000.	1 %
\$100,000 or over.....	1 $\frac{1}{2}$ %

Monthly reports of wholesale distributors, including importers and refiners, as well as reports of common carriers, facilitate proper accounting and collections. Periodic audits and investigations of all accounts are made. The Pennsylvania Motor Police patrols the harbors and boundaries of the Commonwealth to prevent unlawful importations.

A comparison of liquid fuel tax collected with the cost of operation of the Bureau charged therewith for three bienniums ended May 31, 1939 is shown in Table XIX-D.

TABLE XIX-D

DEPARTMENT OF REVENUE
 LIQUID FUEL TAX COLLECTIONS
 AND COSTS OF LIQUID FUEL TAX BUREAU
 FOR THREE BIENNIUMS 1933-1939

Biennium	Collections	Cost of Operation	Cost per \$1000 Collected
1933-35.....	\$ 64,653,003.00	\$401,889.62	\$6,216
1935-37.....	98,133,071.00	473,779.83	4,827
1937-39.....	111,837,281.00	650,120.57	5,813

In a study reported by the Joint Legislative Committee on Finances, 1933, the cost of collecting \$1,000 of tax for the calendar year of 1931, was placed at \$23.08. Apparently, however, other costs than the cost of operation of the Bureau of Liquid Fuel Tax were included. Until July 1st of

that year collections were made from some 25,000 dealers, and for the balance of the year from 600 distributors. It is obvious, however, that a considerable reduction in cost of collection has been effected.

During the 1933-35 period, collections were on the same basis as the latter half of the calendar year of 1931, viz: a three cent tax collected from a limited number of distributors. Effective July 1, 1935, a temporary tax of one cent was added making the total tax four cents. The natural tendency of this increase in tax was to reduce the cost of collection.

While collection increased 51.7% in the 1935-37 period and 13.9% in the 1937-39 period, the cost of Bureau operation increased 17.9% and 37.4% respectively. However, it should be noted that the Bureau was charged with the administration and enforcement of the Liquid Fuels Pump or Outlet Permit Law, (21) until the repeal of this Act, May 26, 1939, at a cost of approximately \$175,000.00.

8. Bureau of Highway Safety

The functions of the Bureau of Highway Safety are to create and develop methods for insuring the public safety on the highways. To this end it supervises the examination of new drivers, conducts hearings in connection with violations of the Motor Code and for proper cause revokes and suspends motor vehicle registrations and operating privileges. It receives proof of financial responsibility from drivers who, having been involved in one or more accidents in the preceding year resulting in injury to persons or damage to property and damage to motor cars in the sum of \$100.00 or more, due wholly or partially to the driver's negligence.

All accidents involving motor vehicles resulting in any personal in-

jury or property damage of \$50.00 must be reported to this Bureau which may require persons involved to present themselves for a hearing on the causes thereof. An elaborate tabulation of accidents provides detailed information as to the causes and are used as a basis of recommending remedial action, either engineering or enforcement.

Lighting devices and other equipment are tested and approved by the Bureau which also organizes the semi-annual campaigns for the inspection of lighting devices, brakes and other safety appliances on motor vehicles.

The Bureau establishes and maintains relations with other states in connection with operators' examinations, accident reporting and statistics, general enforcement methods and such other special problems as may be necessary.

The Highway Patrol was a part of this bureau, then known as the Bureau of Highway Patrol and Safety, until 1937, when it was transferred out of the Department of Revenue to be combined with the Pennsylvania State Police under the name of Pennsylvania Motor Police. (22)

9. Department Boards

The Department of Revenue includes two non-statutory boards whose members receive no extra compensation for the services rendered.

a. Board of Corporation Tax Resettlements

The Board of Corporation Tax Resettlements was created for purely administrative purposes and is composed entirely of employes of the Department of Revenue and of the Auditor General's Department. The personnel of the Board usually consists of a Deputy presiding, counsel for the Department of Revenue, and at least two taxing officers from each department. The Board receives and passes on petitions for resettlement of corporation taxes. The Board sits twice weekly to facilitate

speedy adjustment of taxpayers' problems.

b. Board of Enrollment and Disbarment

The Board of Enrollment and Disbarment constituted for the purpose of determining the eligibility of lawyers, accountants and others to practice in the Department of Revenue, is composed entirely of those appointed by the Secretary.

10. State Athletic Commission

The State Athletic Commission was established in 1923⁽⁴⁾ as an independent administrative commission although not specifically designated as such. The 1927 amendment to the Administrative Code made it a departmental administrative commission in the Department of Military Affairs.⁽²³⁾ While the work of the Commission was in no way related to that of the department to which it was attached, the excess proceeds of the tax established by the act was appropriated for the purpose of "the erection and construction of monuments and memorials on the battlefields of France and Belgium." This, no doubt, was the deciding factor in the original assignment to a department. The transfer to the Department of Revenue in 1937⁽⁵⁾ was at the suggestion of the Department of Military Affairs on the theory that it was a licensing body. In other states, similar commissions are either independent or serve under the Secretary of State.

The Commission is vested with the sole direction, management, control and jurisdiction over all boxing, sparring and wrestling matches within the Commonwealth where a purse is given or an admission fee is charged. Provision is made for the licensing of all corporations or persons participating directly or indirectly in such matches or exhibitions.

Under the original act the central office and records of the Commis-

sion were to be maintained in Harrisburg. This provision was rescinded
(24)
in 1929 since which time the so-called central office has followed
the chairman, having been located in Wilkes Barre, Harrisburg and Phila-
delphia with branches in Williamsport and Pittsburgh. The Secretary of
the Athletic Commission has always been located in Philadelphia regard-
less of the central office location. The only difference between cen-
tral and branch offices is that the former carries a complete record of
financial transactions for the entire Commission. Each office has a com-
plete record of licenses issued by all three offices although each office
acts independently in the matter of issuing licenses.

In the discharge of its duties, the Commission employs deputies work-
ing out of the various offices. These deputies are assigned to the var-
ious shows as needed to adequately cover all entrances, check on licenses,
enforce the laws and regulations relating to boxing and wrestling and to
assess and in many cases collect the 5% gross receipts tax fixed by sta-
tute. The deputies are paid \$10.00 for each professional show and \$5.00
for each amateur show, necessary expenses for travel are paid in addition
where the distance from the headquarters city warrants.

The State Athletic Commission functions in practice as three indepen-
dent "one-man" commissions, each a law unto itself but informing the others
of its acts. It is indeed a rare occasion where a commissioner in one dis-
trict has been overruled in a matter relating to that district.

The Commission may also issue, without charge, licenses to referees
or physicians serving at amateur bouts only and without compensation.

Aside from the 5% gross receipts tax, the chief source of revenue
is license fees which the law fixes as shown in Table XIX-E.

TABLE XIX-E

DEPARTMENT OF REVENUE
LICENSES AND FEES OF STATE ATHLETIC COMMISSION

Type of License	Amount of Fee
Booking agents for wrestlers.....	(25) \$300.00
Promoters - 1st class cities Capacity - 5,000 or more.....	(26) 250.00
Promoters - 1st class cities Capacity - 2,001 - 5,000.....	150.00
Promoters - 1st class cities Capacity - 2,000 or less.....	100.00
Promoters - 2nd class cities.....	100.00
Promoters - 3rd class cities and elsewhere.....	25.00
Physicians.....	25.00
Referees.....	25.00
Judges.....	15.00
Timekeepers.....	10.00
Professional Boxers.....	5.00
Professional Wrestlers.....	10.00
Managers.....	25.00
Seconds.....	10.00
Announcers.....	15.00
Matchmakers.....	25.00

Every promoter, before a license is issued to him is required to post a bond in an amount determined by the Commission, but not less than \$3,000, conditioned upon the faithful performance of the provisions of the act and the rules and regulations of the Commission. Any amount recovered on the bond is deposited in the State Treasury for the use of the Commonwealth.

(26)

Such funds are now made available for amounts due contestants, managers or officials who have not been paid by the promoter or for refunds to ticket holders where a bout has been postponed or cancelled and the promoter fails to make refund within 10 days of the date of the original scheduled match.

D. PERSONNEL

A summary of salaried personnel at June 1, 1940, by function, appears in Table XIX-F.

TABLE XIX-F

DEPARTMENT OF REVENUE
SUMMARY OF PERSONNEL AND SALARIES
JUNE 1, 1940

Function	Employees	Annual Salaries
Executive Office.....	128	\$ 210,780
Corporation Taxes.....	122	246,000
Stamp, Store & Theatre Taxes.....	37	54,840
Personal Property Taxes.....	140	211,780
County Collections.....	42	63,980
Institutional Collections.....	53	91,220
Investigations & Collections.....	85	146,060
Motor Vehicles.....	522	595,020
Liquid Fuels Tax.....	79	128,760
Highway Safety.....	114	164,420
Aeronautics.....	7	17,440
State Athletic Commission.....	9	24,900
Miscellaneous.....	7	11,820
Total.....	1,345	\$1,967,020

Table XIX-G, pages 1925 to 1927 shows the number of salaried employees and aggregate annual salaries as of June 1, 1940.

E. FINANCES

1. Income

The income of the Department of Revenue is the income of the Commonwealth since all collections of revenue by agents of the department must pass through it to be deposited in the State Treasury.

Not all the receipts of the Department of Revenue are available for the general operating expenses of the Commonwealth. Certain collections are set aside for specific activities such as the operation of the Fish Commission, or Game Commission or the maintenance and improvement of highways. Some collections are not even available for any State agency or

TABLE XIX-G

DEPARTMENT OF REVENUE
NUMBER OF SALARIED EMPLOYEES AND ANNUAL SALARIES
JUNE 1, 1940

Bureau and Section	Employees	Annual Salaries
Secretary of Revenue.....	1	\$ 12,000
<u>Executive Office</u>		
Deputies.....	2	14,000
Comptroller.....	1	5,500
Legal Assistants.....	2	7,200
Executive Assistants.....	1	3,000
Administrative Assistants.....	1	2,700
Public Information Officer.....	1	4,200
Administration.....	14	21,900
Receipts.....	53	70,380
Disbursements.....	14	17,820
Motor Law Fines - Investigation.....	8	14,460
Stenographers.....	18	21,600
Supplies & Equipment.....	11	15,000
Mailing Pool.....	1	1,020
Total.....	<u>128</u>	<u>\$210,780</u>
<u>Corporation Taxes</u>		
General Administration.....	28	\$ 42,000
Taxing Officers.....	17	42,660
Filing and Indexing.....	7	9,060
Special Investigating.....	66	148,080
Registry.....	2	2,160
Mailing Pool.....	2	2,040
Stamp, Store & Theatre Tax Section...	37	54,840
Personal Property Tax Section.....	140	211,780
Total.....	<u>299</u>	<u>\$512,620</u>
<u>County Collections</u>		
Director.....	1	\$ 5,000
Inheritance Tax Section.....	24	34,860
Garrett Estate.....	3	7,380
Mercantile License.....	13	18,720
Fishing, Hunters, & Dog Licenses.....	8	9,840
Total.....	<u>49</u>	<u>\$ 75,800</u>

TABLE XIX-G (Continued)

Bureau and Section	Employees	Annual Salaries
<u>Institutional Collections</u>		
Director.....	1	\$ 5,000
General.....	8	13,680
State Institution.....	36	58,740
County Institutions.....	8	13,800
Total.....	<u>53</u>	<u>\$ 91,220</u>
<u>Investigation and Collection</u>		
Director.....	1	\$ 5,000
Headquarters.....	3	4,260
Field Investigation - Collection....	54	92,760
Beverage Tax Division.....	27	44,040
Total.....	<u>85</u>	<u>\$146,060</u>
<u>Liquid Fuels Tax</u>		
Assistant Director.....	1	\$ 3,600
General Administration.....	24	28,440
Accounts of Liquid Fuels.....	10	13,920
Auditing Liquid Fuels.....	44	82,800
Total.....	<u>79</u>	<u>\$128,760</u>
<u>Motor Vehicles</u>		
Director.....	1	\$ 5,000
General.....	7	15,880
Accounting Section.....	16	19,740
Title Section.....	52	60,540
Registration Section.....	46	51,300
Office Delivery Section.....	49	58,440
Graphotype Section.....	86	92,220
Record Section.....	127	135,840
Correspondence Section.....	94	105,480
Shipping & Mailing Section.....	44	50,580
Total.....	<u>522</u>	<u>\$595,020</u>
<u>Highway Safety</u>		
Director.....	1	\$ 5,000
Assistant Director.....	1	3,600
Administrative Assistant.....	1	1,860
Safety.....	41	54,840
Hearings.....	18	31,620
Filing.....	23	24,060
Mailing Pool.....	1	1,020

TABLE XIX-G (continued)

Bureau and Section	Employees	Annual Salaries
<u>Highway Safety (Continued)</u>		
Safety Council Unit.....	1	\$ 2,400
Accident Prevention Campaign Division	27	40,020
Division of Aeronautics.....	7	17,440
Total.....	<u>121</u>	<u>\$181,860</u>
State Athletic Commission	9	\$ 24,900
Grand Total.....	1,345	\$1,967,020

activity. For example, certain license fees collected from hotel, restaurant, and taproom operators are returned to the political sub-division of origin; (27) a portion of the tax on liquid fuels is returned to the counties on a pro rata basis for specific use; (28) and foreign fire insurance tax income is paid to firemen's relief associations in the protected districts. (29)

2. Expenditures

The expenditures of the Department of Revenue were made from four different funds as shown in Table XIX-H.

TABLE XIX-H

EXPENDITURES OF DEPARTMENT OF REVENUE
FOR THREE BIENNIUMS 1933-1939

Fund	1933-35	1935-37	1937-39
General.....	\$1,388,207.08	\$ 2,732,891.99	\$ 4,058,160.63
Motor.....	6,285,496.23	8,304,604.56	7,606,116.55
Fish.....	22,286.50	20,320.81	34,660.87
Game.....	38,646.58	29,436.32	90,000.00
Total.....	\$7,734,636.39	\$11,087,253.68	\$11,788,938.05

A summary analysis of expenditures by object for three bienniums is shown in Table XIX-J.

TABLE XIX-J

DEPARTMENT OF REVENUE
EXPENDITURES BY OBJECT FOR THREE BIENNIUMS
1933-1939

Object	1933-35	1935-37	1937-39
Salaries, Wages & Fees...	\$4,780,370.90	\$ 6,449,096.29	\$ 6,777,133.06
Supplies, Etc.....	955,127.96	1,463,474.57	1,885,658.05
Operating Expense.....	1,668,973.62	2,277,895.65	1,800,187.48
Maintenance.....	216,018.00	439,884.59	650,785.98
Land, Equipment, Etc.....	113,745.91	456,902.58	675,173.48
Advances.....	400.00	--	--
Total.....	\$7,734,636.39	\$11,087,253.68	\$11,788,938.05

Table XIX-K shows the expenditures from all funds by object classification for three bienniums 1933-39.

TABLE XIX-K
DEPARTMENT OF REVENUE
EXPENDITURES FROM ALL FUNDS
BY OBJECT CLASSIFICATION
1933-1939

Classification	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939
Salaries.....	\$4,425,319.69	\$ 5,010,543.02	\$ 4,940,128.51
Wages.....	302,629.45	1,370,629.92	1,734,808.25
Fees.....	52,421.76	67,923.35	102,196.30
Printing, Binding & Stationery.....	210,525.31	481,393.19	747,689.47
Food & Forage.....	53,288.89	61,697.46	1,578.81
Materials & Supplies..	691,313.76	920,383.92	1,136,389.77
Traveling Expenses....	831,696.39	1,173,969.77	753,610.99
Motor Vehicle Sup.Etc.	242,702.74	289,299.11	75,328.37
Freight, Express & Cartage.....	10,980.57	27,455.46	21,459.16
Postage.....	538,250.34	706,730.99	739,338.01
Telephone & Telegraph.	41,437.57	54,209.18	42,002.95
Newspaper & Advertis- ing & Notices.....	3,906.01	26,231.14	168,448.00
Light, Heat, Power, Water, etc.....	29,036.56	26,651.00	27,902.62
Contracted Repairs....	5,973.48	13,017.97	9,304.51
Rent of Real Estate...	122,828.77	126,880.01	136,427.55
Rent of Equipment.....	4,448.69	26,609.39	195,610.77
Insurance, Surety & Fidelity Bonds.....	47,905.46	123,516.85	53,240.27
Other Maintenance Ser- vices.....	5,825.04	123,209.37	228,300.26
Motor Vehicles.....	67,076.71	175,199.34	59,009.25
Live Stock.....	--	--	--
Equipment & Machinery.	46,627.20	111,908.63	182,857.33
Land.....	--	169,794.61	32,351.36
Contracted Building & Construction.....	42.00	--	400,955.54
Advanced Requisitions.	400.00	--	--
Total.....	\$7,734,636.39	\$11,087,253.68	\$11,788,938.05

Table XIX-L shows the functional expenditures by fund for the three bienniums 1933-39.

TABLE XIX-L

DEPARTMENT OF REVENUE
FUNCTIONAL EXPENDITURES BY FUND
1933-1939

Function	1933-35	1935-37	1937-39
<u>Executive Office</u>			
General Fund.....	\$ 280,057.99	\$ 313,570.07	\$ 521,627.26
Motor Fund.....	204,954.07	219,592.11	254,387.22
Total.....	\$ 485,012.06	\$ 533,162.18	\$ 776,014.48
<u>Bureau of Corporation Taxes</u>			
General Fund.....	\$ 219,281.22	\$1,468,683.41	\$2,401,788.06
<u>Bureau of County Collections</u>			
General Fund.....	\$ 190,373.45	\$ 236,220.63	\$ 320,546.33
Fish Fund.....	22,286.50	20,320.81	34,660.87
Game Fund.....	38,646.58	29,436.32	90,000.00
Total.....	\$ 251,306.53	\$ 285,977.76	\$ 445,207.20
<u>Bureau of Institutional Collections</u>			
General Fund.....	\$ 209,372.89	\$ 220,987.10	\$ 236,446.75
<u>Bureau of Investigation & Collections</u>			
General Fund.....	\$ 474,121.59	\$ 479,359.00	\$ 447,090.24
Motor Fund.....	62,080.16	--	--
Total.....	\$ 536,201.75	\$ 479,359.00	\$ 447,090.24
<u>Bureau of Liquid Fuels Tax</u>			
General Fund.....	\$ 14,999.94	\$ 14,071.78	\$ 962.70
Motor Fund.....	401,889.62	473,779.83	650,120.57
Total.....	\$ 416,889.56	\$ 487,851.61	\$ 651,083.27
<u>Bureau of Motor Vehicles</u>			
Motor Fund.....	\$2,728,926.74	\$3,770,210.51	\$5,036,188.85
<u>Bureau of Highway Safety*</u>			
Motor Fund.....	\$2,887,645.64	\$3,841,022.11	\$1,665,419.91
<u>State Athletic Commission**</u>			
General Fund.....	--	--	\$ 99,699.29
Grand Total.....	\$7,734,636.39	\$11,087,253.68	\$11,788,938.05

* Highway Patrol transferred to Pennsylvania Motor Police - June 1, 1937.

** Transferred from Department of Military Affairs - June 1, 1937

a. Executive Office

The salary of the Secretary of Revenue is included in the expenditures of the Executive Office. The increase between the 1933-35 biennium total and that of 1937-39 is the difference between \$485,012.06 and \$776,014.48 or an increase of 60%. The increase in General Fund expenditures between the same periods was an increase from \$280,057.99 to \$521,627.26 or 86.25%.

b. Bureau of Corporation Taxes

Starting June 1, 1935, the Bureau of Corporation Taxes began collecting and organizing for the collection of new and revised corporation taxes, as well as several new taxes of other types, covering amusements, personal property, documents and cigarettes. A tax on chain stores and theaters, effective July 1, 1937, was also placed in this Bureau but was declared unconstitutional in 1939.

The expenditures of this Bureau increased from \$219,281.22 in the 1933-35 biennium to \$2,401,788.06 in the 1937-39 biennium, that is, 995%. Taxes collected in 1933-35 biennium amounted to \$74,101,103 and in 1937-39 biennium \$213,259,500, an increase of 187.8%.

In the 1935-37 biennium expenditures amounted to \$1,468,683.41 and in the succeeding biennium as above indicated \$2,401,788.06. This was an increase of 63.5%, and during that same period tax collections increased from \$201,984,064 in 1935-37 biennium to \$213,269,500 in the 1937-39 biennium, a percentage increase of 5.58%.

c. Bureau of County Collections

The General Fund expenditures of the Bureau of County Collections in the 1937-39 biennium exceeded those of the 1933-35 period by 68.3%. Between the same periods, expenditures from the Fish Fund increased 55.5%

and from the Game Fund, 133.8%. Fish Fund collections, not including fines, increased 72.2% and Game Fund collections 21.1%. It will be recalled that during the period following May 31, 1935, a new system of issuing fishing and hunters' licenses was installed.

The larger portion of the General Fund increase was on general operating costs but during 1937-39 a total of \$46,954.14 was spent in attempting to settle the Garrett Estate.

The cost of advertising the mercantile appraisers list is not included in the expenditures of the Bureau which collects the tax. Under the law, these lists must be published in not less than 2 or more than 3 newspapers of general circulation in counties of less than 1,500,000 population and in 4 newspapers in first class cities. This publication cost approximates \$120,000 annually and is deducted from the tax collected. The same condition exists as to expenses, other than mileage, and clerical help for the mercantile appraisers.

The Department points out that all of the percentage collection costs and the percentage tax collections heretofore set forth must be considered in the light of the fact that collection costs are obviously but a fraction of revenue return and even though the percentage of the cost of collection may increase appreciably and the revenue return increase to no great extent in percentage yet in dollars and cents the increase in revenue will be considerably greater than the increased cost of collection. It must also be borne in mind that there is necessarily a differential in the cost of collection depending upon the particular kind of tax. For instance, to collect cigarette tax, stamps must be printed and distributed to be affixed to packages. From the very nature of the tax, investigators must be employed to prevent tax evasion. While, on the

other hand, taxes on bank shares are relatively easy and inexpensive to collect since banks are never anxious to carry tax liabilities in their financial statements. Increases in collections and costs can only be compared on a relative basis. The disproportion in increases, considered on an absolute basis, encourages at times unwarranted increases in collection costs.

d. Bureau of Motor Vehicles

The expenditures of the Bureau of Motor Vehicles other than the the Division of Aeronautics, showed an increase of 42.6% or slightly over \$1,100,000.00 from 1933-35 to 1937-39. The operating cost of the Division of Aeronautics increased 316.4% in the same period. Construction and improvement projects in this Division amounted to \$204,606.08 in 1935-37 and \$902,892.49 in 1937-39.

The following projects were in operation during the 1937-39 bien-nium:

TABLE XIX-M

DEPARTMENT OF REVENUE
EXPENDITURES FOR CONSTRUCTION PROJECTS
BY DIVISION OF AERONAUTICS

Project	Expenditures
Harrisburg Project.....	\$455,828.51
Martinsburg Airport.....	90,189.92
Black Moshannon Airport.....	84,010.35
Mt. Pocono Airport.....	12,380.37
Somerset Airport.....	17,402.54
Radio Range Aid.....	243,080.00
Total.....	\$902,892.49

The increase in the number of motor vehicle registrations and operators' licenses accounts for a portion of the increase in the cost of the

operation of the Bureau of Motor Vehicles, while the reduction of the cost of operator's licenses from \$2.00 to \$1.00 in some degree accounts for the fact that revenue from the Bureau of Motor Vehicles did not materially increase in some years.

e. Bureau of Highway Safety

The apparent reduction in expenditures for the Bureau of Highway Safety is due to the transfer of the Highway Patrol to the Pennsylvania Motor Police in 1937. The amount expended for the Patrol increased from \$2,507,600.64 in 1933-35 to \$2,958,985.46 in 1935-37. Expenditures of \$129,902.41 for the Patrol are included in 1937-39.

Included in the 1935-37 expenditures total, is \$188,535.58 for the Governor's Special Safety Campaign. A similar campaign in 1937-39 is responsible for expenditures of \$370,291.11, while an accident prevention campaign added expenditures of \$136,845.83.

Excluding the Highway Patrol and special campaign expenditures, the Bureau expenditures were \$380,045.00, \$693,501.07, and \$1,028,380.50 in 1933-35, 1935-37 and 1937-39 respectively. This represents an increase of 170.5% between the first and third bienniums.

Statistics of the Bureau of Highway Safety currently available indicate a marked decrease in the accident and death rate since the inauguration of the Department of Revenue's safety program.

FOOTNOTES

- (1) 1927, P. L. 207
- (2) Administrative Code, Section 405
- (3) Administrative Code, Section 427
- (4) 1923, P. L. 710
- (5) 1937, P. L. 1865
- (6) Fiscal Code, Section 202-206
- (7) Fiscal Code, Section 3509
- (8) Fiscal Code, Section 3501
- (9) Fiscal Code, Section 3503
- (10) Fiscal Code, Section 3512
- (11) Fiscal Code, Section 3527
- (12) Fiscal Code, Section 3531
- (13) Fiscal Code, Section 3029
- (14) 1929, P. L. 905
- (15) 1937, P. L. 2329
- (16) 1921, P. L. 1021 and Amendments
- (17) 1931, P. L. 149
- (18) 1937, P. L. 2774
- (19) 1935, P. L. 412
- (20) 1937, P. L. 1703
- (21) 1937, P. L. 1193
- (22) 1937, P. L. 2436
- (23) 1927, P. L. 207
- (24) 1929, P. L. 860
- (25) 1933, P. L. 551
- (26) 1937, P. L. 1698
- (27) 1935, P. L. 1246
- (28) 1935, P. L. 412
- (29) 1935, P. L. 122

CHAPTER XX

DEPARTMENT OF STATE

A. FUNCTION

The Department of State is an administrative Department of the Commonwealth created by statute. The Department is headed by the Secretary of the Commonwealth, who is also one of the constitutional officers of the State (1) appointed by the Governor. (2) The office of the Secretary is created as an executive office of the Commonwealth.

The Department of State publishes and records the official acts and proceedings of the Governor and the General Assembly; administers the election laws of the Commonwealth; examines and files all applications for corporation charters and modifications thereof; prepares and issues, with the approval of the Governor, commissions to properly elected and appointed State officials; registers persons doing business under assumed or trade names; registers trade marks, labels, etc.; in short, the Department is the repository for the official records of the Commonwealth. In addition, the State Employees' Retirement System is operated through the State Employees' Retirement Board, an administrative board in the Department.

B. POWERS AND DUTIES

The powers and duties of the Department of State are prescribed by the Constitution, by statute and by virtue of the Secretary's chairmanship of or membership on certain boards.

1. Constitutional Powers and Duties

- a. The Constitution provides that the records and all official acts and proceedings of the Governor are to be kept in the Department of State. (3)
- b. When so required, the Secretary lays the acts and proceedings of

the Governor, with all papers, minutes and vouchers relating thereto before either branch of the General Assembly; he also prepares these acts and proceedings for publication.

- c. The Secretary may, jointly with the Lieutenant Governor, Attorney General and Secretary of Internal Affairs, recommend or withhold recommendations to the Governor for the remission of fines, forfeitures, the granting of reprieves, commutation of sentence and pardons except in cases of impeachment after full hearing upon due public notice and in open session. (4) These recommendations are recorded and filed in the office of the Department of State.

2. Statutory Powers and Duties

The duties enjoined upon the Secretary of the Commonwealth by statute are prescribed in the Administrative Code of 1929, its amendments and supplements, the Pennsylvania Election Code of 1937, its amendments and supplements, the Business Corporation Law of 1933, its amendments and supplements, the Non-Profit Corporation Law of 1933, its amendments and supplements, the General Corporation Law of 1874, its amendments and supplements, the Act of June 5, 1937, (5) the Act of June 21, 1939, (6) and numerous other acts of the General Assembly. Unless otherwise specifically provided, the Department of State exercises those powers and duties which heretofore have been vested in the Department of the Secretary of the Commonwealth and the several bureaus thereof, the Department of State and Finance, the Department of State, and the Secretary of the Commonwealth.

These powers and duties are summarized below:

- a. The Secretary is the keeper of the seal of the Commonwealth, and affixes it to all public instruments to which the attestation of the Governor's signature is required. (7)
- b. Any committee of either branch of the General Assembly may inspect or examine the books, papers, records and accounts filed in the Department, and the Department shall furnish such copies or abstract therefrom as may from time to time be required. (8)

- c. After request and upon payment of just charges, the Department shall furnish any person with certificates of matters of public record in the Department, or certified copies of public papers or documents on file therein. (9)
- d. The Secretary acts as agent or attorney for the service of process of actions for damages caused by real estate situated in Pennsylvania but owned by a non-resident. (10)
- e. Constitutional amendments are advertised through this Department, and the form in which they shall be submitted to the electors on the ballot or voting machine is determined by the Secretary.
- f. The Department administers the election laws of the Commonwealth in relation to national and state elections. This includes the recordation, compilation, publication and certification of election returns, the approval of voting machines, etc.
- g. The Department of State records all laws, resolutions, acts and proceedings of the General Assembly, performs all other duties with reference thereto, punctuates the laws passed and reads the proof of and prepares an index of the same. As soon as possible after the signing of any bill by the Governor, whereby it becomes a law, the Department of State transmits a correct copy to the Department of Property and Supplies so as to enable the latter to print advance sheets of the bill.
- h. Plates from which the Pennsylvania Supreme and Superior Court reports are printed are delivered by the Department of State to the Department of Property and Supplies for safe keeping.
- i. The Department of State examines and files all applications for charters of corporations, for the amendment of such charters, for the merger and consolidation of such corporations, for the change of their corporate names, for the reorganization after judicial sale of their franchises and property, for the increase of their capitalization or indebtedness or the decrease thereof, for the change of the par value of the shares of their stock, for the change of the location of their principal office, and for any other proceedings by and with reference to such corporations as may be permitted or required by law. The Department transmits such papers in connection therewith as may be required to the Governor, and when they are executed by him, the Department authenticates his signature. (11)
- j. The Department issues to foreign corporations, upon due ap-

plication a certificate of authority to do business in Pennsylvania, and may revoke it for lawful cause. The Secretary acts as attorney-in-fact and as authorized agent for the service of process for foreign corporations registered to do business in this State. (12)

- k. The corporate functions of the Department also include the determination of certain questions of fact and of law in the administration of the General Corporation Law of 1874, the Business Corporation Law of 1933 and the Non-Profit Corporation Law of 1933, their amendments and supplements. The Department has recently been given authority to determine the bonus on domestic corporations and to settle and enforce payment of delinquent bonus.
 - l. The Department registers and issues certificates of registration of trade marks, trade names, labels, bottled description and union labels.
 - m. Any person or persons doing business under a fictitious or assumed name must register with the Department and obtain a certificate thereof. Similarly all names, titles or designation of associations, societies and corporations of the first class, or non-profit corporations created subsequent to the Act of 1933 (13) must register with the Department of State.
- (14)
- n. Under the Banking Code of 1933 all banks and trust companies must file their articles of incorporation with the Department of State.
 - o. Besides keeping a record of all respites, pardons, commutations, etc., the Department of State also keeps a record of all death warrants, and passes upon and approves all proceedings for the extradition of fugitives from justice before laying them before the Governor. It reports quarterly to the Department of Revenue and to the Auditor General for all remissions of fines granted by the Governor.
 - p. The Secretary of the Commonwealth may administer oaths or affirmations as are required by the Constitution or laws of the Commonwealth to all officers of the State Government in any and all matters relating to the administrative work of the Commonwealth. (15)
 - q. The Department prepares and issues, with the approval of the Governor, commissions to all officials elected by popular vote, who, by law, are entitled to receive them, including commissions to aldermen and justices of the peace elect. It issues commissions to such officials as are entitled thereto by virtue of appointment by the Governor. All commissions, appointments and proclamations of the Governor are countersigned and recorded in this office. The bonds of certain county officials and notaries are also filed here. (16)

3. Membership on Boards

The Secretary of the Commonwealth serves as Chairman or a member of the following Boards:

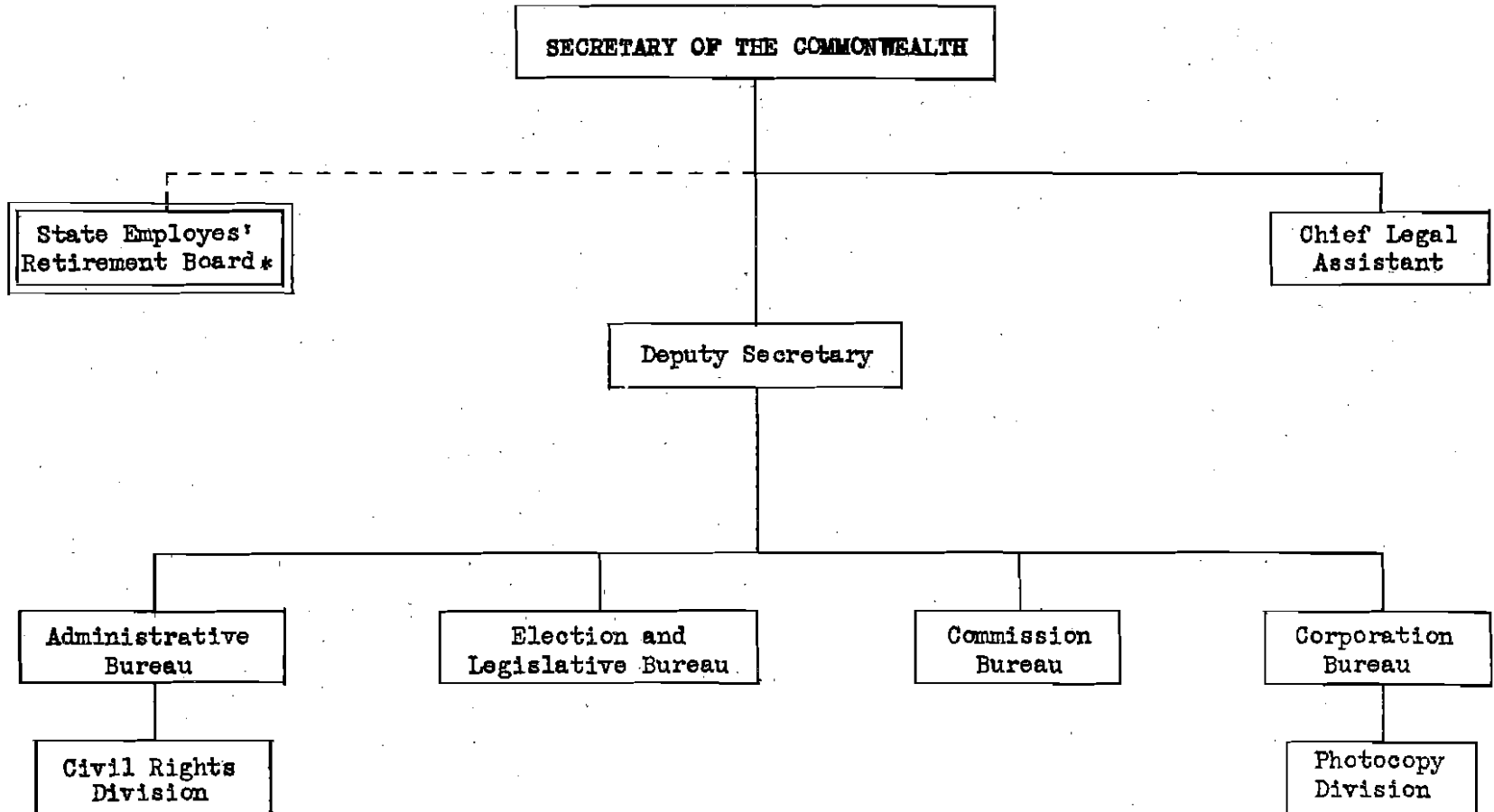
- (17)
- a. Chairman of the State Employees' Retirement Board. This is the only administrative board within the Department of State, and the duties of administering the State Employees' Retirement System are a responsibility of the Department of State.
- (18)
- b. Member of the Board of Finance and Revenue. His powers on the Board of Finance and Revenue include participation in the settlement of public accounts, including applications for re-settlements and applications for refunds of state taxes, license fees, etc., and for the refund of money subject to escheat paid into the State Treasury. This board also supervises the selection of depositories for State moneys and the deposit of moneys therein as prescribed by the Fiscal Code. The Board supervises and directs the State Treasurer in his administration of the State Sinking Fund and the biennial reports to the Governor upon the sinking fund operations of the Commonwealth. Within ten days after the organization of the General Assembly, the Board of Finance and Revenue reports upon the state of the public debt.
- c. Member of the Board of Pardons. (See Section 1-c under "Powers and Duties", this chapter).
- (19)
- d. Member of the Board of Property. This Board passes upon controversies arising out of the actions of the Land Office in the Department of Internal Affairs.
- (20)
- e. Member of the Board to License Private Bankers.
- f. By appointment of the Governor, the Secretary of the Commonwealth is a member of the Executive Board.
- g. Also by appointment of the Governor, the present Secretary of the Commonwealth is a member of the Commission on Interstate Cooperation.

C. ORGANIZATION AND OPERATIONS

As is indicated in Chart XX-1, the Department of State operates through four bureaus, namely, Administrative Bureau, Election and Legislative Bureau, Commission Bureau and Corporation Bureau, and one administrative board, the State Employees' Retirement Board.

CHART XX-1

ORGANIZATION OF THE DEPARTMENT OF STATE



-2006-

* Departmental Administrative Board.

1. Administrative Bureau

The Administrative Bureau handles all of the administrative services of the Department and insures direct supervision of all the personnel. It supervises the Department's appropriations, allocations and disbursements. It maintains the uniform accounts of the Department, has charge of budgetary matters, and prepares all budgetary estimates, allocations, reports and financial statements required from the Department. It affixes the Great Seal Certificates which are attached to documents sent to the Department for examination or authentication. This Bureau is in charge of the advertising of proposed constitutional amendments. The head of the Bureau acts as the Department Comptroller. Other activities performed by the Administrative Bureau are:

- a. Recording of the official acts of the Governor and seeing to their publication. Certified copies of public documents are supplied, under proper conditions, to all persons requesting them.
- b. Acting as an information bureau with reference to the State Government and its activities, and referring inquiries for various information about the State and its government to the proper department for answer.
- c. Operation of the Civil Rights Division, which furnishes information of a non-confidential nature, and not in the nature of an opinion on any legal matter, to any person, association or corporation on written request, and discloses to appropriate civil groups or associations alleged violations of civil and labor rights and constitutional guarantees. (21)
- d. Filing the papers, maintaining the records and answering inquiries concerning the licensing, sale and possession of certain fire-arms. (22)
- e. Maintaining the personnel records, central filing room, departmental stores, photostat rooms and mail and messenger service.

2. Corporation Bureau

The Corporation Bureau executes and administers all laws relating to corporations, excluding, however, supervision powers over certain corporations vested in the Departments of Banking and Insurance, and the Public Utility Commission.

The Bureau administers the General Corporation Act of 1874, with its two hundred or more supplements and amendments. It is now responsible for the administration of the Corporation Code of 1933, its amendments and supplements, which superseded in part the Act of 1874. Other acts administered by this Bureau include the Fictitious Names Act, the Foreign Corporation Act, the Conditional Sales Act, the Purchase and Sale Act.

The Corporation Bureau also administers all laws relating to the creation of cooperative associations, credit unions, and corporations formed under the Municipal Authorities Act. It registers Soil Conservation Districts. Partnership agreements under certain acts of the Assembly are also filed here. Charters for non-profit corporations are granted by the Courts of Common Pleas, but before such applications may be granted, the name of each proposed corporation must be registered in the Corporation Bureau.

Certain functions provided for in the Banking Code and the Building and Loan Code are also conducted in the Corporation Bureau.

The conduct of the Corporation Bureau is regulated to a large extent by almost 200 statutes affecting it, as well as numerous opinions of the Attorney General, decisions of the various courts and rules and regulations prescribed by the Secretary of the Commonwealth.

Principally the activities of this Bureau are concerned with the corporate affairs of domestic and foreign corporations, and the registration of fictitious names, trade marks, etc.

a. Domestic Corporations

Control of the creation, organization, changes and amendments to the charters, dissolution, etc., of domestic corporations is a function of the Corporation Bureau. The Bureau passes upon, approves and

prepares all forms relating to application for charters, reorganization, merger, sales, amendments, extensions, renewals and similar papers. All bonuses paid by domestic corporations on capital stock or any increases thereof are collected through this Bureau. Information covering the formation, procedure and regulations of these corporations, as well as the various forms and blanks required, are furnished on request.

b. Foreign Corporations

Foreign corporations are required by law to register with the Secretary of the Commonwealth in order to be able to conduct any business in the State. (23) Such registration results in the collection of a registration fee, and in many cases, opens the way for other State agencies to collect taxes and fees, thus increasing State revenues. The Bureau also takes care of matters pertaining to those statutory provisions making the Secretary of the Commonwealth the attorney-in-fact for the service of process on foreign corporations registered in the State. Foreign corporations doing business in Pennsylvania are placed under the same restrictions and must pay the same fees as domestic corporations chartered in this state.

c. Fictitious Names, Trade Marks, Etc.

The registration of individuals or firms conducting business in Pennsylvania under assumed or fictitious names, as required by law, is handled in the Corporation Bureau. Trade marks, trade names, labels, bottled descriptions and union labels are also registered in this Bureau.

A resume of the volume of business handled by the Corporation Bureau and the amount of fees collected since 1933 is shown in Table XX-A, Page 2010.

TABLE XX-A

DEPARTMENT OF STATE
VOLUME OF BUSINESS AND FILING FEES COLLECTED FROM CERTAIN ACTIVITIES
OF THE CORPORATION BUREAU - 1933 to 1940

Fiscal Year Ending May 31	Domestic Corpo- ration Charters		Certificates of Authority		Powers of Attorney		Fictitious Names		Trade Marks	
	Number	Filing Fees	Number	Filing Fees	Number	Filing Fees	Number	Filing	Number	Filing Fees
1934	2,119	\$63,551.	5,863	\$129,320.	74	\$2,220.	4,919	\$29,514.	457	\$2,285
1935	1,981	58,827.	773	22,510.	17	510.	7,646	45,875.	524	2,620
1936	1,741	52,285.	462	13,800.	14	420.	5,634	33,802.	517	2,585
1937	1,639	49,255.	539	16,170.	12	360.	6,821	40,926.	597	2,985
1938	1,294	39,127.	341	10,230.	10	300.	6,292	37,752.	490	2,450
1939	1,209	36,303.	316	9,480.	9	270.	5,732	34,392.	443	2,215
1940	1,285	38,665.	310	9,300.	9	270.	5,326	31,956.	490	2,450
Total	11,268	\$338,013.	8,604	\$210,810.	145	\$4,350.	42,370	\$254,217.	3,518	\$17,590

3. Election and Legislative Bureau

The Election and Legislative Bureau operates as one organization for the reason that the diverse duties do not interfere. The duties of a legislative nature are confined to the odd numbered years, except in the case of special sessions, while those duties which relate to elections occur in even numbered years, although judges are also elected in odd numbered years.

a. Election Duties

The Bureau administers the election laws as provided in the Election Code of 1937 for both national and state elections.

Before each primary election, the Bureau notifies the county commissioners of those officers for which candidates are to be nominated, and prepares for public dissemination a pamphlet giving information applicable to the primary and general election of the particular year. Primary nomination petitions are prepared and distributed by this Bureau, which also makes up a complete list of all candidates and certifies the same to the county commissioners to be printed on the primary ballots.

The Bureau reports the returns of primary elections from all counties and furnishes certified lists of all candidates nominated at the primary to the county boards of election.

When county commissioners are in default, the Bureau makes contracts for voting machines, and determines the ballot labels and their arrangement on these machines. It furnishes the Sheriffs of the several counties with data required for election proclamations, and furnishes the Prothonotaries with the papers needed to make the return of the elections.

From local election boards the Bureau receives and files information both as to the registration of voters and as to the return from elections

in every county, legislative, senatorial, congressional or judicial district, compiling and publishing the same. Furthermore, the Bureau receives, examines and files expense accounts for State-wide candidates and of all political committees supporting such candidates.

In years when a presidential or gubernatorial election occurs, this Bureau is busy throughout the entire year. Each of the county commissioners must be notified before the primary of the nominations to be made at the primary elections. The candidates for the various offices must be filed and their names recorded in the Bureau and then certified to the county commissioners for printing on the primary ballot. Where more than one candidate appears the Secretary of the Commonwealth notifies all candidates to come to his office and cast lots for the positions of their names on the primary ballot. In the years of a presidential election, a similar procedure is followed for the delegates and alternate delegates for all parties, and also for members of the State party committees.

The Election Code provides for voting by Pennsylvania electors absent from their residences on election day in actual military service under a requisition from the President of the United States or by authority of the Governor of the Commonwealth. For such election the Secretary of the Commonwealth prescribes the forms and supplies poll books, ballots, tally lists, return forms, lists of candidates and envelopes for use at a unit poll or a poll set up by ten or more Pennsylvania electors. The National Defense Program initiated in 1940 made it necessary for the Secretary of the Commonwealth to set up the machinery required to canvass the vote of the electors in military service. It is

the opinion of the Secretary of the Commonwealth that the expansion of the National Defense Program will require a greatly expanded organization and an increased appropriation for the 1941-43 biennium to permit the Department to discharge this duty to soldiers, sailors, etc., in service.

Fees are collected for the filing of nomination petitions for elective offices in accordance with the following schedule:

TABLE XX-B

DEPARTMENT OF STATE
FEES COLLECTED FOR THE FILING
OF NOMINATION PETITIONS FOR ELECTIVE OFFICES

Source	Fee
For any public office to be filled by the electors of the State at large	\$50.00
For Representative in Congress, or judge of a court of record, excepting judges to be voted for by the electors of the State at large, and associate judge	35.00
For Senator or Representative in the General Assembly, or for any office to be filled by the electors of an entire county or city	25.00
For associate judge or for any borough, town, township, school district or poor district office not otherwise provided for	20.00
For office of delegate or alternate delegate to National party convention, or member of National Committee or member of State Committee	10.00
For any other party office .....	.50
For judge or inspector of election .....	.50
For alderman, justice of the peace or constable	2.00
For township auditor or road supervisor	1.00

b. Legislative Duties

On the legislative side, this Bureau files and records all acts and resolutions enacted by the General Assembly. As legislation is passed by both houses, it is immediately forwarded to the Legislative Bureau of the Department of State, where it is recorded and a receipt given to the house in which it originated. It then goes to the Governor's office, where a receipt is given to the Legislative Bureau. After the Governor acts thereon it is returned again to this office and receipted for again. The act is then numbered and punctuated, marginal notes are added, and it is then sent to the printer who prints the advance sheets of the laws. The proof of the advance sheets of the law is read and each act separately printed for the benefit of the public. When this is completed the acts are made up in page form and again read and the index added.

Since 1933, the Secretary of the Commonwealth, with the approval of the President pro tempore of the Senate, the Speaker of the House, the Attorney General and the Director of the Legislative Reference Bureau has the power to correct certain errors in the original copies of the laws. (25)

Correcting errors in the original copies of laws presents a problem, particularly in the closing weeks of a legislative session. The number of bills passed in this period places a burden upon the printers, and the present Secretary of the Commonwealth testified that there are a large number of printers' mistakes in the copy which comes to the Department, particularly in amending bills. It is not always practical, during this period, for the President pro tempore of the Senate, the Speaker of the House, the Attorney General, the Secretary of the Commonwealth and the Director of the Legislative Reference Bureau to handle all the mistakes

that require correction before the Legislature adjourns.

At present the work of editing and indexing the laws is supervised by the Chief Legal Assistant of the Department, and the Secretary of the Commonwealth says in this connection, "A proof reader is not competent to edit and index the laws except under the supervision of someone trained in the law. New laws must be related to existing laws. Statutory provisions and legislative precedents related to the drafting of legislation must be known and observed."

A measure of the volume of work may be gained from the following table, which shows the number of pages involved in the pamphlet laws, appropriations and vetoes of the various legislative sessions from the Special Session of 1932 to an including the Regular Session of 1939:

TABLE XX-C
DEPARTMENT OF STATE
VOLUME OF LEGISLATIVE PUBLICATIONS,
1932-39

Session	Publication	Number of Pages
1932 Special	Pamphlet Laws	111
	Vetoes	41
1933 Regular	Pamphlet Laws	1,563
	Appropriations	218
	Vetoes	22
1933 Special	Pamphlet Laws	295
	Vetoes	26
1934 Special	Pamphlet Laws	10
1935 Regular	Pamphlet Laws	1,372
	Appropriations	117
	Vetoes	12
1936 First Special	Pamphlet Laws	142
	Vetoes	6
1936 Second Special	Pamphlet Laws	30
1937 Regular	Pamphlet Laws	2,882
	Appropriations	115
	Vetoes	5
1938 Special	Pamphlet Laws	121
1939 Regular	Pamphlet Laws	1,216
	Appropriations	97
	Vetoes	16

4. Commission Bureau

The Commission Bureau prepares for signature and issues commissions covering the elected and appointed officers as provided in the Administrative Code (26) and numerous other laws.

Commissions are issued to all officials elected by popular vote, who, by law, are entitled to receive them. State officials, judges of the various courts, county officers, aldermen and justices of the peace come under this head, and these commissions are issued upon receipt of the election returns.

Appointed officials, such as departmental officers, trustees of State hospitals, members of various State boards, commissioners of deeds, notaries public, policemen, officers to fill vacancies in elected office, etc., are commissioned only upon written orders from the Governor, and for such terms as are fixed by law. Commissions are issued to 20 department heads and members of approximately 170 boards, commissions, etc. Copies of commissions are retained in a record book, together with full information concerning the persons, their names, addresses, terms of office, date of filing oath, etc.

Fees are collected for the issuing of commissions, as detailed in the Act of May 17, 1933 (P. L. 800). Examples of the fees imposed, which are collected by Recorders of Deeds for the use of the Commonwealth, are shown in Table XX-D, on page 2017.

TABLE XX-D

DEPARTMENT OF STATE
 SAMPLE FEES IMPOSED AND COLLECTED
 BY RECORDER OF DEEDS

Source	Fee
Railroad Police Commissions	\$ 5.00
Commissioners of Deeds	10.00
Magistrates	5.00
Justices of the Peace	3.00
County Officers	2.00
Notary Public Bonds	2.00

In addition to the issuing of commissions, warrants are issued through this Bureau upon requisitions from Governors of other states for the return of fugitives from justice, when approved by the Governor and the Attorney General of this Commonwealth. The Bureau also issues requisitions upon Governors of other states for the return of fugitives, based on applications made by district attorneys in this Commonwealth, upon approval of the Governor and the Attorney General. Blank forms of applications for this purpose are furnished by the Department of State upon request. The executive minutes covering all official actions of the Governor in making appointments and issuing commissions, extradition papers, death warrants, arrests, paroles, commutations, etc., are written and recorded in this Bureau. Table XX-E shows the total number of extradition papers issued per year since and including 1933:

TABLE XX-E

DEPARTMENT OF STATE
TOTAL NUMBER OF EXTRADITION PAPERS
ISSUED EACH YEAR
1933 to 1939

Year	Requisitions on Governors of other States	Warrants on Requi- sitions by Gover- nors of other States
1933	134	93
1934	112	99
1935	120	87
1936	87	74
1937	128	93
1938	94	76
1939	79	86
Total	754	608

5. State Employees' Retirement Board

(27)

The State Employees' Retirement System, created in 1923 is administered by the State Employees' Retirement Board, the only administrative Board within the Department of State. This Board was transferred to the Treasury Department by Act of June 21, 1937⁽²⁸⁾ and retransferred to the Department of State by Act of June 1, 1939.⁽²⁹⁾

The State Employees' Retirement Board consists of the Secretary of the Commonwealth as Chairman, the State Treasurer, one member appointed by the Governor and two members of the State Employees' Retirement Association elected from their number for terms of three years. All members serve without pay. The Commonwealth pays the expenses and other costs of the Board.

The Board administers the payments to the system made by the members, keeps a record of each member and his payments, and is authorized to invest the funds in approved securities, which are kept on deposit in

the vaults of the State Treasurer. The Board also interprets the Retirement Act to the members and approves all applications for annuities and disability claims.

The Secretary of the Commonwealth, with the approval of the Governor, may appoint a secretary, an actuary, and such medical, clerical and other employes as may be necessary for the proper administration of the system. He also fixes the compensation of such persons in accordance with the standards established by the Executive Board.

The purpose of the system is to provide annuities for State employes payable on retirement due to age or disability, or "upon withdrawal from State service not voluntary." As variously amended, the law requires all persons employed by the State and paid on a yearly or monthly basis to become members of the system, excepting those persons covered by the Public School Employes' Retirement System. Membership in the State system is optional with elected and appointed officials of the Commonwealth. Certain other groups have been made eligible such as employes of Pennsylvania State College, Unemployment Compensation Division, Department of Labor and Industry, Workmen's Insurance Fund, General State Authority and Pennsylvania Motor Police. Since 1930 judges also come within the terms of the act.

The retirement fund, which is built on a sound actuarial basis, consists of moneys contributed by the State, the employes and interest earnings on these contributions. At present the amounts contributed by the State and the employes are substantially equal, although the State made the entire contribution for service prior to January 1, 1924, the date the system became effective.

The actuarial system is built on superannuation retirement at the age of sixty, and where a person retires at a lesser age his annuity is reduced to its present value. Employees having ten years or more of service who retire involuntarily may elect to take an annuity or to take a refund of their contributions with interest earned. Upon retirement, either voluntary or involuntary, the allowance or annuity received is calculated upon the final salary of the applicant, the length of service with the State, the amount of money contributed to the fund, and the age of the member upon retirement.

The allowance consists of two annuities, the State annuity and the member's annuity. The State pays a definite annuity, which consists of $1/100$ of the final average salary for each year of total service and each year of prior service. The member's share is paid by deductions by the State Treasurer from each salary payroll. The rate of contribution is fixed as of the age at the time of joining the system and remains constant thereafter. It varies between 4.28% at the age of 20, to 10.18% at 59 years on the salary received.

At the time of retirement an employe has a right to exercise one of the number of options including the payment of the retirement allowance, after the death of the employe, to a person having an insurable interest in the life of the employe, or the payment to a beneficiary or to his estate of the unused portion of the annuity. In such cases the annuities are adjusted on an actuarial basis.

Employees who have been members of the system five years or more may be retired for disability, but they cannot retire for disability after age 60. If disabled after such age, they must retire for superannuation. The disability retirement allowance, while varying in certain cases, is usually 30% of the salary.

In the event an employe dies while in service, his contributions to the fund with interest at 4% compounded semi-annually, are paid to his beneficiary or estate. If an employe leaves the service when not entitled to annuity, he may receive his contributions to the fund with interest at 4% compounded semi-annually.

The following, Table XX-F, shows the number of contributors, annuitants, and amount of annuities paid from and including the year 1933:

TABLE XX-F

DEPARTMENT OF STATE
 NUMBER OF CONTRIBUTORS TO STATE EMPLOYEES' RETIREMENT
 SYSTEM, ANNUITANTS AND ANNUITIES PAID
 1933 TO 1940

Year	Contributors	Annuitants	Annuities
1933	12,200	610	\$ 393,552.66
1934	12,474	718	497,323.02
1935	13,360	855	604,321.10
1936	12,463	1,222	810,804.83
1937	17,077	1,351	966,024.15
1938	27,051	1,450	1,081,900.95
1939	29,590	1,424	1,221,754.07
1940	34,000 <u>a/</u>	1,427	1,125,893.48

a/ Approximate.

D. PERSONNEL

The personnel of the Department of State and its bureaus as of June 1, 1940, is shown in Table XX-G:

TABLE XX-G

DEPARTMENT OF STATE
NUMBER OF EMPLOYEES AND ANNUAL SALARIES
OF EACH DEPARTMENTAL UNIT, AS OF
JUNE 1, 1940

Organization Unit	Number of Employees	Annual Salary
Administrative Bureau	9	\$ 27,000
Election and Legislative Bureau	4	6,180
Commission Bureau	2	3,000
Corporation Bureau	25	31,380
State Employees' Retirement Fund	20	30,380
Total	60	\$97,940

One employe in the Administrative Bureau takes care of the duties of the Civil Rights Division. The Legislature made no specific appropriation to carry on the work of this Division during the 1939-1941 Biennium.

E. FINANCES

In reviewing the finances of the Department of State, it should be kept in mind that the appropriations to this Department fall into two major classes, namely, appropriations for the direct administrative expenses of the Department and its bureaus, and subsidies for the operation of the State Employees' Retirement System. The actual expenditures for the 1937-39 biennium and the appropriation to the Department of State for the 1939-41 biennium, broken down into the above classifications, is shown in Table XX-H immediately following:

TABLE XX-H

DEPARTMENT OF STATE
EXPENDITURES FOR 1937-39 BIENNIUM,
AND APPROPRIATIONS FOR 1939-41 BIENNIUM

Purpose	Expenditures 1937-39	Appropriations 1939-41
Administrative Expenses		
Salary of Secretary	\$ 20,000	\$ 20,000
General Department	156,831 ^{a/}	165,900
State Retirement Board	--	80,000
Bureau of Civil Rights	17,500	--
Publishing Constitutional Amendments	<u>30,000^{b/}</u>	<u>30,000</u>
Total Administrative	\$224,331	\$295,900
Subsidies		
Pensions of Retired Employees	25,228	23,620
Pensions and Gratuities	1,848	1,850
Contributions for Retirement of State Employees	<u>--^{a/}</u>	<u>1,582,000</u>
Total Subsidies	\$ 27,076	\$1,607,470
Total	\$251,407	\$1,903,370

a/ State Employees' Retirement Fund located in Treasury Department during 1937-39 biennium.

b/ Underestimated to extent of \$10,454.79 advanced from Administrative Fund and restored by deficiency item in Appropriation Act #3A approved March 13, 1939.

The revenue obtained by the Commonwealth from the operations of the Department of State exceeds the cost of operating the Department, with the exception of the State Employees' Retirement Fund. Income secured through Department of State activities for the past three bienniums is detailed in Table XX-J.

TABLE XX--J

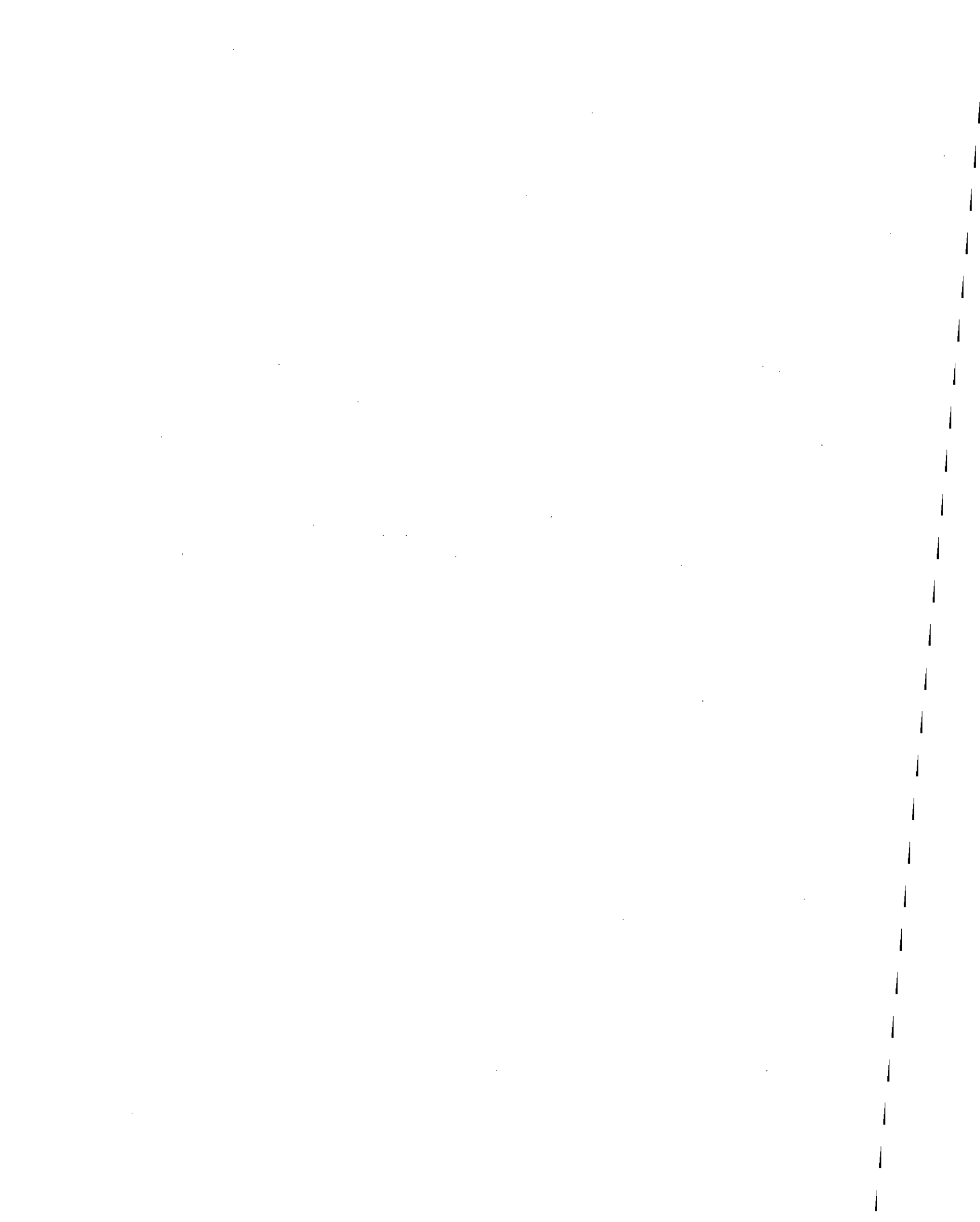
DEPARTMENT OF STATE
REVENUES RECEIVED
BIENNIUMS 1933-35, 1935-37 and 1937-39^{a/}

Source	Biennium		
	1933-35	1935-37	1937-39
Domestic Bonus	\$ 286,195.88	\$ 645,087.89	\$ 443,705.98
Corporation, Commission and Filing Fees	499,832.01	380,045.20	348,017.14
Recorder of Deeds Fees	19,648.00	22,586.00	20,064.00
Voting Machine Fees	450.00	--	--
Total	\$806,125.89	\$1,047,719.09	\$811,787.12

^{a/} Source - Department of State

FOOTNOTES

- (1) Constitution - Article IV, Section 1.
- (2) Constitution - Article IV, Section 8.
- (3) Constitution - Article IV, Section 18.
- (4) Constitution - Article IV, Section 9.
- (5) 1937, P. L. 1688.
- (6) 1939, P. L. 609.
- (7) Administrative Code - Section 703-c.
- (8) Administrative Code - Section 802-a.
- (9) Administrative Code - Section 802-b.
- (10) 1937, P. L. 2747.
- (11) Administrative Code - Section 805.
- (12) Administrative Code - Section 806.
- (13) Administrative Code - Section 806.
- (14) 1933, P. L. 624.
- (15) Administrative Code - Section 703-d.
- (16) Administrative Code - Section 809.
- (17) 1923, P. L. 858.
- (18) Administrative Code - Section 405.
- (19) Administrative Code - Section 406, 1207.
- (20) Administrative Code - Section 428.
- (21) 1937, P. L. 1688.
- (22) 1931, P. L. 497.
- (23) 1933, P. L. 364, Section 1001.
- (24) 1937, P. L. 1333, Section 913.
- (25) 1933, P. L. 946.
- (26) Administrative Code - Section 809.
- (27) 1923, P. L. 858.
- (28) 1937, P. L. 1865.
- (29) 1939, P. L. 245, Administrative Code - Section 808,
as amended June 6, 1939.



CHAPTER XXI

PENNSYLVANIA MOTOR POLICE

(1)

By an Act of the Legislature passed in 1937 the Pennsylvania State Police and the State Highway Patrol were consolidated into one organization to be known as the Pennsylvania Motor Police. The chief executive officer is the Commissioner of the Pennsylvania Motor Police, is appointed by the Governor with the consent and advice of two-thirds of the Senate, and receives a salary, specified by the Act, of \$8,000 per annum. A Deputy Commissioner of the Pennsylvania Motor Police, serving under the Commissioner, is appointed by the Commissioner with the approval of the Governor, and receives a salary, specified by the Act, of \$7,500 per annum. The Motor Police force consists of such number of officers and men and is organized in such manner as the Commissioner of Motor Police may determine. The Act specifies that the total number of officers and men shall at no time exceed 1600 persons. Compensations of officers and men are fixed by the Commissioner, with the approval of the Governor, and must conform with the standards established by the Executive Board.

A. FUNCTION

The chief function of the Pennsylvania Motor Police is to assist the Governor and, with his approval, to assist any administrative department, board, or commission of the State Government in the enforcement of the laws of the Commonwealth. It is charged with the preservation of the peace, detection of crime, keeping of records relating to crime, enforcement of Vehicle Codes and Laws regulating the use of highways, the enforcement of the laws regulating the handling and storage of inflammable liquids, and the abatement of fire hazards.

B. POWERS AND DUTIES

In performing its functions as a law enforcing agency, the Department of Motor Police, through its police force, has two major responsibilities with power to act, as follows:

1. To make arrests, without warrant, for all violations of the law, including laws regulating the use of the highways, which they may witness, and to serve and execute warrants issued by the proper local authorities.

2. To act as game protectors, and as forest, fish, or game wardens. In these capacities, officers are empowered to:

(a) Seize all guns, boats, decoys, traps, dogs, game, fish, shooting paraphernalia, or hunting or fishing appliances or devices, used, taken, or had in possession, contrary to the laws of this State. Any article so seized shall be held subject to such disposition as the Commissioner of Fisheries or the Executive Director of the Pennsylvania Game Commission or the Secretary of Forests and Waters may respectively determine.

(b) Seize and take possession of all birds, animals, or fish, which have been taken, caught or killed, or had in possession, or under control, or which have been shipped, or are about to be shipped, contrary to any law of this State.

(c) Search without warrant any boat, conveyance, vehicle, or receptacle, when there is good reason to believe that any law has been violated, the enforcement or administration of which is imposed on or vested in the Board of Fish Commissioners or the Pennsylvania Game Commission, or in the Department of Forests and Waters.

(d) Serve subpoenas issued for any examination, investigation, or trial.

(e) Purchase game or fish for the purpose of securing evidence.

C. ORGANIZATION AND OPERATIONS

The organization of the Motor Police Department, for administrative purposes, is shown on Chart XXI-1, page 2104.

Because of the diversified duties encompassed within the sphere of Motor Police activities, numerous administrative problems involving jurisdiction, responsibility, economy of operation, etc., are continually arising. A condensed presentation of divisional administrative procedures, and problems involved, is given below under topical headings.

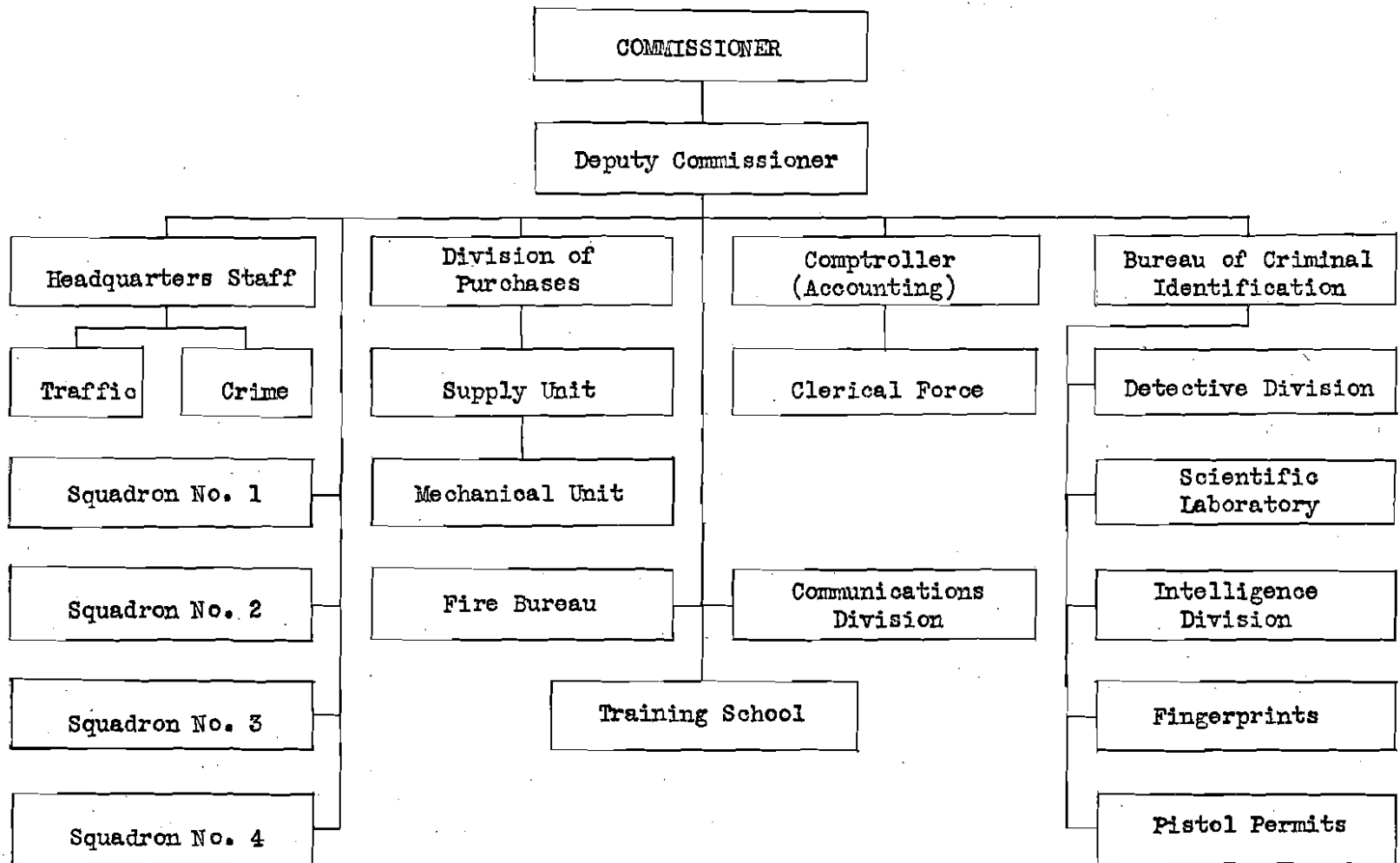
1. Enforcement of the Laws Related to Crime And the Operation of Motor Vehicles

The Pennsylvania Motor Police now functions as a consolidated unit, assisting the Governor, as well as any administrative department, and co-operating with counties and municipalities, in the enforcement of the law. Before the merger in 1937, the Pennsylvania State Police and the Highway Patrol, operating as separate heads, performed related policing duties. Consolidation under a single head has resulted in greater efficiency and economy. Shortly after the merger, the Highway Patrol force was increased by five hundred men. This naturally increased the cost. Subsequent reductions, however, changed the situation, bringing the total down from 1600 to 1404 men. Maximum number, set by statute, is 1600 men.

Recognizing fundamental differences in policing activities related to crime and those related to traffic, two divisions have been created under the headquarters staff, one known as the Crime Division, and the other as the Traffic Division. Officers most familiar with crime detection have been assigned to the Crime Division, and those most familiar with, or suited to, the duties of traffic regulation have been assigned to the Traffic Division. The work of the two divisions is, however, closely coordinated. For

CHART XXI-1

ORGANIZATION OF THE PENNSYLVANIA MOTOR POLICE



-2104-

example, a traffic officer on duty in a remote part of the State is the first man assigned to investigate when a crime or law violation is reported from that part of the State. Effective use of the teletype, in conjunction with the telephone in such instances, shortens greatly the elapsed time between the report of a crime or law violation and the hour of an investigator's arrival. Also, a patrolman of the Traffic Division traveling along a highway and seeing a crime committed, is authorized to act without the necessity of calling a State policeman.

For administrative purposes, the State is divided into four districts. Each district comes under the jurisdiction of a Major who is the chief executive officer in charge of the Squadron controlling that district. Each Squadron comprises a varying number of Troops with Captains, Lieutenants, Sergeants, Corporals, Privates and Detectives assigned to each Troop. Squadron headquarters and Troop locations are shown in the following table:

TABLE XXI-A

SQUADRON HEADQUARTERS AND TROOP LOCATIONS
PENNSYLVANIA MOTOR POLICE

SQUADRON #1, Headquarters - Greensburg, Pa.

Troop "A"	Greensburg
Troop "B"	Washington
Troop "C"	Punxsutawney
Troop "D"	Butler
Troop "E"	Erie (Lawrence Park)

SQUADRON #2, Headquarters - Harrisburg, Pa.

Troop "A"	Harrisburg
Troop "B"	Chambersburg
Troop "C"	Hollidaysburg
Troop "D"	Williamsport

TABLE XXI-A (Continued)

SQUADRON #3, Headquarters - Wyoming, Pa.

Troop "A" Hazleton
Troop "B" Wyoming
Troop "C" Towanda
Troop "D" Olyphant, Blakely Borough

SQUADRON #4, Headquarters - Philadelphia, Pa.

Troop "A" Philadelphia
Troop "B" Lancaster
Troop "C" Reading
Troop "D" Bethlehem
Troop "E" Pottsville

Training School - Hershey, Pa.

2. Policing Policy in Incorporated Areas

It is the policy of the Pennsylvania Motor Police not to interfere with or transgress upon the policing prerogatives of local authorities in incorporated areas. When requested by local authorities, however, assistance is rendered. Full cooperation between the two authorities has been and is the rule.

Patrolling of highways is usually restricted to the rural areas. Since State highways pass through cities, coinciding with city streets (the City of Philadelphia has 150 miles of State highways forming a part of its street system), the question of responsibility is often raised. As indicated above, the policy is to avoid the overlapping of authority.

3. Bureau of Criminal Identification

This Bureau is comprised of five functional divisions, all concerned with the detection and recording of evidence used in solving crime, or proving guilt. They are the detective division, the scientific laboratory, the

intelligence division, the fingerprinting division, and the pistol permits division.

The fingerprints file, in this Bureau, is very extensive. On May 31, 1940, it comprised approximately one and one-quarter million fingerprints, representing 274,753 individuals.

Issuance of pistol permits is, by law, a responsibility of the Secretary of the Commonwealth. By agreement, however, issuances are handled by the Motor Police, including regulations covering all firearms for fishermen and hunters. Under the Firearms Act, ⁽²⁾ Sheriffs of counties and Chiefs of City Police may issue pistol permits. Copies of permits must be sent to the Motor Police for filing and checking. When permits were first issued it was required that the number of the weapon be recorded. A ruling by the Attorney General (Formal Opinion No. 322, dated February 27, 1940), specified that the licensing was not of the weapon but of the person to carry a weapon. As a result of this ruling, no record of the weapon itself is now required; hence, the original purpose of the Act is defeated insofar as recording of weapon numbers for use in identifying firearms used maliciously or criminally is concerned.

4. Fire Bureau

Functionally, primarily as an agency for the prevention of fires, this bureau, under a Fire Marshall, has assigned to it a number of State Policemen, in scattered areas, whose duties include investigations of arson cases, regulation of dry cleaning establishments, and all other activities pertaining to the sale, use, and storage of gasoline and other inflammable materials. Jurisdiction in these activities covers the entire State with the exception of the cities of Philadelphia and Pittsburgh, who have their own fire marshals. One phase of fire prevention work, however, comes by statute under the depart-

ment of Labor and Industry. That phase has to do with fire prevention and safety regulations in connection with the erection and use of public buildings such as assembly halls, theatres, etc. Because this latter activity necessitates the use of specially trained inspectors and technicians is the apparent reason for placing it under the control of the Department of Labor and Industry rather than under the Fire Bureau of the Motor Police Department.

5. Communications Division

This Division handles the transmission of messages, orders, etc., between the headquarters office and the field office. Use of teletype machines, in conjunction with telephones, expedites transmissions and automatically furnishes typed copies of all orders and messages for record filing in the various offices.

Equipment used in the teletype system is rented to the Commonwealth by the American Telephone and Telegraph Company and the Bell Telephone Company of Pennsylvania. Tariffs or rental charges are regulated by the Federal Communications Commission and the Pennsylvania Public Utility Commission. New tariffs became effective July 1, 1937, which materially changed some former rates.

Rental charges are based on schedules involving fixed charges for different types of instruments, services and mileages. The rental charges for machines now vary from \$20.00 to \$30.00 per month. Monthly charges of the Bell Telephone Company of Pennsylvania are \$3.75 per mile for Duplex Channels and \$3.00 per mile for Main Line Circuits.

Drop charges are \$10.00 each and local loop airline charges are \$4.00 per mile. The connections with the States of Ohio and New York vary from

airline charges of \$2.50 to \$2.50 plus 25% per mile, with additional monthly equipment rentals of \$20.00 per machine.

Average number of receiving stations is 110. Messages transmitted during the past four bienniums varied from 146,935 to 289,852.

Table XXI-B, which follows, shows the cost of operating the teletype system during the past three bienniums and the first year of the current biennium.

TABLE XXI-B
COST OF OPERATING TELETYPE SYSTEM
DURING BIENNIUMS 1933-35 TO 1939-40

Item	1933-35	1935-37	1937-39	1939-40
Printing, Stationery..	\$ 6,953.22	\$ 5,774.99	\$ 8,442.58	\$ 3,920.78
Material, Supplies....	198.64	248.97	298.12	156.51
Freight, Express.....	819.88	996.41	138.87	182.87
Telephone & Telegraph.	474.80	516.76	367.64	92.86
Repairs	--	--	32.86	--
Rent of Equipment.....	379,400.00	366,175.79	310,104.57	155,139.62
Equipment & Mach.....	330.53	293.04	2,889.29	--
Total	\$388,177.47	\$374,005.96	\$322,273.93	\$159,492.64

6. Training School

The Pennsylvania Motor Police Training School, located in Hershey, exists for the purpose of training men for the two major branches of the service, police work and traffic work. Classes vary in number between 45 and 50 and are held when the needs of the service require the use of additional men, or to replace men separated from the service. Average training time required is three months for traffic duty and six months for police duty. It is the rule, however, to train all men for both branches of the service whenever possible.

Local authorities are permitted by law to request training of their policemen in the Training School. Many municipalities avail themselves of that privilege. No charge is made for the training but board must be paid for by the municipalities. There is some objection to paying for board, on the basis that no services are being rendered to the municipalities while the men are in training. Absorption of the entire cost by the Commonwealth has been suggested, but the size of the added burden which would be involved is given as the probable reason for no change in policy to date.

The cities of Philadelphia and Pittsburgh maintain their own training schools. When these are in session, officers from the Pennsylvania Motor Police usually assist in the training, without charge to the city.

7. Division of Purchases

The Division of Purchases includes the supply unit and the mechanical unit. Functions performed are the usual routine activities associated with the acquisition of necessary equipment and supplies. The mechanical unit operates as a repair shop for minor repairs, and day by day servicing of motorcycles and automobiles. Complete overhaul jobs are done on order by outside agencies.

Purchase of insurance protection (property, real estate, automobile, etc.) is not handled by this division, but by the Department of Property and Supplies, upon receipt of applications submitted by the Department of Motor Police.

8. Accounting and Clerical Division

This division is under the supervision of the Comptroller. Functions performed include the maintenance of fiscal accounts, making up payrolls, internal auditing, keeping of office records, and general correspondence.

9. Services Rendered by the Motor Police
To Other Governmental Departments

Since 1938, services rendered by the Motor Police to other governmental departments have increased very rapidly, indicating marked coordination and cooperation. The following tabulation, Table XXI-C, shows the extent of such services, computed by departments on a man-hour basis, for the fiscal years 1937 to 1940, inclusive.

TABLE XXI-C
MOTOR POLICE SERVICES PERFORMED FOR OTHER STATE DEPARTMENTS
ON A MAN-HOUR BASIS, 1937 TO 1940, INCLUSIVE

Department	Man Hours			
	1937	1938	1939	1940
Agriculture	4,576	4,671	3,385	3,675
Auditor General	176	--	1	26
Banking	715	260	435	625
Fish Commission	17	32	129	121
Forests & Waters	255	24	650	265
Game Commission	996	532	4,814	1,977
Governor's Office	8,529	10,336	18,050	20,182
Health	8,468	4,485	8,528	7,477
House of Representatives ...	25	--	1,610	--
Highways	451	264	1,015	1,318
Insurance	72	159	93	137
Internal Affairs	7	--	26	216
Justice	3,804	2,313	10,630	21,837
Labor & Industry	251	1,119	689	1,119
Liquor Control Board	198	176	1,049	2,333
Military Affairs	450	3	299	87
Milk Control Board	--	264	155	--
Mines	--	--	260	82
Property & Supplies	502	537	809	154
Public Assistance	36	349	2,157	4,433
Public Utility Commission...	15	4	2,690	2,455
Public Instruction	2,166	321	623	864
Revenue	1,043	1,137	39,676	96,164
Securities Commission	--	--	38	1,361
Senate	1,643	6,216	851	--
Treasury	1,688	688	1,181	1,450
Welfare	10,008	7,158	15,818	9,974
Total	46,091	41,048	115,661	178,332

D. PERSONNEL

The following table summarizes the departmental personnel as of June 1, 1940:

TABLE XXI-D

SUMMARY OF EMPLOYES IN DEPARTMENT OF MOTOR POLICE
JUNE 1, 1940

Classification	Number
Executive Office - Staff	11
Accounting, Secretarial and Clerical Division	93
Quartermaster, Mechanical and Service Division	61
Bureau of Criminal Identification and Information	22
Detective Division	9
Communications Division	14
Bureau of Fire Protection	8
Squadron:	
No. 1	385
No. 2	340
No. 3	253
No. 4	331
Training School	17
Total	1,544

Detailed listing of personnel, including officers, enlisted men, and other employes, together with salaries paid, is shown in Table XXI-E, below:

TABLE XXI-E

NUMBER OF OFFICERS, ENLISTED MEN, AND EMPLOYES
BY PERSONNEL TITLE AND ANNUAL SALARY
JUNE 1, 1940

Title	Number of Personnel	Total Annual Salaries
Commissioner	1	\$ 8,000
Deputy Commissioner	1	7,500
Majors	4	17,360

TABLE XXI-E (Continued)

Title	Number of Personnel	Total Annual Salaries
Major & Medical Officer	1	\$ 3,000
Captains	11	42,240
Police Inspectors	2	7,200
Lieutenants	20	60,800
Lieutenants	11	32,120
Lieutenants	1	2,800
First Sergeants	10	28,400
First Sergeants	9	24,480
Detective Sergeants	1	2,840
Detective Sergeants	1	2,720
Sergeants	26	66,040
Sergeants	42	101,640
Sergeants	1	2,300
Sergeants	1	1,940
Corporals	32	74,880
Corporals	93	206,460
Corporals	22	46,200
Corporals	1	2,040
Detectives	3	7,620
Detectives	9	21,780
Privates 1st Class	9	20,160
Privates 1st Class	167	354,040
Privates 1st Class	126	252,000
Privates 1st Class	72	139,680
Privates 1st Class	79	148,520
Privates 1st Class	126	221,760
Privates 2nd Class	3	4,320
Privates 2nd Class	479	632,280
Privates 2nd Class	41	49,200
Comptroller	1	4,500
Accountant	1	3,000
Accountant	1	2,400
Sr. Statistician	1	2,500
Supervising Clerk	1	2,100
Supervising Police Clerk	9	20,520
Supervising Police Clerk	8	16,800
Principal Police Clerk	11	21,780
Advanced Police Clerk	6	10,800
Sr. Police Clerk	1	1,500
Sr. Police Clerk	15	20,700
Police Clerk	1	1,260
Police Clerk	1	1,200
Police Clerk	5	5,700
Principal Statistical Clerk	1	1,980
Sr. Steno-Secy.	1	1,620

TABLE XXI-E (Continued)

Title	Number of Personnel	Total Annual Salaries
Prin. Stenographer	4	\$ 5,520
Prin. Steno-Clerk	3	4,140
Sr. Steno-Clerk	3	3,780
Sr. Steno-Clerk	1	1,200
Sr. Steno-Clerk	2	2,280
Sr. Stenographer	1	1,380
Sr. Stenographer	8	9,120
Sr. Payroll Clerk	1	1,380
Sr. Drafting Clerk	1	1,380
Head File Clerk	1	1,380
Advanced File Clerk	1	1,260
Advanced File Clerk	2	2,280
Sr. File Clerk	2	2,280
Voucher Clerk	1	1,140
Record Clerk	1	1,200
Sr. Clerk-Typist	2	2,160
File Clerk	1	1,020
Asst. Chf. Quartermaster	1	2,280
Safety Examiner	1	2,400
Prin. Mechanic	3	6,120
Head Mechanic	6	11,880
Advanced Mechanic	1	1,860
Advanced Mechanic	1	1,620
Sr. Mechanic	1	1,620
Sr. Mechanic	3	4,680
Sr. Mechanic	1	1,380
Mechanic	1	1,200
Mechanic	1	1,140
Head Carpenter	1	1,920
Head Fireman	2	2,760
Fireman	1	1,140
Head Cook	3	4,140
Cook	2	2,040
Housekeeper	1	1,320
Caretaker	1	1,140
Janitor	3	3,060
Kitchen Helper	1	780
Waiter	5	3,900
Total	1544	\$2,811,960

Table XXI-F, which follows, gives the salary ranges, by rank, of all members of the Motor Police:

TABLE XXI-F
SALARY RANGES
OF THE PENNSYLVANIA MOTOR POLICE

Rank	Salary Range
Major	\$3,500 to \$4,340
Captain	3,000 to 3,840
Lieutenant	2,200 to 3,040
First Sergeant	2,000 to 2,840
Detective Sergeant	2,000 to 2,840
Sergeant	1,700 to 2,540
Detective	1,700 to 2,540
Corporal	1,500 to 2,340
Private 1st Class	1,400 to 2,240
Private 2nd Class	1,080 to 1,320
Student Recruit	360 to --

In addition to salaries received, members (excepting the Commissioner and the County Commissioner) are entitled to \$40.00 per month (\$480 per year maximum) subsistence allowance when living away from barracks. When living in barracks, subsistence allowance is not given but food and lodging are furnished. Uniforms including hats, shoes, shirts, blouses, and breeches are furnished, and issued periodically on a graduated scale.

On July 22, 1940, the Commissioner of Motor Police reported that quarters and meal allowances of \$40.00 per month, or \$1.30 per day, were being paid to 342 members of the force. In addition, board and lodging were being furnished to approximately 1,050 other members. Cost of meals and lodging is regularly charged to traveling expenses. Total traveling expenses, including the above charges, vary monthly from \$64,500 to \$67,000.

Officers and enlisted men, in continuous service, receive salary increases per the following schedule:

TABLE XXI-G

SCHEDULE OF SALARY INCREASES

Length of Service	Amount
After one year's service, each year for four years	\$120
For each of the next two years	60
After the tenth year	120
After the fifteenth year	120
Maximum increase after 16 years of continuous service	840

Total personnel varies from year to year, and season to season, with changes in demands made for Motor Police services. For example, extraordinary increases in licensing and registering of motor vehicles and operators makes increases in personnel necessary, and the opposite situation makes reductions possible. The tendency appears to be in the direction of adding to the sum total of Motor Police duties and responsibilities. In spite of that fact, however, total personnel, as indicated in the summary of employes, is well below the maximum limit of 1600 men set by statute.

Table XXI-H on page 2117 shows personnel changes since June 1, 1933, including functional comparisons between the Pennsylvania Highway Patrol, the Pennsylvania State Police, and the Pennsylvania Motor Police.

E. FINANCES

1. Appropriations and Allocations

Appropriations and allocations for the biennium 1937-39 were as follows:

(Table XXI-J, page 2118)

TABLE XXI-H

PERSONNEL CHANGES IN THE PENNSYLVANIA HIGHWAY PATROL AND STATE POLICE
 JUNE 1, 1933 TO MAY 31, 1937
 AND THE PENNSYLVANIA MOTOR POLICE, JUNE 1, 1938 TO MAY 31, 1940

Year	PENNSYLVANIA HIGHWAY PATROL				PENNSYLVANIA STATE POLICE			
	Administrative and Clerical		Field Force		Administrative and Clerical		Field Force	
	Appointments	Withdrawals	Appointments	Withdrawals	Appointments	Withdrawals	Appmts.	Withdraw.
1933	-	-	55	38	1	3	55	127
1934	-	-	64	69	-	5	5	10
1935	-	10	102	84	2	-	26	25
1936	9	-	121	68	-	1	3	24
1937	2	1	132	98	1	3	33	26

Year	PENNSYLVANIA MOTOR POLICE			
	Administrative and Clerical		Field Force	
	Appointments	Withdrawals	Appointments	Withdrawals
1938	91	28	594	97
1939	37	29	63	68
1940	16	16	--	77

TABLE XXI-J

APPROPRIATIONS AND ALLOCATIONS
FOR BIENNIUM 1937-39

Appropriations

From the General Fund	\$1,000,000.00	
From the Motor License Fund	<u>8,070,000.00</u>	
Total Appropriations		\$9,070,000.00

Allocations

Department of Revenue	\$ 129,881.15	
Department of Property & Supplies....	<u>1,097.87</u>	
Total Allocations		\$ 130,979.02

Total		\$9,200,979.02
-------------	--	----------------

2. Expenditures

The following tables (Tables XXI-K, XXI-L, XXI-M, XXI-N) show comparative expenditures of the State Police, Highway Patrol, and the Motor Police for the past four bienniums:

TABLE XXI-K

STATE POLICE AND HIGHWAY PATROL EXPENDITURES
BIENNIUM 1933-35

Purpose	State Police	Highway Patrol Dept. of Revenue	Totals
Salaries	\$1,750,532.22	\$1,405,727.95	\$3,156,260.17
Wages	--	441.00	441.00
Fees	10,888.21	2,516.41	13,404.62
Printing	15,658.46	9,384.34	25,042.80
Food & Forage	25,147.44	53,122.89	78,270.33
Materials & Supplies ...	54,750.70	72,392.85	127,143.55
Traveling Expense	268,606.11	512,381.88	780,987.99
Motor Vehicle Sup.& Rep.	78,516.15	229,336.50	307,852.65
Freight, Express & Crtg.	2,907.96	6,006.56	8,914.52
Postage	8,838.38	15,115.43	23,953.81
Telephone & Telegraph...	18,801.79	31,751.24	50,553.03
Light, Gas, Water, etc.....	27,227.12	17,473.51	44,700.63
Contracted Repairs.....	9,557.67	2,857.37	12,415.04
Rent of Real Estate	28,224.90	42,610.38	70,835.28
Rent of Equipment	379,425.00	8.68	379,433.68
Insurance	17,457.05	37,348.09	54,805.14
Other Main., Serv. & Exp..	5,596.97	4,064.32	9,661.29
Motor Vehicles	33,387.41	54,839.15	88,226.56
Livestock	5,240.00	--	5,240.00
Equipment & Machinery...	17,440.51	10,180.09	27,620.60
Contracted Bldg.& Constr.	--	42.00	42.00
Total	\$2,758,204.05	\$2,507,600.64	\$5,265,804.69

TABLE XXI-L

STATE POLICE AND HIGHWAY PATROL EXPENDITURES
BIENNIUM 1935-37

Purpose	State Police	Highway Patrol Dept. of Revenue	Total
Salaries	\$1,732,203.57	\$1,537,523.79	\$3,269,727.36
Wages	--	5,873.28	5,873.28
Fees	10,725.69	2,939.43	13,665.12
Printing	13,344.65	7,449.99	20,794.64
Food & Forage	21,430.61	61,635.63	83,066.24
Materials & Supplies .	51,904.20	122,470.86	174,375.06
Traveling Exp.	273,548.95	610,435.47	883,984.42
Motor Veh.Sup.& Rep...	76,384.77	255,121.79	331,506.56
Freight, Express, Crtg..	2,858.96	8,649.64	11,508.60
Postage	7,685.20	22,702.06	30,387.26
Telephone & Telegraph.	18,484.18	38,241.04	56,725.22
Light, Gas, Water, etc...	26,352.65	17,520.54	43,873.19
Contracted Repairs....	4,200.25	8,549.48	12,749.73
Rent of Real Estate...	31,892.86	42,688.15	74,581.01
Rent of Equipment	366,207.48	213.90	366,421.38
Insurance	17,198.85	67,259.34	84,458.19
Other Main., Serv., Exp.	12,770.31	3,620.67	16,390.98
Motor Vehicles	65,860.79	131,964.20	197,824.99
Livestock	1,330.00	--	1,330.00
Equip. & Mach.	14,085.02	14,126.20	28,211.22
Total	\$2,748,468.99	\$2,958,985.46	\$5,707,454.45

TABLE XXI-M

MOTOR POLICE AND HIGHWAY PATROL EXPENDITURES
BIENNIUM 1937-39

Purpose	Motor Police	Highway Patrol Dept. of Revenue	Totals
Salaries	\$4,702,049.75	\$69,726.87	\$4,771,776.62
Wages	39,656.33	286.08	39,942.41
Fees	43,369.65	98.00	43,467.65
Printing	50,446.35	346.82	50,793.17
Food & Forage	23,958.20	1,134.65	25,092.85
Materials & Supplies ...	238,043.07	4,243.10	242,286.17
Traveling Expenses.....	1,356,695.52	35,922.90	1,392,618.42
Motor Veh.Sup.& Rep.....	478,322.13	11,296.75	489,618.88
Freight,Express,Crtg....	7,593.46	517.37	8,110.83
Postage	29,443.21	16.45	29,459.66
Telephone & Telegraph...	65,486.36	2,154.90	67,641.26
Light,Gas,Water,etc.....	54,576.81	828.93	55,405.74
Contracted Repairs	48,763.39	322.42	49,085.81
Rent of Real Estate	99,477.96	1,796.34	101,274.30
Rent of Equipment	313,621.66	--	313,621.66
Insurance	102,755.69	518.83*	102,236.86
Other Main.,Serv.&Exp...	15,933.31	118.37	16,051.68
Motor Vehicles	323,653.71	--	323,653.71
Livestock	2,015.00	--	2,015.00
Equipment & Machinery ..	86,754.21	1,590.03	88,344.24
Sub-total			\$8,212,496.92
Unpaid Commitments to Date			37,000.00
Total	\$8,082,615.77	\$129,881.15	\$8,249,496.92

* Deduction.

TABLE XXI-N

MOTOR POLICE EXPENDITURES
FOR FISCAL YEARS ENDING MAY 31, 1939 AND 1940

Purpose	Fiscal Years Ending May 31	
	1939	1940
Salaries	\$2,733,251.84	\$2,800,115.97
Wages	31,811.07	527.12
Fees	30,936.27	6,032.20
Printing, Binding, Stationery.....	32,952.82	14,321.13
Food & Forage	8,263.59	9,817.94
Materials & Supplies	174,087.97	40,934.93
Traveling Expenses	808,740.86	789,583.40
Motor Veh. Sup. & Rep.	327,486.66	271,701.05
Freight, Express & Cartage	3,834.85	1,605.60
Postage	19,988.66	12,316.38
Telephone & Telegraph	36,554.00	28,440.68
Light, Gas, Water & Fuel	29,477.33	21,724.84
Contracted Repairs	47,052.43	4,922.84
Rent of Real Estate	57,117.12	47,130.29
Rent of Equipment	158,043.62	155,182.10
Insurance, Bonds	63,215.30	44,821.55
Other Maintenance Services	10,746.37	5,507.92
Motor Vehicles	96,623.68	45,080.45
Livestock	1,075.00	1,550.00
Equipment & Machinery	65,829.82	7,956.98
Advance Requisitions	--	16,000.00
Total	\$4,737,089.26	\$4,325,273.37

FOOTNOTES

(1) 1937, P.L. 2436

(2) 1931, P.L. 497

CHAPTER XXII

DEPARTMENT OF WELFARE

A. FUNCTION

Public Welfare administration comprises the administration of functions involving the prevention and correction of dependency, delinquency and defectiveness, and the relief, care and custody of all persons in and out of institutions who fall within these categories of incompetence. In short, public welfare involves conservation of the human resources of the State.

To administer the above functions in Pennsylvania the Legislature created, in 1921, a Department of Welfare. The creation of this department served to coordinate welfare activities formerly carried on by the Board of Public Charities, established in 1869; the Committee on Lunacy, established in 1883; the Mothers' Assistance Fund, established in 1913; and the Prison Labor Commission, established in 1915.

B. POWERS AND DUTIES

In general, the current activities of the Department, as set forth in the Administrative Code, are of a supervisory, inspectional and regulatory nature.

1. Supervisory Powers

The supervisory functions of the Department relate to:

- a. All State institutions, viz., penal, reformatory or correctional institutions and hospitals for the insane, feeble-minded, epileptic persons, or for juvenile delinquents and dependents, and charitable institutions, maintained in whole by the Commonwealth, and whose boards of trustees are departmental administrative boards within the Department of Welfare.
- b. All supervised institutions comprising those receiving financial assistance from the Commonwealth, either directly or indirectly, and to which the Governor does not appoint any member of the board of inspectors, managers, trustees or directors. In this

field of supervision is included all children's institutions and maternity homes and hospitals; all homes or hospitals for crippled children except the State Hospital for Crippled Children at Elizabethtown (4); all prisons, jails, hospitals, almshouses, or poorhouses, maintained by any county, city, borough, township or institution districts; all houses or places within the Commonwealth in which any person of unsound mind is detained; and all institutions, associations or societies into whose care the custody of delinquent, dependent or neglected children may be committed, and all houses and places in which such children may be kept or detained.

- c. All children's institutions which comprise any incorporated or unincorporated organization, society, corporation or agency, public or private, which may receive or care for children or place them in foster family homes either at board wages or free; or any individual who for hire, gain or reward, receives for care a child, unless he is related to such child by blood or marriage within the second degree, or any individual, not in the regular employ of the court or of an organization, society, association or agency, duly certified by the department who in any manner becomes a party to placing of children in foster homes, unless he is related to such children by blood or marriage within the second degree or is the duly appointed guardian thereof.
- d. All maternity homes and hospitals which means any house, home, or place in which, within a period of six months, any person received for care or treatment during pregnancy, or during or immediately after parturition, more than one woman, except women related to such person by blood or marriage within the second degree.
- e. Any labor or system of labor carried on in the penal, correctional or reformatory institutions of the State.
- f. Any system of reparation provided by the Commonwealth for relief from conditions caused by mine caves, fire, flood or other casualty and constituting a menace to public safety and welfare.
- g. All boarding homes for children which have been licensed by the State.

2. Inspectional Powers

The Department of Welfare is required to visit, examine and inspect, at least once in each year, all State and State-supervised institutions for the purpose of inquiring into their methods of instruction, discipline, detention, imprisonment, care or treatment, and the government or manage-

ment of their inmates or those committed thereto. In this work, the Department of Welfare through its representatives has full access to the grounds, premises, and buildings, and to all the records, books or papers and has the authority to interrogate or interview any inmate or person committed to these institutions for care or treatment.

If, during these inspections, any condition is observed which is unlawful, unhygienic, or detrimental to the proper maintenance and discipline of these institutions, the Department has the authority to direct the proper officers to correct these objectionable conditions in the manner and within the time specified by the Secretary of Welfare. If these orders are not complied with, the Secretary is empowered to request the Department of Justice to institute the proper legal proceedings which will enforce compliance, or the Department may withhold any State money available for such institution until the orders are complied with.

3. Regulatory Powers

The regulatory powers of the Department comprise the authority to enact and enforce rules and regulations:

- a. To provide for the licensing of all houses or places in which any person can be lawfully detained as an insane person, or a person of unsound mind in which compensation is paid for care, and also of all houses, places and institutions in which more than one insane person or persons of unsound mind are detained or reside, other than a jail or prison, with the right to exempt any State institution, or municipal authority, or any other institution.
- b. To insure the proper care and treatment of persons of unsound mind, detained in any house, place, or institution, whether licensed or not; to guard against the improper or unnecessary detention of such persons; to regulate the manner of their detention and restraints imposed and all matters relative to their welfare; to regulate their means of communication with relatives, friends, and other persons outside of the house, place, or institution of detention; and to insure to them the admission of all proper visitors, who are members of their families or personal agents or attorneys.

- c. To regulate the forms to be observed relating to the commitment, transfer of custody, and discharge of all insane persons, other than those committed by order of a court of record, and as to these, with the consent of the presiding judge of the court under whose order the person is detained.
- d. To regulate psychopathic wards maintained by hospitals for the reception and care of persons suffering from mental disorders.

C. ORGANIZATION AND OPERATIONS

Chart XXII-1 indicates that, for the purpose of administering the aforementioned powers and duties, the operations of the Department of Welfare are divided among: (1) the Executive Office, (2) the Bureau of Community Work, (3) the State Council for the Blind, (4) the Bureau of Mental Health, (5) the Bureau of Institutional Management, and (6) the Bureau of Corrections.

1. The Executive Office

The entire organization of the Department is directed through the Executive Office by the Secretary of Welfare, who is appointed by the Governor. In administering the affairs of the Department the Secretary is assisted by a Deputy Secretary and an executive staff consisting of a comptroller, in charge of accounting functions, a supervisor of research and statistics, a supervisor of printing and records, a head file clerk and a secretarial staff. The executive staff is vested with the job of preparing biennial reports to the Governor on the condition, management and financial affairs of the Department.

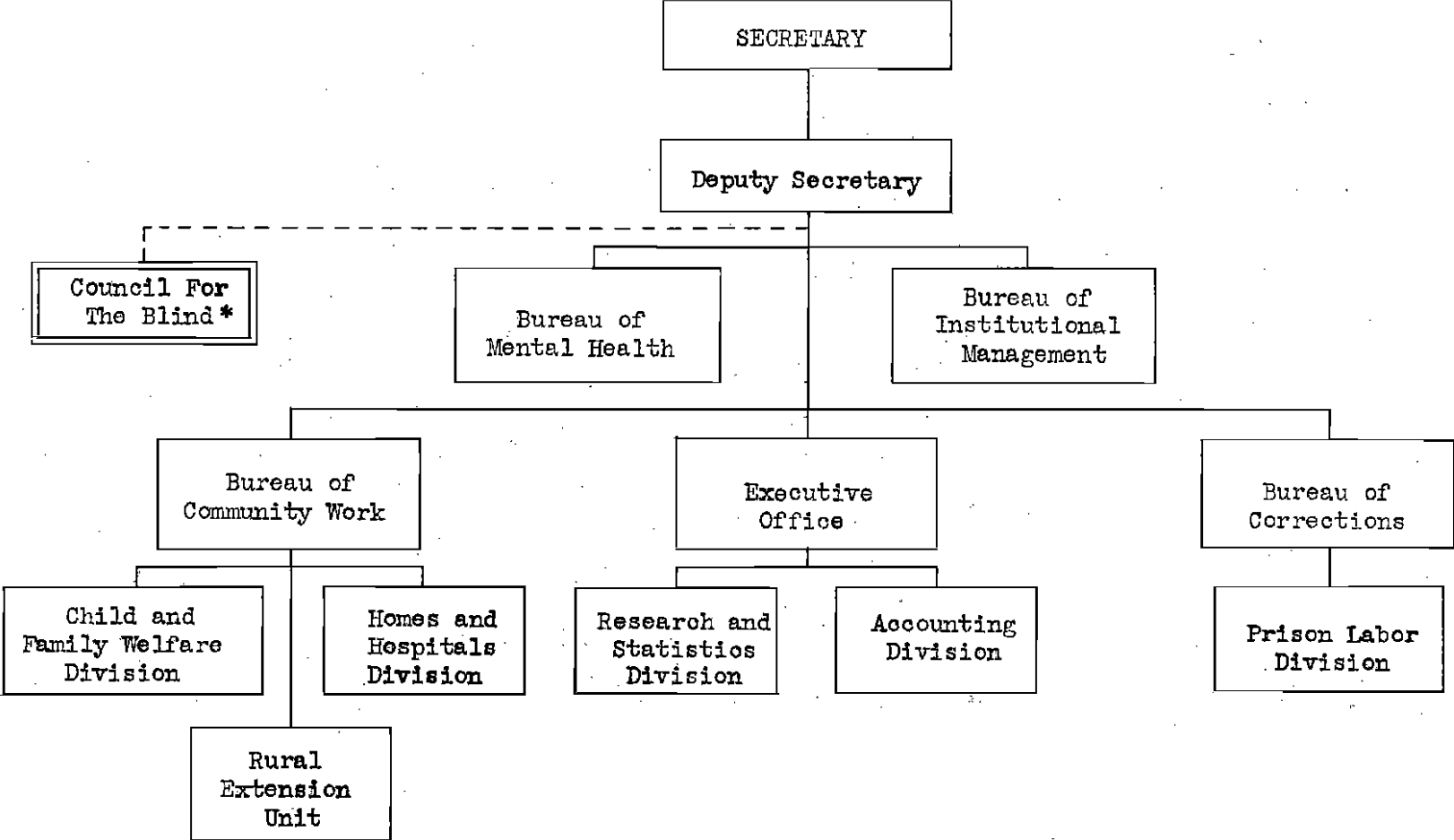
a. Accounting Division

The accounting branch of the Executive Office maintains an accounting system for the Department, and supervises the accounting functions in five State penal institutions and nine mental hospitals; ten State medical and surgical hospitals; and four institutions for the mentally deficient

CHART XXII-1

ORGANIZATION OF THE DEPARTMENT OF WELFARE

-2205-



* Departmental Administrative Board

and epileptics. It also prepares and supervises the preparation of the Department's budgets and maintains a system of budgetary control.

b. Division of Research and Statistics

Within the Division of Research and Statistics is placed the task of tabulating, assembling and disseminating statistical data obtained from State-owned, State-aided and State-supervised institutions. It also prepares statistical information for the various bureaus and divisions of the Department.

The Division maintains active individual records for 36,247 mental patients, 20,750 penal inmates, 1,000 boys and girls in training schools, and 11,910 inmates in county homes and institutions. It also collects and summarizes reports on the activities of child care institutions, persons under the care of county commissioners and criminal court records by counties. In addition, monthly reports containing pertinent statistical data on engineering, farm activities, etc., are obtained from the State-owned institutions for use in comparative studies. Much of the statistical data compiled by the Division is prepared and distributed as departmental bulletins in the form of annual statistical reports.

2. Bureau of Community Work

The Bureau of Community Work was created in 1933 for the purpose of consolidating the services formerly carried on by the Bureau of Assistance and the Bureau of Children. At the present time, the Bureau consists of four divisions, namely, the Division of Family and Child Welfare, the Division of Homes and Hospitals, the Rural Extension Unit and the State Council for the Blind.

In general, the work of this Bureau is principally one of supervision looking toward a setting of uniform standards of administration with respect

to institutions and agencies caring for dependent and delinquent children, maternity homes, homes for the aged and institutions for the physically handicapped. The broad scope of the Bureau's supervisory functions is set forth in Table XXII-A.

TABLE XXII-A

DEPARTMENT OF WELFARE
 AGENCIES AND INSTITUTIONS SUPERVISED
 BY BUREAU OF COMMUNITY WORK
 JUNE 1, 1940

Type of Agency or Institution	Number Supervised	Percent of Total
Children's Agencies	90	12.5
Institutions for Dependent Children	154	21.3
Institutions for Delinquent Children	24	3.3
Imported Children	84	11.6
County Institution Districts	53	7.3
Juvenile Courts	67	9.3
Detention Quarters	39	5.4
Boarding Homes	67	9.3
Maternity Homes	15	2.1
Day Nurseries	35	4.8
County Homes	65	9.0
State-aided Homes for the Aged	21	2.9
Institutions for Physically Handicapped ...	9	1.2
Total	723	100

The Bureau of Community Work also handles the special procedure required for the incorporation of certain charitable and eleemosynary institutions in the Commonwealth. (5) Certifications from the Department of Welfare as to the necessity for the proposed corporations in the communities affected are required by the courts before approval of the articles of incorporation is granted.

a. Division of Family and Child Welfare

The Division of Family and Child Welfare has supervision of all public and private child caring institutions in the Commonwealth. It has

no direct relationship with children. Rather, it maintains only supervisory and advisory relationships with the institutions caring for dependent and neglected children. On December 31, 1938, there were 43,927 children reported under care by all institutions, including 67 county institution districts and 67 juvenile courts.

The field representatives of the Division have the responsibility of conducting annual supervisory visits to county institution districts for the purpose of discussing with and advising county commissioners on problems relating to the care of children and dependent adults.

The Division of Family and Child Welfare also administers the Act governing the importation of children from other states, and licenses boarding homes where more than one child under three years of age is cared for. The original Act ⁽⁶⁾ requiring that such homes be licensed did not set up a fee to be charged by the Department. However, an amendment to the Act ⁽⁷⁾ provided that a fee of \$5.00 be charged for all original licenses and required a similar charge for all renewals to be made annually. ⁽⁸⁾ Table XXII-B indicates the number of licenses issued annually during a seven year period:

TABLE XXII-B
DEPARTMENT OF WELFARE
NUMBER OF LICENSES ISSUED
TO INFANT BOARDING HOMES
1934 TO 1940

Fiscal Year Ending May 31	Number
1934	65
1935	58
1936	38
1937	48
1938	57
1939	59
1940	77

b. Division of Homes and Hospitals

The Division of Homes and Hospitals is vested with the task of licensing and regulating private nursing homes and hospitals throughout the State; the licensing and supervision of maternity homes and hospitals; the supervision of State-aided homes for the aged; and the inspection and supervision of 171 State-aided general hospitals. Representatives of the Division visit all State-aided hospitals and examine their financial records relating to free service and, where necessary, "spot check" the authenticity of claims by individuals who apply for this service. Table XXII-C indicates an increase in the number of State-aided hospitals with a resultant increase in the volume of inspection and supervision work on the part of the Division.

TABLE XXII-C
DEPARTMENT OF WELFARE
NUMBER OF STATE-AIDED HOSPITALS
BIENNIUMS 1931-33 TO 1939-41 INCLUSIVE

Biennium	State-Aided Hospitals	
	Number	Percent Increase Over 1931-33
1931-33	158	--
1933-35	163	3.1
1935-37	164	3.7
1937-39	165	4.4
1939-41	171	8.2

Another phase of the work conducted by the Division of Homes and Hospitals relates itself to the supervision of homes and agencies receiving State aid for care of children, the aged, and blind persons. An examination of Table XXII-D reveals the number of State-aided homes during a period of five bienniums. Particularly notable is the reduction of 14.1

percent in the number of homes receiving State aid in 1939-41 as compared with 1931-33.

TABLE XXII-D
DEPARTMENT OF WELFARE
NUMBER OF STATE-AIDED HOMES
BIENNIUMS 1931-33 TO 1939-41, INCLUSIVE

Biennium	State-Aided Homes	
	Number	Percent Decrease Over 1931-33
1931-33	78	--
1933-35	77	1.3
1935-37	76	2.6
1937-39	76	2.6
1939-41	67	14.1

According to testimony submitted by representatives of the Department of Welfare, the reduction in the number of State-aided homes is in large part due to a more careful evaluation of the needs of individual homes, viz., their income and expenses. In view of the fact that State aid is given on the basis of deficiencies -- excess of expenditures over income -- representatives of the Division make a thorough evaluation of the purposes for which expenditures are made and the available sources of revenue.

The supervisory control of the Division over local welfare agencies and institutions involves the licensing of all maternity hospitals⁽⁹⁾ and private homes and hospitals.⁽¹⁰⁾ The charge for such licenses, for both originals and annual renewals, is \$15.00. In Table XXII-E is presented a report on the number of licenses issued for maternity hospitals and private homes and hospitals during the seven year period 1934 to 1940, inclusive.

TABLE XXII-E

DEPARTMENT OF WELFARE
 NUMBER OF LICENSES ISSUED TO
 MATERNITY HOSPITALS AND PRIVATE HOMES AND HOSPITALS
 1934-1940 INCLUSIVE

Fiscal Year Ending May 31	Number of Licenses Issued	
	Maternity Hospitals	Private Homes and Hospitals
1934	32	57
1935	32	81
1936	17	73
1937	39	116
1938	37	91
1939	35	116
1940	22	169

c. Rural Extension Unit

The Rural Extension Unit in the Bureau of Community Work was created in 1936 and is under the immediate direction of the Director of the Bureau of Community Work. It conducts Pennsylvania's part of the program involved in Title V of the Federal Social Security Act. In general, this work relates to the strengthening and extension of child welfare services in counties of the State which are predominantly rural and in areas of special need. Specifically, it is the function of this Unit to supervise and improve the standard of care given children in or out of their homes or wherever care out of the normal circumstances is necessary; establish child welfare services in counties where they do not exist; and carry out a State-wide program of child welfare cooperation.

The services enumerated above are made available in cooperation with commissioners or other local officials throughout the State. At the present time, the program is operating in 13 counties which are operating with

paid secretaries in charge of the work. A qualified, trained State staff is provided including a supervisor of the Rural Extension Unit, county organizers, and supervisors of the county staffs and stenographers. The staff in the State office is selected by the Secretary of Welfare, while county employes are selected by the county commissioners.

The program of the Rural Extension Unit is financed 100% by the Federal Government in the matter of salaries. This covers all employes in the State office of the Unit and most of the employes in counties. All expenditures for office equipment, rentals, and maintenance of children in counties are borne by the local officials, while the State pays for expenses incurred in maintaining the Rural Extension Unit in the Department of Welfare and the traveling expenses of field representatives.

d. Solicitation Act of 1925

The Bureau of Community Work also administers the State Solicitation Act, which serves to protect residents of Pennsylvania from dishonest solicitors of funds for alleged charitable purposes. The Department is empowered to issue or refuse certificates of registration to agencies, associations or organizations who desire to solicit funds in the State for charitable, benevolent, humane or patriotic purposes. A fee of \$10.00 is charged for these certificates. In Table XXII-F is shown the number of certificates issued annually during the past seven years.

All fraternal organizations, incorporated under the laws of Pennsylvania, labor unions, religious organizations raising money for religious purposes, colleges, universities or schools, municipalities and charitable institutions or agencies receiving financial assistance from the State, are exempt from the provisions of the Solicitation Act.

TABLE XXII-F

DEPARTMENT OF WELFARE
 NUMBER OF SOLICITATION CERTIFICATES ISSUED
 1934 TO 1940, INCLUSIVE

Fiscal Year Ending May 31	Number of Certificates
1934	182
1935	205
1936	233
1937	314
1938	353
1939	367
1940	406

3. Council for the Blind

The State Council for the Blind, a departmental administrative board,
 (12)
 was created in 1925 as an integral part of the Commonwealth's welfare
 activities. The Council consists of the following seven members: Secre-
 tary of Welfare, Superintendent of Public Instruction, Secretary of Labor
 and Industry, and four others appointed by the Governor, one of whom is by
 preference a blind person. The Council has the duty of formulating a general
 policy and program for the prevention of blindness and for the improvement
 of the condition of persons with impaired vision. This function involves
 supervision over the expenditure of State funds allocated to agencies doing
 work for the blind, except in those cases in which such supervision is by
 law placed within the jurisdiction of some other department, board or com-
 mission of the State Government.

Specifically, the Council is to be considered as a clearing house in
 the State for information on the subject of blindness and as a motivating
 force in the work of preventing blindness. It publishes reports and pam-

phlets on the subject, and performs outstanding work in the conservation of the vision of school children. In cooperation with school authorities, the Council has sent its representatives into many school districts to test the vision of pupils and, as a result, has discovered numerous cases of seriously impaired vision. In such instances, school officials have cooperated in providing adequate facilities for educating these children.

In many counties the Council has conducted surveys for the purpose of locating blind people. This activity has unearthed many educable blind children who were receiving no training, for whom the necessary facilities were later provided. Representatives of the Council follow up those cases of blind children and, in addition, conduct a constructive program of assisting the adult blind by providing training facilities and suitable opportunities for employment. In this work, the Council serves as a coordinating body in securing the cooperation of local health and welfare agencies throughout the State.

In carrying out its function of serving as a clearing house for information, the Council maintains an active file of blind persons and those with seriously impaired vision. With respect to these cases, the records contain data concerning causes of blindness, possibilities of improving vision, physical and mental condition, financial status, earning ability, and capacity for education and vocational training.

The Council maintains a close relationship with the Department of Public Assistance which is the State agency vested with the job of distributing pensions to blind persons in need of financial assistance. (13)
The information available in the Council's files on blind persons is made available to the Department of Public Assistance and vice versa. The work of the ophthalmologist in the Council is so arranged as to enable him to

devote fifty percent of his time to the Department of Public Assistance. For the Council, the ophthalmologist directs his activities to the program for prevention of blindness, while for the Department of Public Assistance he supervises the program of giving assistance to blind persons who are financially distressed.

4. Bureau of Mental Health

(14)

Under the provisions of the State's Mental Health Act the Bureau of Mental Health regulates the admission and commitment of patients to hospitals for mental diseases and institutions for mental defectives and epileptics, and governs the transfer, discharge, interstate rendition and deportation of mental patients. The Bureau supervises State-owned, State-aided and county owned mental hospitals, in addition to licensing and supervising all private hospitals for the mentally ill.

The supervisory functions of the Bureau relate themselves to the activities of 69 State, county and private institutions for mental patients of all types. The records of the Bureau are now being used as the basis for a census of all mental cases in the Commonwealth. There are nine State hospitals for the mentally ill, located at Allentown, Danville, Farview, Harrisburg, Norristown, Philadelphia, Torrance, Warren and Wernersville. In addition, there are three State-owned institutions for mental defectives, namely, the Laurelton State Village for feeble-minded women of child-bearing age; the Pennhurst State School, and the Polk State School, receiving mental defectives of both sexes. The Selinsgrove State Colony for Epileptics is the newest State institution. It is interesting to note that, with the exception of the Torrance and Warren hospitals, and the Polk State School, all of the above institutions are situated in the eastern half of the Commonwealth. A more equitable balance will be obtained with the completion

of the Western State Psychiatric Hospital. This institution is being erected on the campus of the University of Pittsburgh and will constitute a State center for psychiatric research, education and training.

In June, 1940, the nine State mental hospitals were caring for a total of 21,848 patients and had 2852 on parole. Many of the latter are eventually discharged as recovered. The Department estimates that the cost of maintaining a patient in the State-owned mental hospitals is approximately \$300.00 a year, exclusive of capital outlay.

Table XXII-G indicates the State institutions for care of mental patients and presents a comparison of population as of June 1, 1939 and 1940:

TABLE XXII-G
DEPARTMENT OF WELFARE
COMPARATIVE POPULATION OF STATE-OWNED MENTAL HOSPITALS
JUNE 1, 1939 AND 1940
(Exclusive of Patients on Parole)

Mental Hospital	Number of Inmates			
	June 1 1939	Percent of Total	June 1 1940	Percent of Total
Allentown	1,612	7.7	1,615	7.4
Danville	1,985	9.5	2,030	9.3
Farview	886	4.2	958	4.4
Harrisburg	2,065	9.8	2,127	9.7
Norristown	3,558	17.0	3,694	16.9
Philadelphia	5,335	25.4	5,716	26.2
Torrance	1,735	8.3	1,812	8.3
Warren	2,328	11.1	2,392	10.9
Wernersville	1,470	7.0	1,504	6.9
Total	20,974	100.0	21,848	100.0

At the present time one of the most pressing problems facing the Bureau is the overcrowded condition existing in the State mental hospitals. On July 31, 1940, the nine hospitals had facilities to house an aggregate of

17,613 patients comfortably. On this date, however, the actual population was 22,047. In brief, despite an increase in bed capacity in mental hospitals as a result of the General State Authority program (see Chapter XXX, page 3011), the above population exceeded comfortable capacity by 25.2 percent. In addition, there were 2,891 inmates on parole as of the above date.

As is shown in Table XXII-H, overcrowded conditions exist in all mental hospitals. The degree of excess population over comfortable capacity ranges from 0.6% at Farview to 64.4% in the Philadelphia Hospital.

TABLE XXII-H

DEPARTMENT OF WELFARE
 COMPARISON BETWEEN COMFORTABLE CAPACITY AND NUMBER OF PATIENTS
 IN STATE MENTAL HOSPITALS AND EXCESS OF POPULATION OVER CAPACITY
 JULY 31, 1940

Mental Hospital	Capacity	Number of Patients	Percent Excess of Inmates Over Capacity
Allentown	1,514	1,630	7.7
Darville	1,947	2,040	4.8
Farview	968	974	0.6
Harrisburg	1,921	2,136	11.2
Norristown	3,407	3,738	9.7
Philadelphia	3,500	5,753	64.4
Torrance	1,217	1,854	52.3
Warren	1,673	2,390	42.8
Wernersville	1,466	1,532	4.5
Total	17,613	22,047	25.2

On May 31, 1939, the State-owned institutions for epileptics and those mentally defective had an aggregate population of 5945 patients, with an additional 352 on parole. In the one State-aided institution of this type, namely Elwyn, the population was 1,004 on the above date, exclusive of 5 patients on parole. The population of each institution on May 31st in 1939 and 1940 is set forth on a comparative basis in Table XXII-J.

TABLE XXII-J

DEPARTMENT OF WELFARE
POPULATION OF STATE-OWNED AND STATE-AIDED INSTITUTIONS
FOR MENTALLY DEFICIENT AND EPILEPTICS
COMPARED FOR MAY 31, 1939 AND 1940

Institution	Number of Inmates	
	1939	1940
Laurelton	693	693
Pennhurst	1,889	2,073
Polk	2,919	2,937
Selinsgrove	444	436
Total (State-Owned)	5,945	6,139
Elwyn (State-Aided)	1,004	1,007
Grand Total	6,949	7,146

In addition, mental patients are cared for in 12 licensed county mental hospitals operated by county institution districts throughout the Commonwealth. Although the treatment and care of mental patients is generally regarded as a State responsibility, Pennsylvania remains as one of the few States in which such care remains a divided responsibility. In 1895, about the time that county care was abolished in some states, it was inaugurated in Pennsylvania. Due to inadequate State provisions for the care of mental patients, it became necessary to license county institutions.

When the Welfare Department was organized in 1921, there were 20 county institutions for mental cases. The Bureau of Mental Health condemned 8 of these institutions as unsuitable and they were closed by October, 1922. Since 1921 one more county institution previously authorized has been opened. In 1938 the State assumed responsibility for the administration of Byberry Hospital in Philadelphia. Thus, there are now 12 licensed hospitals in the

State operated by county institution districts for the care of mental patients.

Table XXII-K sets forth a comparison of the number of inmates in these county mental hospitals in 1939 and 1940:

TABLE XXII-K
DEPARTMENT OF WELFARE
NUMBER OF MENTAL PATIENTS IN COUNTY MENTAL HOSPITALS
MAY 31, 1939 AND JULY 31, 1940

County Mental Hospital	Number of Patients	
	1939	1940
Allegheny	2,276	2,204
Blair	333	348
Blakely	147	150
Chester	335	314
Hillside	894	926
Lancaster	429	433
Mercer	226	235
Pittsburgh	3,074	3,143
Ransom	372	375
Retreat	1,098	1,151
Schuylkill	584	567
Somerset	510	492
Total	10,278	10,338

These county institutions vary greatly in size, equipment and personnel. Some of the largest compare favorably with the State-owned mental hospitals. The smallest ones have no resident medical staff; provide practically no treatment or diagnostic facilities; have too few units for classification of patients; and are otherwise purely custodial institutions. About one-third of the State's mentally ill patients (the so-called insane) are cared for in licensed county institutions.

The sentiment towards complete State care for mental patients has grown until at the 1938 special session of the Legislature, a bill was introduced

providing for the taking over by the State of all of the licensed county
(15)
hospitals. However, sufficient State funds have not been available to
make this possible.

Besides supervising the institutions for mental patients, the Bureau of Mental Health has important opportunities and responsibilities in the field of prevention of mental illness and the attendant complications through promoting and establishing mental clinics and coordinating such activities. Many patients who would otherwise have had to be committed to an institution are seen early in the course of their illness at the clinics and are enabled to remain in the community.

5. Bureau of Institutional Management

Within the Bureau of Institutional Management is placed the task of coordinating the Department's advisory and supervisory functions relating to the problems arising in connection with the operation and maintenance of State-owned institutions.

It is the aim of the Bureau to enable the various institutions to better meet their responsibilities to the patients and inmates committed to their care. In this respect, it develops, adjusts and correlates policies of institutional procedure, and works to maintain and develop affable relations between the administrators of State-owned mental, epileptic, medical and surgical, and penal and correctional institutions.

The broad scope of the Bureau's program includes the general maintenance of buildings, plants and grounds, and the approval of institutional service as to heat, water, light, sewage, refrigeration and protection from fire. It supervises State institution activities relating to the purchase, preparation and processing of food; housekeeping services in connection with sewing, cleaning and handling of supplies and clothing; laundry planning and

service; the operation of farms; the industrial employment for patients and inmates other than those in prison industries, and the in-service training programs for nurses, orderlies and attendants. In addition, the Bureau must approve architectural plans for State-owned institutions, State-aided hospitals, county homes and prisons, agencies caring for the aged and blind, and municipal lock-ups.

At first glance, it would appear that some of the services conducted by the Bureau of Institutional Management duplicate those carried on by other branches of the Department's organization, namely, the Bureau of Mental Health and the Bureau of Corrections. That this situation does not exist is explained by the fact that the latter two branches of the Department operate along the lines of inmate care and treatment, while the Bureau of Institutional Management concentrates on giving expert advice with respect to problems of operation and maintenance common to all State-owned institutions.

As may be seen from an examination of the Department's organization chart, page 2205, the Bureau of Institutional Management is also vested with the direct supervision of the ten State-owned medical and surgical hospitals. These hospitals, which were originally privately-owned, were taken over by the Commonwealth during the 52 year period from 1871 to 1923. The hospitals are administered by boards of trustees appointed by the Governor. Table XXII-L indicates the various hospitals and shows their location, date established and population as of June 1, 1940. Except for receipts obtained from patients, these hospitals are financed entirely from State appropriations.

TABLE XXII-L

DEPARTMENT OF WELFARE
STATE-OWNED MEDICAL HOSPITALS
LOCATION, DATE ESTABLISHED AND POPULATION
JUNE 1, 1940

Medical Hospital	County	Date Established	Population June 1, 1940
Ashland	Schuylkill	1879	179
Blossburg	Tioga	1887	66
Coaldale	Schuylkill	1911	89
Connellsville	Fayette	1891	83
Hazleton	Luzerne	1887	136
Locust Mountain	Schuylkill	1923	55
Nanticoke	Luzerne	1907	104
Phillipsburg	Centre	1891	88
Scranton	Lackawanna	1871	118
Shamokin	Northumberland	1907	104

6. Bureau of Corrections

The Bureau of Corrections exercises supervision over the Commonwealth's penal and correctional institutions, 69 county prisons and workhouses, and city, borough and township lock-ups. Under the authority vested in the Department of Welfare, the Bureau inspects all of the above institutions and promulgates standards for the care of inmates. It is empowered to supervise the transfer of inmates between State penal and correctional institutions, or from State to county prisons.

The Bureau is also charged with obtaining from the proper officials full information concerning the number and type of crimes reported in the State, the number, age, sex, color, nativity and offenses of criminals and delinquents arrested and tried and otherwise disposed of, the sentence imposed and whether executed or suspended, and the number placed on parole. The statistics obtained are compiled and published as part of the Department's annual statistical reports. From time to time, the Bureau advises

with county officials on prison farm projects, and acts as a motivating force in the development of community programs for crime prevention.

a. Prison Labor Division

This Division, within the Bureau of Corrections, supervises the establishment and maintenance of industries in State-owned penal and correctional institutions. In its efforts to provide wholesome occupation, and to furnish a type of training which will enable inmates to become skillful at some gainful occupation, the Division is authorized to determine the amount and kind of machinery to be installed and the nature of the industries to be carried on. It handles the sale of products of these industries, all of which are restricted to the Commonwealth or any of its subdivisions, or to any State, educational or charitable institutions receiving financial aid from the Commonwealth. In addition, the Prison Labor Division may sell surplus prison labor products to the Federal Government or to any other state, where such sales are not prohibited by state legislation.

The task of selling products produced by the prison industries is handled by four salesmen employed by the Division. Information submitted by the Department of Welfare revealed that these four salesmen sold products valued at \$761,977 during the fiscal year 1938-39. The cost to the State, in salaries, commissions and traveling expenses to make the above sales, totaled \$17,299.51. This information is set forth in detail in Table XXII-M.

From this table it is apparent that there is no direct relationship between the amount of sales made by salesmen and their earnings. This is particularly noticeable in the matter of commissions. For example, salesman No. 1 sold products amounting to \$179,239 for which he received \$2,219.31 in commissions. However, salesman No. 3 returned \$216,334 in

sales and his commissions totaled \$1,943.50. In brief, salesman No. 3 sold almost 21% more than salesman No. 1, but his commissions were 13% less.

TABLE XXII-M

DEPARTMENT OF WELFARE
SALES OF PRISON INDUSTRIES PRODUCTS
AND SALARIES, COMMISSIONS, AND TRAVELING EXPENSES
BY SALESMEN, 1938-1939

Salesman	Total Sales	Salary	Commissions	Travel Expense	Total Earnings
No. 1	\$179,239	\$1860.00	\$2,219.31	\$1,680.75	\$5,760.06
No. 2	176,116	1860.00	1,432.89	531.40	3,824.29
No. 3	216,334	1860.00	1,943.50	34.75	3,838.25
No. 4	190,288	1860.00	1,101.46	915.45	3,876.91
Total	\$761,977	\$7440.00	\$6,697.16	\$3,162.35	\$17,299.51

Wide variations are also shown in the travel expenses paid salesmen. For example, salesman No. 2 incurred travel expenses of \$531.40 to produce \$176,116 in sales, while salesman No. 1 sold only \$3,123 more but was paid expenses totaling \$1,680.75.

All equipment for the prison industries is purchased from funds available in the Manufacturing Fund of the Commonwealth. All receipts from the sale of products are placed in this fund. In addition, all expenses in connection with the conduct of the industries are paid from the fund, including wages payable to inmates for performing labor while in prison. The amount of wages allowed prisoners is fixed by the Department, but these cannot be less than ten cents a day.

Most of the inmates are paid on an hourly basis, although some are paid on piece work in shops which manufacture articles for State agencies.

The primary market for the articles produced is found in the State's welfare institutions, although a large share of the work done relates itself to the production of automobile license tags and highway markers. It is the purpose of the Department of Welfare not to make large profits from the prison industries. Rather, an attempt is made to keep the selling price -- mainly to State agencies -- down to the point where the industries themselves are self-supporting.

7. State Welfare Commission

The State Welfare Commission is an advisory body composed of the Secretary of Welfare, ex-officio, and eight other members appointed by the Governor with the advice and consent of the Senate. The Secretary of Welfare is also chairman of the Commission. Although the Commission is an unsalaried body, it is empowered and required to advise the Secretary of Welfare on such matters as the Secretary may bring before it, or, as the Commission may require the Secretary to bring before it for consideration. It has general supervision over the policies of the Department, and may approve or disapprove the rules and regulations of the Department.

8. Departmental Administrative Boards

All of the State-owned institutions of a mental, penal and correctional, and medical and surgical character in the Department (exclusive of the new Western State Psychiatric Hospital, Pittsburgh, and the New Industrial School for Boys at White Hill, Cumberland County) are administered by local boards of trustees consisting of nine members appointed for a term of four years by the Governor.

Each Board of Trustees is a Departmental Administrative Board within the Department of Welfare and is vested with the following powers and duties:

(16)

- a. General direction and control of the property and management of each institution.

- b. Subject to approval by the Governor, to elect a superintendent or warden for the particular institution.
- c. On nomination by the superintendent or warden, to appoint such officers or employes as may be necessary.
- d. To fix the salaries of institutional employes in conformity with standards established by the Executive Board.
- e. Subject to approval by the Secretary of Welfare, to make such by-laws, rules and regulations for the management of the institutions as the Board may deem wise.

Each Board also annually elects a president and vice-president from among its members, and a secretary and treasurer, who need not be members of the Board. Board members are not paid salaries, but receive payment for necessary expenses incurred in connection with their work.

D. PERSONNEL

To conduct the functions discussed in the preceding pages, the Department of Welfare, on June 1, 1940, employed a personnel of 168 on its payroll (exclusive of State-owned institutions) at an aggregate annual salary of \$342,685. A portion of this annual payroll, or \$32,620 for 15 employes in the Federal Rural Extension Unit, is financed entirely by the Federal Government.

In Table XXII-N is presented a summary of Departmental employes, by bureau and division, on June 1, 1940.

Table XXII-O sets forth a detailed statement showing the employes according to bureau and division, and indicates each employe by personnel title and annual salary.

TABLE XXII-N

DEPARTMENT OF WELFARE
SUMMARY OF EMPLOYEES AND ANNUAL SALARIES BY BUREAU AND DIVISION
JUNE 1, 1940

Bureau and Division	Number of Employees	Annual Salaries
<u>Executive Office</u>		
Secretary's Office	7	\$22,440
Accounting Division	23	35,340
Library, Mail & Files	4	4,860
Research & Statistics	7	9,750
<u>Bureau of Community Work</u>		
Division of Child and Family Welfare ..	13	24,120
Division of Homes and Hospitals	5	9,720
Rural Extension Unit	15	32,620 ^{a/}
<u>Council for the Blind</u>	10	16,875
<u>Bureau of Mental Health</u>	7	17,540
<u>Bureau of Institutional Management</u>	8	20,900
<u>Bureau of Corrections</u>	6	13,820
Prison Labor Division	63	134,700 ^{b/}
Total	168	\$342,685

^{a/} Financed from Federal Funds

^{b/} And Commissions

TABLE XXII-0

DEPARTMENT OF WELFARE
NUMBER OF EMPLOYES AND ANNUAL SALARIES
BY BUREAU, DIVISION, AND PERSONNEL TITLE
JUNE 1, 1940

Bureau and Division	Number of Employees	Annual Salary
EXECUTIVE OFFICE:		
<u>Secretary and Deputy Secretary's Office</u>		
Secretary	1	\$ 10,000
Deputy Secretary	1	5,000
Advanced Stenographer-Secretary	1	1,860
Stenographer-Secretary	1	1,380
Principal Stenographer-Clerk	1	1,380
Stenographer-Clerk	1	1,020
Advanced Chauffeur	1	1,800
Sub-total	7	\$22,440
<u>Accounting Division</u>		
Comptroller	1	\$ 4,500
Senior Institutional Disbursement Acct...	1	3,000
Junior Institutional Disbursement Acct...	2	4,200
Advanced Personnel Clerk	1	1,620
Personnel Clerk	1	1,140
Junior Personnel Clerk	1	1,020
Bookkeeper	1	1,620
Disbursement Bookkeeper	1	1,620
Disbursement Clerk	1	1,320
Advanced Stenographer-Clerk	1	1,380
Senior Stenographer-Clerk	2	2,280
Stenographer-Clerk	1	1,020
Senior Clerk-Typist	1	1,020
Senior Account Clerk	1	1,380
Statement Clerk	1	1,140
Senior Verifier Clerk	2	2,340
Supervisor Tabulating Machine Operator ..	1	1,680
Key Punch Operator	2	2,040
Senior File Clerk	1	1,020
Sub-total	23	\$35,340
<u>Library and Files, Mail</u>		
Head File Clerk	1	\$ 1,620
Senior File Clerk	2	2,220
Senior Mail Clerk	1	1,020
Sub-total	4	\$ 4,860

TABLE XXII-0
(Continued)

Bureau and Division	Number of Employees	Annual Salary
<u>EXECUTIVE OFFICE - Continued</u>		
<u>Research and Statistics</u>		
Supervisor, Research and Statistics	1	\$ 3,150
Senior Statistical Clerk	1	1,380
Senior Tabulating Machine Operator	1	1,140
Junior Code Clerk	1	1,020
Junior Stenographer Clerk	1	1,020
Key Punch Operator	2	2,040
Sub-total	7	\$ 9,750
Total - Executive Office	41	\$72,390
 <u>BUREAU OF COMMUNITY WORK:</u>		
<u>Division of Child and Family Welfare</u>		
Director	1	\$ 3,600
Senior Institutional Investigator	1	2,400
Institutional Investigator	5	10,500
Interracial Consultant	1	1,860
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Clerk	2	2,340
Stenographer-Clerk	1	1,020
Junior Stenographer-Clerk	1	1,020
Sub-total	13	\$24,120
 <u>Division of Homes and Hospitals</u>		
Chief of Homes and Hospitals	1	\$ 2,400
State-Aided Hospitals Investigator	3	6,300
Senior Stenographer-Typist	1	1,020
Sub-total	5	\$ 9,720
 <u>Federal Child Welfare Unit</u>		
Assistant Chief, Family Welfare	1	\$ 3,300
Standards Consultant	1	3,000
Field Representative, Delinquency Study ...	1	2,700
Field Representative, Community Organization	2	5,400
Case Supervisor, Rural Extension Unit	1	2,700
Director, Child Guidance Clinic	1	4,000
Psychiatric Social Worker	1	2,700
Psychologist	1	2,400
Advanced Stenographer-Clerk	1	1,380
Senior Stenographer-Clerk	3	3,480
Stenographer-Clerk	1	1,080
Janitress	1	480
Sub-total	15	\$32,620 *

TABLE XXII-0
(Continued)

Bureau and Division	Number of Employees	Annual Salary
BUREAU OF COMMUNITY WORK - Continued		
Total - Bureau of Community Work	33	\$66,460
COUNCIL FOR THE BLIND:		
Chief	--	\$ -----
Vision Conservation Advisor	1	2,400
Junior Conservation Advisor	1	2,100
Blind Industries Advisor	1	2,175
Junior Industries Advisor	1	1,860
Senior Inspector	1	1,860
Census Survey Clerk	1	1,620
Principal Stenographer-Clerk	1	1,620
Stenographer-Clerk	2	2,040
Ophthalmologist (part time)	1	1,200
Total	10	\$16,875
BUREAU OF MENTAL HEALTH:		
Director	1	\$ 8,000
Psychologist	1	2,520
Deportation Investigator	1	2,100
Principal Stenographer-Clerk	1	1,620
Senior Stenographer-Clerk	1	1,260
Stenographer-Clerk	1	1,020
Clerk-Typist	1	1,020
Total	7	\$17,540
BUREAU OF INSTITUTIONAL MANAGEMENT:		
Director	1	\$ 5,000
Architect	1	3,000
Junior Maintenance Engineer	1	3,000
Nursing Consultant	1	3,300
Nutrition Consultant	1	3,000
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Typist	1	1,200
Stenographer-Typist	1	1,020
Total	8	\$20,900
BUREAU OF CORRECTIONS:		
Director	1	\$ 5,000
Senior Prison Inspector	1	2,400
Institutional Investigator	2	4,200
Senior Stenographer-Typist	2	2,220
Total	6	\$13,820

TABLE XXII-0
(Continued)

Bureau and Division	Number of Employees	Annual Salary
BUREAU OF CORRECTIONS - Continued		
Prison Labor Division		
Acting Superintendent	1	\$ 4,200
Supervisor of Production	1	3,150
Supervisor of Industries	3	11,400
Assistant Supervisor of Industries	1	1,620
Assistant Accountant	1	1,860
Head Bookkeeper	1	2,100
Bookkeeper	1	1,620
Senior Disbursement Clerk	1	1,380
Principal Stenographer-Clerk	1	1,380
Senior Stenographer-Clerk	2	2,340
Stenographer-Clerk	1	1,080
Senior Typist-Clerk	1	1,080
File Clerk	1	1,020
Senior Messenger	1	1,020
Supervisor of Shoe Department	1	3,120
Supervisor of Shoe Cutting	1	2,520
Supervisor of Finishing Shop	1	2,400
Supervisor of Weaving Shop	1	3,120
Assistant Supervisor of Weaving Shop ..	1	2,400
Assistant Supervisor of Weaving Shop ..	1	2,550
Supervisor of Clothing Shop	2	6,000
Assistant Supervisor of Clothing Shop .	1	1,860
Assistant Supervisor of Hosiery Shop...	1	2,400
Assistant Supervisor of Printing Shop..	2	4,950
Supervisor of Storeroom	1	2,100
Supervisor of Sewing Shop	1	2,400
Supervisor of Canning	1	2,175
Supervisor of Tag Shop	1	4,200
Assistant Supervisor of Tag Shop	1	2,100
Assistant Supervisor of Metal Shop	1	2,400
Supervisor of Auto Shop	1	2,400
Assistant Supervisor of Industries	1	2,550
Senior Truck Driver	1	1,380
Truck Driver	1	1,440
Supervisor of Furniture Shop	1	2,100
Advanced Furniture Shop Foreman	1	1,920
Senior Furniture Foreman	5	8,460
Supervisor of Coffee Roasting Plant ...	1	2,400
Supervisor of Truck Gardening	1	2,250
Advanced Machinist	1	1,620
Principal Machinist	1	1,860
Supervising Clerk	1	2,100
Assistant Supervising Clerk	1	2,175

TABLE XXII-O
(Continued)

Bureau and Division	Number of Employees	Annual Salary
<u>Prison Labor Division - Continued</u>		
Salesman	4	\$ 7,440 & commissions
Overseer	3	6,120
Guard	4	6,540
Sub-total	63	\$134,700
Total - Bureau of Corrections .	69	\$148,520
Grand Total Departmental Employees	168	\$342,685

* Paid entirely by Federal Funds.

In addition to the above personnel, there were, on June 1, 1940, a total of 6,487 persons employed in the various State institutions administered by the Department of Welfare. Table XXII-P presents a summary of these employes by type of institution.

TABLE XXII-P

DEPARTMENT OF WELFARE
SUMMARY OF THE NUMBER OF EMPLOYES
BY TYPE OF STATE INSTITUTIONS
JUNE 1, 1940

Type of Institution	Number of Employes
Penal and Correctional	978
Mental Hospitals	3,874
Mentally Defective and Epileptic	877
Medical and Surgical Hospitals	758
Total	6,487

E. FINANCES

1. Income

Income earned by the Department of Welfare falls into two classes, namely (a) receipts from licenses and fees, and (b) amounts paid to the State for the maintenance of patients in institutions administered by the Department.

a. Licenses and Fees

In order to operate in Pennsylvania, all infant boarding houses, maternity hospitals and private nursing homes and hospitals must be licensed by the Department of Welfare. In addition, all agencies, associations or organizations desiring to solicit funds in the State for charitable, benevolent, humane or patriotic purposes must be certified by the Department.

The annual earnings of the Department from licenses and Solicitation certificates, together with the charges made for each, are set forth in Table XXII-Q for a seven year period. Of particular interest is the fact that receipts during the 1939-41 fiscal year more than doubled those in 1933-34. The principal basis of this increase is found in the greater number of licenses issued to private homes and hospitals, and additional fees earned under the Solicitation Act of 1925.

b. Institutional Receipts

The second and largest source of income derived by the State, through the operations of the Department of Welfare, is received from payments made for the care of inmates in State-owned mental hospitals, penal and correctional institutions, and medical and surgical hospitals. During the biennium 1937-39, the State's receipts from these institutions amounted to \$10,431,924.64, which was collected through the Bureau of Institutional

Collections in the Department of Revenue. A detailed presentation of these receipts is set forth in Table XXII-R, which shows the institutions from which earnings were returned to the State by source of income.

TABLE XXII-Q

DEPARTMENT OF WELFARE
ANNUAL EARNINGS FROM LICENSES AND FEES
BY TYPE OF LICENSES AND CERTIFICATES
1934 TO 1940, INCLUSIVE 1/

Fiscal Year Ending May 31st	Type of Licenses and Certificates				Grand Total
	Infants Boarding Houses (\$5.00)	Maternity Hospitals (\$15.00)	Private Nursing Homes and Hospitals (\$15.00)	Solicita- tion Fees (\$10.00)	
1934	\$325.00	\$480.00	\$ 855.00	\$1,820.00	\$3,480.00
1935	290.00	485.00	1,215.00	2,050.00	4,040.00
1936	190.00	255.00	1,095.00	2,330.00	3,870.00
1937	240.00	585.00	1,740.00	3,140.00	5,705.00
1938	285.00	555.00	1,365.00	3,530.00	5,735.00
1939	290.00	525.00	1,740.00	3,670.00	6,225.00
1940	385.00	330.00	2,535.00	4,060.00	7,310.00

1/ Source: Department of Welfare.

2. Expenditures

The administration of welfare services by the Department of Welfare cost the people of Pennsylvania \$37,483,725 during the 1937-39 biennium. In Table XXII-S is presented a statement of the manner in which funds were expended in 1937-39.

In brief, \$37,029,479, or 98.8 percent of the money spent by the Department of Welfare was used for State-owned and State-aided institutions, while 1.2 percent was spent for the Department's administration expenses. Particularly notable is the fact that \$13,384,134, or 36.1

TABLE XXII-R

DEPARTMENT OF WELFARE
STATE RECEIPTS FOR CARE OF INMATES IN STATE-OWNED INSTITUTIONS
1937-39 BIENNIUM 1/

Type of Institution and Source of Receipts	Receipts
<u>MEDICAL AND SURGICAL HOSPITALS</u>	
Compensation	\$ 104,164.76
Interest on Overdue Accounts	1.25
Patients - Out	76,537.87
Private	179,114.20
Semi-Private	171,145.38
Ward-Full Pay	197,745.51
Ward-Part Pay	59,138.88
Sundry Revenue	2,114.88
Sub-total	\$ 789,962.73
<u>MENTAL HOSPITALS</u>	
Counties and Poor Districts	\$3,900,768.71
Interest on Overdue Accounts	1,248.09
Patients	1,253,901.89
Sale of Surplus Products	3,292.74
Sundry Revenue	13,506.68
Sub-total	\$5,172,718.11
<u>FEEBLE-MINDED AND EPILEPTIC INSTITUTIONS</u>	
Counties and Poor Districts	\$ 410,354.95
Interest on Overdue Accounts	376.14
Patients	113,868.89
Sale of Surplus Products	1,844.49
Sundry Revenue	2,010.47
Sub-total	\$ 528,454.94
<u>PENAL AND CORRECTIONAL INSTITUTIONS</u>	
Counties	\$3,929,409.09
Interest on Overdue Accounts	1,586.17
Sale of Surplus Products	859.83
Sundry Revenue	8,933.77
Sub-total	\$3,940,788.86
Grand Total	\$10,431,924.64

1/ Source: Biennial Report of the Auditor General
June 1, 1937 to May 31, 1939, pp. 73-74.

percent of institutional expenditures were allocated in the form of State aid, chiefly to mental, and medical and surgical hospitals. The balance, or \$23,645,345, was expended for the operation and maintenance of State-owned institutions.

TABLE XXII-S
DEPARTMENT OF WELFARE
PURPOSE OF EXPENDITURES FOR THE 1937-39 BIENNIUM,
TOGETHER WITH PERCENTAGE DISTRIBUTION OF AMOUNTS SPENT ^{1/}

Purpose	Expended 1937-39	Percent of Total
Administration:		
Department of Welfare	\$405,992.00	1.1
Council for the Blind	48,254.00	0.1
Medical and Surgical Hospitals:		
State-owned	2,747,899.00	7.3
State-aided	8,374,200.00	22.4
Penal and Correctional Institutions:		
State-owned	6,425,466.00	17.1
State-aided	554,931.00	1.5
Mental Hospitals:		
State-owned	11,248,100.00	30.0
State-aided	3,556,000.00	9.5
Schools for Mental Defectives:		
State-owned	3,223,880.00	8.6
State-aided	404,826.00	1.1
State-aided Homes	494,177.00	1.3
Total	\$37,483,725.00	100.0

^{1/} Source: Department of Welfare

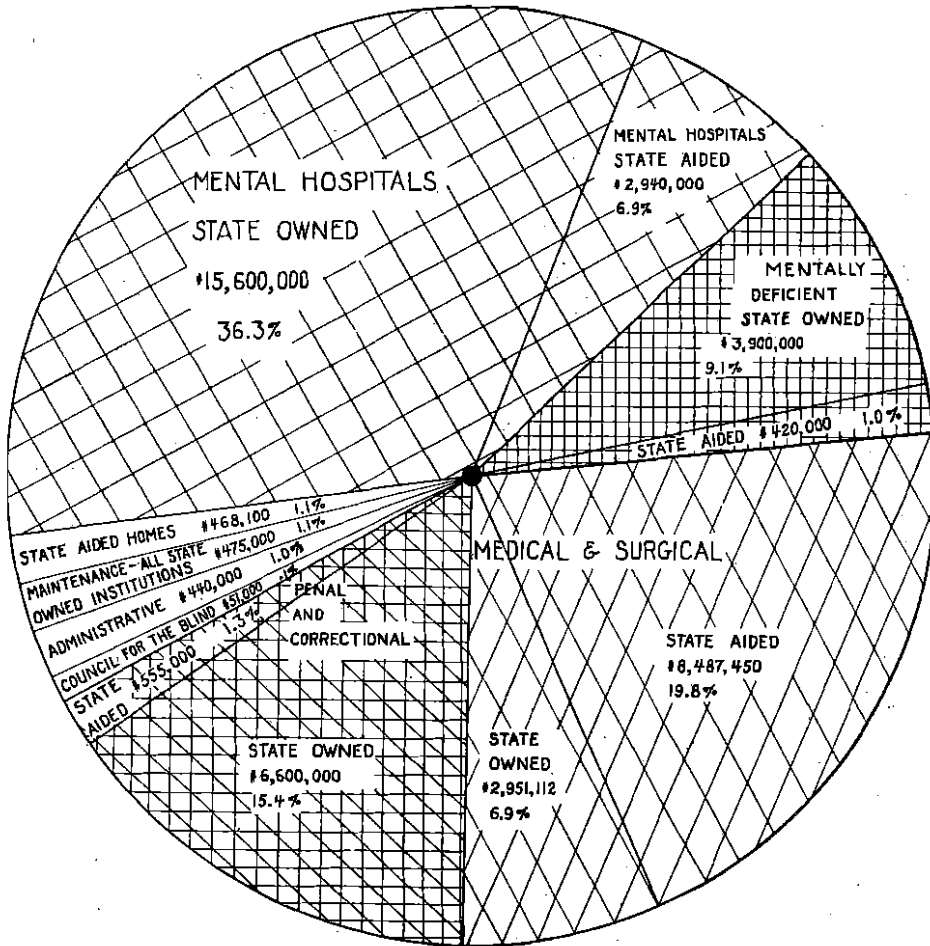
For the present biennium, 1939-41, appropriations to the Department of Welfare amounted to \$42,888,662. In Chart XXII-2, "Where the Welfare Dollars Go", is shown the amount and percentage distribution of the above appropriation.

During the 1940 special session of the Legislature, the amount of \$958,000 was transferred from the Department's appropriation shown on the accompanying chart. However, the chart is based upon the original appropriation, since this represents the regular budget requirements of the Department for 1939-41.

CHART XXII-2

DEPARTMENT OF WELFARE ^{1/}
 1939-1941 APPROPRIATIONS

\$42,888,662



WHERE THE WELFARE DOLLARS GO

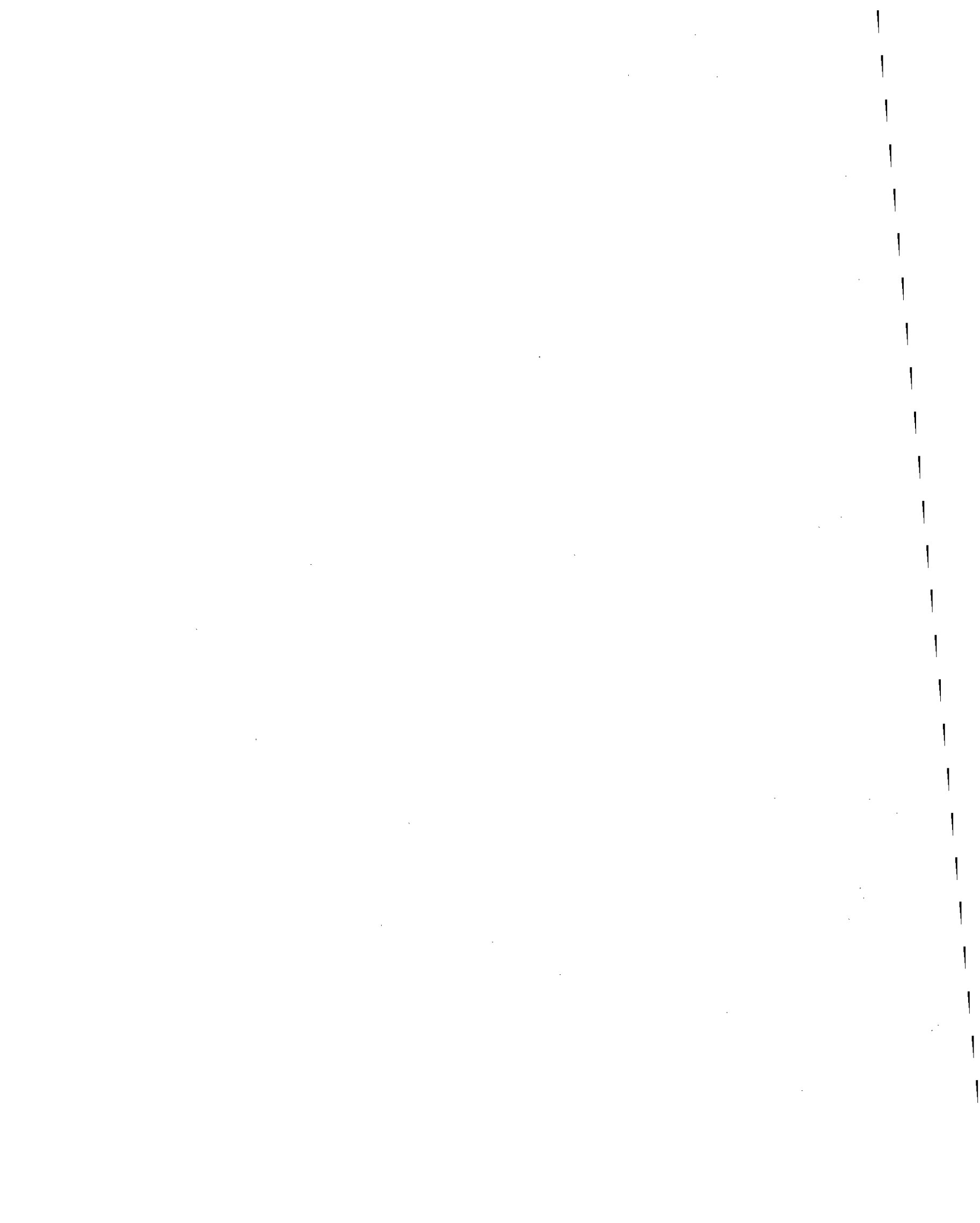
^{1/} As presented in Fifth Annual Report of Department of Welfare 1939, Bulletin No. 80, Section C.

FOOTNOTES

- (1) 1921, P.L. 1144.
- (2) Functions Transferred to Department of Public Assistance.
- (3) Administrative Code, Section 2303, 2304, and 2308.
- (4) Under Department of Health.
- (5) 1933, P.L. 289, Article VII, Section 707; and Article IX, Section 902 (5).
- (6) 1939, P.L. 436.
- (7) 1925, P.L. 234.
- (8) 1933, P.L. 95.
- (9) 1929, P.L. 1561, as amended by 1933, P.L. 100.
- (10) 1931, P.L. 510, as amended by 1933, P.L. 1075.
- (11) 1925, P.L. 644, as amended by 1935, P.L. 358.
- (12) 1925, P.L. 760.
- (13) The administration of blind pensions is discussed in the chapter on the Department of Public Assistance.
- (14) 1923, P.L. 998.
- (15) 1938, P.L. 53, Special Session.
- (16) Administrative Code, Article IV, Section 2318

PART IV

AGENCIES OPERATING AS SPECIAL FUNDS



CHAPTER XXIII

DEPARTMENT OF BANKING

The United States has two banking systems: the National Banks which are under the supervision of the Federal Government at Washington, and the State Banks which are regulated by the various States.

In Pennsylvania the agency which regulates State Banks is known as the Department of Banking, which was created in 1891 and its powers and duties enlarged and extended in 1895. These Acts remained in effect until 1919 when a new Act was passed, which in turn was repealed by the Banking Act of 1923. (1) This Act was a reenactment of the Act of 1919 with changes made to conform to the Administrative Code.

A code covering the powers and duties of the Banking Department, which had been in the process of drafting for two years, was enacted in the session of 1933 and is now in effect.

A. FUNCTION

The function of the Department of Banking is the supervision of banking institutions and building and loan associations to secure the utmost protection for depositors, creditors and shareholders dealing therewith and for the public generally. It also seeks to prevent distribution of fraudulent securities, and to make impossible the charging of unlawful interest rates upon loans made by financial institutions. When banking institutions or building and loan associations fail, the Department liquidates their affairs for the benefit of the depositors, creditors and shareholders.

B. POWERS AND DUTIES

The powers and duties of the Department are set forth in detail in the Department of Banking Code, (2) the Banking Code (3) and the Building and Loan

(4)
Code, which require that all persons or institutions under its supervision shall obey the laws pertaining to them or their businesses. This applies to the following:

1. All corporations and persons which are authorized to receive or do receive in this Commonwealth money on deposit or for safekeeping, or which are authorized to engage or which do engage in the Commonwealth in a banking business, and all corporations which are authorized to act or which do act in this Commonwealth as trustees, guardians, executors, administrators, or in other fiduciary capacities, including banks, bank and trust companies, trust companies, private banks of which there are 16 in the State, savings banks, and mutual savings funds; but not including hotels or clubs which receive money from guests or members for temporary safekeeping, express, steamship, or telegraph companies which receive money for transmission, and attorneys-at-law, real estate agents, and attorneys-in-fact, who are not engaged in the business of receiving moneys in this Commonwealth for deposit or for transmission but receive and transmit moneys only as an incident to their general business or profession, brokers licensed under the laws of the Commonwealth, holding membership in a lawfully constituted brokerage exchange, who do and have authority to do only such banking as is incidental to their brokerage business.
2. All national banking associations, incorporated under the laws of the United States, which are authorized to act and which do act in the Commonwealth as trustees, guardians, executors, administrators, or in any other fiduciary capacity to the extent to which supervision by State authorities is or may be permitted under the laws of the United States.
3. All building and loan associations authorized to transact or transacting business in this Commonwealth.
4. Credit unions organized under the provisions of the Act of May 26, 1933, as amended.
5. Small loan companies engaged in the business of lending in sums of \$300.00 or less, organized under the Act of June 17, 1915, as amended.
6. Consumer discount companies engaged in the business of lending sums of \$1,000 or less, organized under the Act of April 8, 1937.
7. Pawnbrokers licensed to do business under the Act of April 6, 1937.
8. Supervision, registration, and regulation of corporations and persons engaged in the sale of investment securities.

9. Supervision of banking institutions and building and loan associations under the Department of Banking which are taken into possession for liquidation and for which the Secretary of Banking acts as receiver.

However, when any corporation subject to the supervision of the Department of Banking is also engaged in a title insurance business or a mortgage guarantee business subject to the supervision of the Insurance Department, such branch of its business is subject to the supervision of the Insurance Department and not of the Department of Banking.

The Department of Banking has the power and is required to examine all institutions under its supervision thoroughly at least once each year or more frequently if it deems such action necessary or advisable, to safeguard the interests of depositors, creditors or shareholders.

Whenever it appears to the Department that a provision of the charter or of any other law regarding the business of such institution is being violated or that such institution is conducting business in an unsafe and unsound manner, the Department has the power to issue a written order under seal, directing that such violation of law or such unsafe and unsound practice be discontinued.

The Department also has the power through the Banking Board and Building and Loan Board to remove attorneys, officers, employes, or directors of institutions, who continue to violate the law or continue unsafe and unsound practices in conducting the business of their institutions. The law provides that the above mentioned Boards shall first give any person a hearing before removing him or declaring his office or position vacant.

The Department of Banking is also charged with the duty to institute criminal proceedings for violations of the Codes relating to banking institutions and building and loan associations.

The Pennsylvania Securities Commission, in addition to its power to license and register dealers or salesmen of investment securities in Pennsylvania, also has the right to revoke such registration. The Commission is vested with the power to institute criminal proceedings for violations of the Pennsylvania Securities Act and may bring an action in the name of the Commonwealth against any person or corporation and may enjoin them from doing any acts in violation of the provisions of the Securities Act.

The Secretary of Banking as receiver of closed banks and building and loan associations has all the rights, powers and duties of a receiver appointed by any court of equity in the Commonwealth. In this capacity he is a representative of the depositors, creditors and shareholders.

C. ORGANIZATION AND OPERATIONS

As is indicated by Chart XXIII-1, the functions administered by the Department of Banking are distributed among various bureaus and divisions, and departmental administrative boards. Of the latter there are three; namely, the Banking Board, the Building and Loan Board, and the Pennsylvania Securities Commission. The Secretary of Banking is chairman and a member of the first two Boards, and a member ex-officio of the Securities Commission.

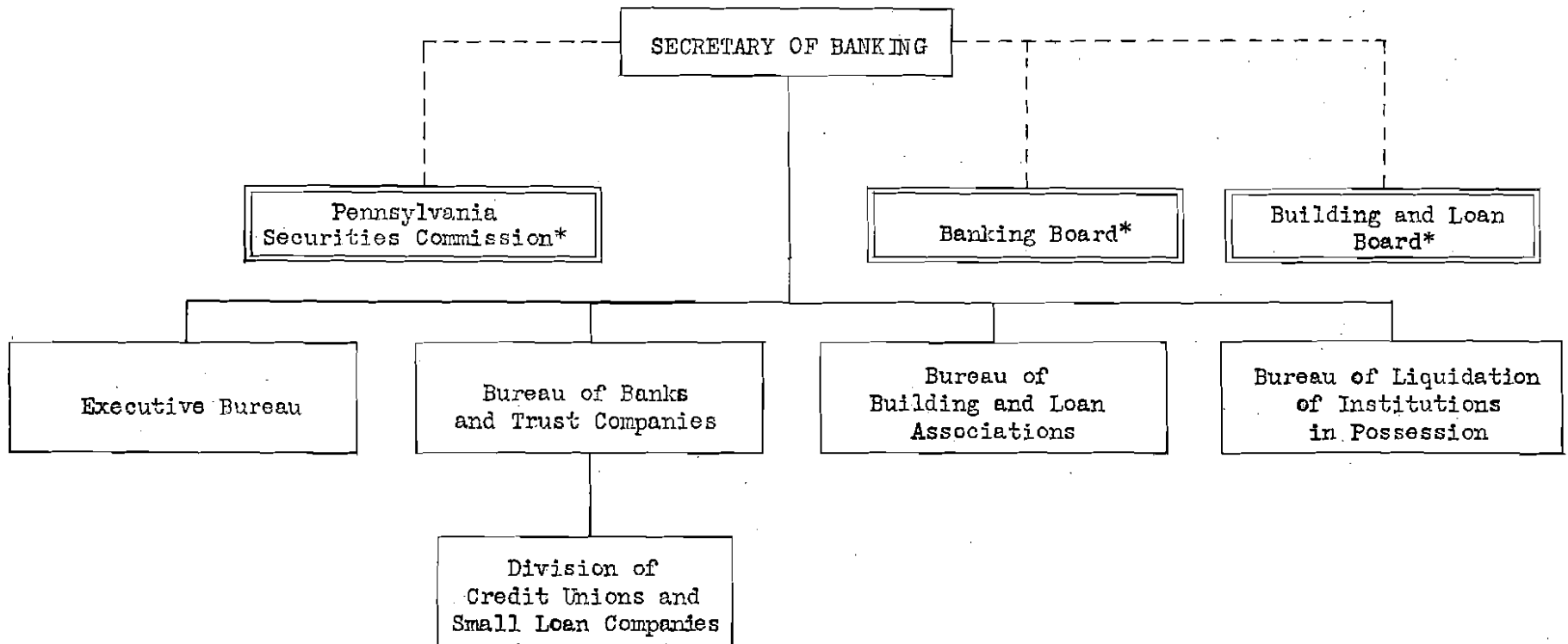
1. Executive Bureau

The organization of the Department is directed through the Executive Bureau by the Secretary of Banking, who is appointed by the Governor. The Executive Bureau defines and administers the general policies of the Department, maintains personnel records, general correspondence and mail files of the Department. The Bureau coordinates the work of the Department and facilitates the Secretary's supervision.

2. Bureau of Banks and Trust Companies

The Bureau of Banks and Trust Companies examines all banks in accordance

ORGANIZATION OF THE DEPARTMENT OF BANKING



-2305-

* Departmental Administrative Board.

with the Department of Banking Code of 1933, which requires that each bank shall be examined at least once in each calendar year. In order that the work may be carried on efficiently, the State has been divided into three districts with offices in Philadelphia, Pittsburgh and Harrisburg. In addition to each district, the Bureau maintains a clerical force in Harrisburg to study reports of the examiners, to analyze and interpret such reports and to carry on correspondence. The periodic reports submitted by the banks themselves are also studied. This Bureau maintains an Accounting and Budget Section, taking care of the departmental accounting functions.

The Bureau of Banks and Trust Companies consists principally of bank examiners. They examine every bank, bank and trust company, private bank and savings bank in the State, of which there are four hundred, with assets of over three billions, and trust assets of nearly five billions.

All national banks are examined by national bank examiners, and all State banks and trust companies by the State Department of Banking and the Federal Deposit Insurance Corporation. If, however, the bank and trust company is a member of the Federal Reserve System it is not examined by the Federal Deposit Insurance Corporation but is examined by the Federal Reserve Bank of which it is a member and by the State Department of Banking.

The number of banks, trust companies, private and savings banks under the jurisdiction of the Banking Department totaled 728 on June 1, 1929. During the three ensuing years a drastic reduction occurred in the number of banking institutions so that on June 1, 1932, the number under supervision dropped to 498. From 1932 up to the present date (June 1, 1940), the reduction was more gradual. There are now 402 institutions under sup-

ervision of the Department.

The Department of Banking classifies banking institutions into four groups, A, B, C, and D, according to the condition of the institutions as reflected by the reports of examination. This classification, however, does not in itself determine how often the institutions involved will be examined within any one year. The particular factors or problems which contribute to the final classifications are more important in determining the frequency of examination, special examination, investigation, special reports and conferences which are arranged in addition to the one regular examination conducted each year.

The costs of the Bureau of Banks and Trust Companies are assessed against all the banking institutions of the State on a sliding scale proportionate to the total assets of the commercial department and the total assets of the trust department. A minimum charge of fifteen dollars covers the first \$100,000 of assets up to a certain point; then it drops down to five dollars for each \$100,000 additional up to \$2,000,000 and then four dollars up to \$5,000,000, then three dollars for each \$100,000 up to \$10,000,000, then two dollars for each \$100,000 over \$10,000,000.

a. Division of Credit Unions and Small Loan Companies

It is the function of the Division of Credit Unions and Small Loan Companies to supervise all credit unions, consumer discount companies, small loan companies and pawnbrokers. Examinations must be made at least once a year of all credit unions and small loan companies, while consumer discount companies and pawnbrokers may be examined whenever the Secretary of Banking deems such a procedure necessary.

3. Bureau of Building and Loan Associations

The Department is given jurisdiction over active building and loan

associations and also over building and loan associations which are being liquidated voluntarily by liquidating trustees elected by the shareholders. The function of this Bureau is to examine and supervise these associations. The State has been divided into two districts, with offices in Philadelphia and Harrisburg. Two-thirds of the number of associations are located in the southeastern part of the State. The Bureau is under the direction of a chief and the two district offices have in their employ office assistants, examiners, stenographers and clerks.

The Department of Banking determines the frequency of an examination according to the particular factors or problems within each association which require special attention. These factors or problems determine the number of special examinations, investigations, special reports and conferences arranged in addition to the one regular examination held in each year.

On June 1, 1929, there were 4,235 building and loan associations subject to supervision by the Department of Banking. As of June 1, 1940, the number of these associations totaled 2,412, or a reduction of 43.0%.

4. Bureau for Liquidation of Institutions in Possession

This Bureau has the supervision of all closed banks and building and loan associations. Those in possession of the Department for purposes of liquidation pay the costs incurred in their behalf the same as active banks.

As of May 1, 1940, the Secretary of Banking acted as receiver for 122 banks, with appraised assets of over \$40,000,000 and receiver of 274 building and loan associations with appraised assets of over \$3,000,000. Nine of the banks and 116 of the building and loan associations will in all likelihood not be able to pay further dividends, and final accounts will be filed in court for these institutions.

Most of the closed banks have been in receivership for approximately nine years and most of the building and loan associations for approximately five years. The receivers have collected during this period those debts which were most easily collectible and have sold the most easily disposable assets, leaving for collection the most difficult debts, and for sale the most unsalable properties.

Obviously, it will be more difficult as time goes by to collect debts owed to the closed institutions or to make advantageous settlements or to sell real estate at a profit. Consequently, the cost of liquidation, per unit, must naturally rise.

There are approximately 32,680 persons and corporations who have not yet paid their debts to the closed banks and approximately 21,770 who owe the closed building and loan associations. There are 1,386 individuals or corporations, each of whom owe one or more closed banks over \$10,000. These 1,386 debtors owe the closed banks \$43,000,000.

Real estate owned by closed banks and by closed building and loan associations has an estimated market value of approximately \$20,000,000.

In the liquidation of closed banks and closed building and loan associations there are three types of expenditures involved:

1. General overhead, such as the salaries of employes of the Liquidation Division itself, which supervises the liquidation of all closed banks and building and loan associations.
2. Expenses incurred by the Secretary of Banking as receiver and the employment of a deputy receiver and in the employment of others who are directly and solely engaged in connection with winding up the affairs of the particular closed banks and closed building and loan associations.
3. Expenses incurred by the Secretary of Banking for services engaged for the benefit of more than one institution in the possession of the Secretary as receiver.

The expenses involved in item 2 are paid out of the assets of the particular closed institution. The expenses involved in items 1 and 3 are equitably distributed among the several banking institutions and building and loan associations in the possession of the Secretary as receiver. The division and apportionment of the expenses in items 1 and 3 are based on the inventory and appraisal of the closed banks. Each bank and building and loan association is required to pay the expenses in the same proportion that the value of their inventory and appraisal bears to the total values of all the inventories and appraisals of the several closed banks and building and loan associations in the possession of the Secretary as receiver. This practice is followed by the Secretary of Banking and is authorized by the Department of Banking Code of 1933. (2)

In 1939, the Legislature appropriated \$10,000 to the Department of Banking which was designated as a revolving fund for use in liquidating closed building and loan associations. This revolving fund was deemed necessary because many closed associations were in an unliquid position and were therefore unable to pay their proportionate share of the expense. In such situations the revolving fund made advances on behalf of these associations of their shares of the expense, and when the assets of the associations were reduced to liquid form the associations reimbursed the revolving fund. This revolving fund is now down to around \$1,000, most of it having been advanced to cover the situations indicated.

5. Departmental Administrative Boards

a. Pennsylvania Securities Commission

The Pennsylvania Securities Commission, a departmental administrative commission in the Department of Banking, was created by an amendment to the Administrative Code approved April 13, 1927, and was vested with (5)

the power to administer and enforce the provisions of the Securities Act of 1927 as amended from time to time. In 1933 there was placed under its supervision the enforcement of Act No. 113, P.L. 788, which transferred from the Department of Banking the rights and duties relating to the licensing and regulating of corporations, co-partnerships, associations and individuals engaged in the investment business. The 1939 session of the Legislature passed a new "Pennsylvania Securities Act" which was approved by the Governor June 24, 1939, (6) and repealed the Act of 1927.

The function of the Commission is to protect residents of Pennsylvania in the purchase and sale of securities. It registers dealers and salesmen who wish to engage in the business of offering securities to the public in Pennsylvania and who undertake to dispose of securities for the public. After a hearing, it may revoke the registration of any dealer or salesman who has violated any of the provisions of "The Pennsylvania Securities Act" or who has been guilty of any fraud or fraudulent practice thereunder. Refusal or revocation of registration by the Commission is made subject to appeal to the Court of Common Pleas of Dauphin County. The Commission is also vested with authority to institute criminal prosecution for violations of the provisions of "The Pennsylvania Securities Act" and may bring an action in the name and on behalf of the Commonwealth of Pennsylvania against any person to enjoin such person from doing any act or acts in violation of the provisions of "The Pennsylvania Securities Act" or Act No. 113, 1933, P.L. 788. With respect to this latter Act, the Commission is given power to require the registration of entities engaged in the business of selling or offering for sale installment or single payment contracts under which all or part of the total amount received is to be repaid at some future time and wherein the contracts are "not secured by adequate property."

The Commission is composed of three Commissioners, one of whom is designated as Chairman by the Governor, and the Secretary of Banking is an ex-officio member. The Chairman receives an annual salary of \$7,500, while the remaining two commissioners receive \$7,000. All employes, agents and investigators for the Commission are appointed by the Secretary of Banking with the approval of the Governor. The work of the Commission falls into four general classifications; namely, secretarial, examination, registration and investigation. The secretarial staff has charge of office routine and sees to the execution of the orders of the Commissioners. The examiners employed by the Commission check upon the qualifications of all applicants for registration before presentation to the Commissioners for action, while the investigators handle complaints coming before the Commission and assist in the prosecution of violators of "The Pennsylvania Securities Act."

The Commissioners pass upon the applications for registration of dealers and salesmen, hold hearings on dealers' and salesmen's applications, revocations, and refusals to register, scrutinize prospectuses describing securities, order investigations, and in general supervise all activities of the Commission. The Commission supervises the registration of all dealers and salesmen. There are at present 527 dealers and 2,700 salesmen registered. The filing fee for dealers is \$10 and the registration fee for dealers is \$40. The registration fee of \$40 is reduced by one-half on and after July 1st of each year. The filing fee for salesmen is \$10 and the registration fee is \$10 for each salesman. The qualifications of all applicants for registration are checked by the Commission's examiners before their applications are submitted to the Commission for consideration.

The offering of all corporate securities through registered dealers is passed on by the Commission before they are sold in the Commonwealth. No control is exercised over Federal, State or municipal securities. There are two methods by which the sale of securities is regulated: (1) by requiring the filing of a prospectus with the Commission through a registered dealer, and (2) by licensing as a dealer the issuing company to sell its own securities. In the latter case the entire financial set-up is investigated. In the former, the Commission's primary interest is in the full disclosure in the prospectus of all the facts upon which a prospective purchaser can base his judgment of the security offered. This includes disclosure of the margin of profit given to the dealer in the form of commissions, etc. by the corporation whose securities are being offered to the public. The Commission has the right to refuse to sanction the sale of securities if, in its judgment, the plan of business is "unfair, unjust, or inequitable." Under "The Pennsylvania Securities Act" the Commission is given the power to use practically any method it may deem necessary to determine the true financial condition of the applicant.

The facilities of the Pennsylvania Motor Police have been added to those of the Commission in making investigations. If a complaint is made to the Commission relative to an illegal sale of securities by an unregistered dealer or salesman, an investigation is made by the Motor Police at the request of the Commission. The report of such an investigation is turned over to the Commission for scrutiny and, if it is apparent that the law is being violated, a Commission investigator prepares information for warrants of arrest and assists in the prosecution of the case. In addition, the following organizations cooperate in keeping the Commission informed regarding securities schemes in violation of the law: the State

Chamber of Commerce, the Pennsylvania Bankers' Association, Investment Bankers' Association, and the Better Business Bureaus. The local members of these organizations answer quarterly questionnaires prepared and sent out by the Commission which provide the Commission with current information from all over the State.

b. The Banking Board (7)

The Banking Board, a departmental administrative board, is vested by the Legislature with the following distinct powers:

- (1) It may upon recommendation by the Secretary of Banking and after hearings, remove any officer, director, trustee, attorney or employe of any banking institution under the jurisdiction of the Department found guilty of unsound banking practice or violation of the law.
- (2) The Board must also pass upon establishment of branch banks under the Banking Code in any community where establishment of branches was prohibited prior to January 1, 1935.
- (3) In the case of reserves which banking institutions have to maintain against deposits, the Department of Banking may, with the approval of the Banking Board, alter the amount which is now set up by the Banking Code. The right to increase the required reserves is limited and, once increased, may later be decreased but not below what the Code itself prescribes.
- (4) In the case of common trust funds maintained by bank and trust companies or trust companies for the collective investment of trust funds, the Department of Banking may, with the approval of the Banking Board, issue regulations pertaining to their establishment and operation.

The Banking Board has no power to initiate any matters, its functions being only to pass upon certain matters approved by or initiated by the Department of Banking.

The Act creating the Board provides that six of the nine members must be appointed by the Governor from a panel of nominees presented by the Pennsylvania Bankers' Association. These members can be removed only for

absence from six consecutive meetings of the Board without excuse. If any member is removed, the Governor must appoint a substitute from the same geographical area represented by the original member. The three remaining members consist of the Secretary of Banking, who acts as chairman and ex-officio member, and two persons appointed by the Governor.

c. The Building and Loan Board (8)

The Building and Loan Board is vested by the Legislature with the power, upon recommendation by the Secretary of Banking and after hearings, to remove any director, officer, attorney or employe of any building and loan association under the jurisdiction of the Department found guilty of violation of the law relating to building and loan associations, or of unsafe or unsound practices in conducting the business thereof.

The Act creating the Board provides that six of the nine members thereof shall be appointed by the Governor from a panel of nominees presented by the Pennsylvania League of Building and Loan Associations. These members can be removed only for absence from six consecutive meetings of the Board without excuse. The three other members consist of two appointed by the Governor at large, and the Secretary of Banking, who acts as chairman and ex-officio member.

D. PERSONNEL

On June 1, 1940, the Department of Banking (including the Pennsylvania Securities Commission) employed a total of 218 persons to perform the Department's functions discussed on preceding pages. The aggregate annual payroll for these employes totaled \$535,370. Table XXIII-A shows the distribution of these employes and total salaries paid according to Bureau.

TABLE XXIII-A

DEPARTMENT OF BANKING
NUMBER OF EMPLOYEES AND SALARIES PAID
JUNE 1, 1940

Bureau	Number of Employees	Annual Salaries
Executive	63	\$135,000
Banks and Trust Companies	66	176,810
Building and Loan Associations	66	164,780
Credit Unions - Small Loan Companies	6	13,260
Liquidation of Closed Institutions	3	8,400
Pennsylvania Securities Commission	14	37,120
Total	218	\$535,370

E. FINANCES

As indicated previously, the Department of Banking assesses banking institutions and building and loan associations for expenses incurred by the Department in its supervisory and examining capacity. Hence, exclusive of appropriations to the Securities Commission, the Banking Department is self-supporting and does not receive appropriations from the Legislature, except for a small sum (\$10,000 for the 1939-41 biennium) used as a revolving fund for liquidation expenses in connection with building and loan associations.

In Table XXIII-B, page 2317, is shown, by function performed, the gross cost of operating the Department of Banking, together with revenues derived during the two bienniums 1935 to 1939 and the first year of the 1939-41 biennium. Although certain functions are not on a self-supporting basis, the following analysis indicates that aggregate revenues amply pay for the expense involved in operating the Department.

TABLE XXIII-B

DEPARTMENT OF BANKING
GROSS COSTS AND REVENUES DERIVED
BIENNIUMS 1935-37 TO 1939-41

Function Performed	Biennium					
	1935-37		1937-39		1939-41 b/	
	Gross Cost	Revenue	Gross Cost	Revenue	Gross Cost	Revenue
Overhead expenses applicable to supervision of banks & trust companies	\$307,923.51	\$367,057.65	\$357,897.05	\$363,116.31	\$141,620.57	\$180,609.35
Examinations of banks and trust companies....	517,167.15	508,625.81	530,925.39	541,580.12	250,511.75	258,532.91
Examinations of building and loan associations..	368,403.31	324,373.40	321,065.13	302,054.71	132,506.09	132,269.33
Supervision and examination of private banks & small loan companies	33,972.69	73,002.12	49,057.10	131,219.95	17,664.41	69,263.41
Liquidation of closed institutions a/.....	31,248.86	31,248.86	33,151.67	33,151.67	9,018.25	9,018.25
Overhead expenses applicable to supervision of building and loan associations	142,154.18	150,150.03	132,301.25	125,679.18	54,543.68	56,257.70
Registration and supervision of security dealers and salesmen ..	118,032.92	200,648.19	136,322.30	220,419.94	45,722.30	84,933.25
Total	\$1,518,902.62	\$1,655,106.06	\$1,560,719.89	\$1,717,221.88	\$651,587.05	\$790,884.20

a/ Including bank examiners used as temporary special deputies until permanent special deputies were appointed.

b/ One year only

FOOTNOTES

- (1) 1923, P.L. 809
- (2) 1933, P.L. 565
- (3) 1933, P.L. 624
- (4) 1933, P.L. 457
- (5) 1927, P.L. 273
- (6) 1939, P.L. 748
- (7) 1937, P.L. 337
- (8) 1937, P.L. 337

CHAPTER XXIV

DEPARTMENT OF HIGHWAYS

The first Act creating a Highway Department in Pennsylvania was passed in 1903. (1) This Act provided for the appointment of a Highway Commissioner and necessary assistants to cooperate with counties, townships and boroughs in the improvement and maintenance of public highways in the Commonwealth. Financial aid was extended to counties, townships and boroughs for the construction of highways in an amount not to exceed 66-2/3% of the cost. No roads were taken over as State highways, and the initiative for construction projects lay with the local political units. Up to the end of 1909, 724.7 miles of township roads had been constructed through State aid at a cost of \$8,221,279.

The Sproul Act of 1911 established the State Highway Department, and provided for taking over as State highways some 8,835 miles of first and second class township roads, comprising 269 specified routes connecting important centers of population, and providing through routes from north to south and east to west. (2)

Improvement and maintenance of these highways became the sole responsibility of the State. The State aid program was continued, but the share of funds contributed by the State was reduced to 50%, and greater supervision was exercised over local maintenance operations. A turnpike purchase program was instituted. The licensing of motor vehicles was made a responsibility of the Highway Department, and continued in this Department until 1929, when this function was transferred to the Department of Revenue.

Additional miles of road were transferred to the State Highway System in succeeding years as shown in Table XXIV-A, page 2402.

TABLE XXIV-A

DEPARTMENT OF HIGHWAYS
ORIGINAL STATE HIGHWAY SYSTEM AND ADDITIONS THERETO
UP TO MAY 15, 1940

Mileage As Of		Total Miles
December 31, 1911	Miles created June 1, 1911 by Act of 1911...	8,835
	Miles added June 1, 1915 by Act of 1913.....	<u>1,365</u>
December 31, 1913	.....	10,200
	Due to corrections and a more accurate survey during 1923, the State Highway System was increased.....	<u>67</u>
December 31, 1923	.....	10,267
	Miles added June 1, 1926 by the Omnibus Road Bill, Act of 1925.....	1,172
	Corrections and Resurveys.....	17
		<u>1,189</u>
December 31, 1926	.....	11,456
	Miles added July 1, 1928 by Omnibus Road Bill.....	1,214
	Amendments.....	85
		<u>1,299</u>
	Shortening of mileage through relocations, resurvey, etc.....	5
		<u>1 294</u>
July 1, 1928	.....	12,750
	State-aid miles added by Act 584, May 16, 1929.....	553
	.....	<u>13,303</u>
	Corrections and Resurveys.....	8
May 16, 1929	.....	13,311
	Township Reward roads added by Act 584, May 16, 1929.....	78
	Amendments added by Acts 493, 494, 495 496.....	36
		<u>114</u>
		<u>13,425</u>
	Shortening of mileage through relocations, resurveys, etc.....	21
May 15, 1930	.....	13,404
	Shortening of mileage, relocations, resurveys.....	20
May 15, 1931	.....	13,384
	Miles of former State-aid roads added to system by Act 340, June 25, 1931.....	139
	Amendments added September 1, 1931.....	10
		<u>13,533</u>

TABLE XXIV-A
(Continued)

Mileage As Of		Total Miles
May 15, 1931	Less State-aid applications, maintained 100% by State, taken over on Rural Road System..... 4	13,533
	Less State Reward roads taken over on Rural Road System (concrete)..... 3	<u>7</u>
	.....	13,526
	Less Corrections and Resurveys.....	<u>5</u>
	Total State Highway System.....	13,521
August 15, 1931	Rural roads added by Act 203, June 22, 1931....	20,156
	City streets connecting State highway routes, Act 262, June 22, 1931.....	<u>312</u>
	Total.....	33,989
August 15, 1931	State Highways in cities, Act 326, June 3, 1933	125
	State Highways in boros, Act 290, June 1, 1933.	622
	Abandoned Turnpike, Act 327, June 3, 1933.....	657
	Additional State Highways, Act 289, June 1, 1933	6
	Additional State Highways, Act 292, June 1, 1933	28
	Rural Route Amendments, Act 291, June 1, 1933..	<u>26</u>
	.....	35,453
	Less Corrections and Resurveys.....	<u>66</u>
May 16, 1934	.....	35,387
	Omnibus Road Bill, Act 301, July 12, 1915.....	2,426
	State Highways in cities, Act 297, July 12, 1935	48
	State Highways in boros, Act 295, July 12, 1935.	<u>183</u>
May 16, 1936	.....	38,044
	Less Corrections and Resurveys.....	<u>12</u>
May 16, 1936	.....	38,032
	Omnibus Road Bill, Act 437, June 25, 1935.....	2,193
	State Highways in boros, Act 440, June 25, 1937	110
	State Highways in cities, Act 444, June 25, 1937	21
	State Highways in Phila., Act 135, May 7, 1937.	<u>155</u>
	.....	40,511
	Less Corrections and Resurveys.....	<u>29</u>
May 16, 1936	.....	40,482
	Plus Corrections.....	<u>40</u>
May 16, 1940	.....	40,522

It will be seen that State highway mileage increased gradually from the original 8,835 miles as of December 31, 1911, to 13,521 miles as of May 15, 1931. This is generally referred to as the "Old State Highways System."

With the advent of the Pinchot Administration in 1931, however, 20,156 miles of rural roads (known as the "Rural Road System") were added to the State Highway System. The insistent public demand for smoother and wider highways, as well as additional through routes has increased the centralization of control of highways with the State, as is evidenced by the growth of the State Highway System to the present 40,522 miles, shown above in Table XXIV-A.

In 1917 the Township Reward System was instituted to stimulate local expenditures for highway improvement. Under this plan, the State granted a bonus to townships constructing roads of certain specified improved types.

From administration to administration there have been many changes in policy with regard to highway construction and reconstruction. In the administration of Governor Sproul, the policy was to build all new construction of the best and most expensive type. A survey of the highway system, made by the Commission on Finances appointed by Governor Pinchot in 1922, pointed out the excessive cost and length of time which would be required to complete the highways of the State if this policy were continued. The survey established the idea of distinguishing between primary or trunk line highways, and secondary or feeder highways. It was pointed out that the more expensive types of construction should be confined to primary routes, and that by utilizing less expensive types of construction on secondary highways, in keeping with the demands of traffic, it would be possible to pave the remaining portions of the State Highway System in shorter time, and at reduced cost. Although the traffic on all highways has grown steadily, this principle has guided the administration of the Department since 1923.

A. FUNCTION

The present functions of the Pennsylvania Department of Highways are to maintain, construct, and reconstruct the 40,522 mile State Highway Sys-

tem, and 17,299 bridges located on this system. Included in these functions are snow removal, installation and approval of signs, signals, markings and other traffic services, and approval of highway expenditures by counties, townships and other sub-divisions of the Commonwealth as authorized by specific statutes.

B. POWERS AND DUTIES

The Department of Highways is empowered and charged with the responsibility of carrying out the following duties: (3)

1. To mark, build, rebuild, relocate, fix the width of, construct, repair and maintain the highways designated by law as State highways.
2. To have exclusive authority and jurisdiction over all State highways.
3. To superintend, supervise, and control the work of building, rebuilding, maintaining and repairing State-aid highways.
4. To enter into contracts for constructing, repairing or maintaining State highways.
5. To divide the State into suitable highway districts or divisions or both, and place in charge of each division or district an employe selected by the Secretary of Highways to carry out duties prescribed by the Department.
6. To make a survey of all the roads of the State and a general highway plan of the State, and to compile statistics and collect information relative to the mileage, character and condition of the roads in the townships and counties of the State.
7. To investigate and determine upon the various methods of road construction best adapted to the various sections of the State, and to establish standards for the construction and maintenance of highways in various sections, taking into consideration the topography of the country, natural conditions and the character and ability of the townships and counties to build and maintain roads as provided by law.
8. To advise the proper county, city, borough, incorporated town or township officers relative to the construction, repair, alteration and maintenance of highways and bridges.
9. To prepare and compile useful information relative to road building and maintenance, which may be disseminated by means of printed bulletins, for the promotion of road improvement throughout the State.

10. To cause to be published maps, showing complete road surveys of each county, which shall be kept on sale in the Department at the cost of publication.
11. To call State, county or township road meetings or conventions at such times and places as the Department shall deem wise, and to assist in the formation of county associations of township officers and be represented at their conventions.
12. To have general supervision over all township highways and bridges constructed, improved or maintained, in whole or in part, by the aid of State moneys, and to approve all agreements made by township supervisors for the expenditure of moneys appropriated by the State for road purposes.
13. To approve plans, specifications and estimates for the erection and repair of township bridges and culverts, and for the construction and maintenance of township highways. Such plans and specifications shall not be approved unless they meet the standards of the Department and no contract shall be valid unless it is in accordance with plans prescribed or unless plans, specifications and estimates have been prepared or approved by the Department.
14. To furnish bulletins of instruction to the boards of township supervisors throughout the State for building, repairing, maintenance and improvement of township roads and bridges, and to furnish additional information when called upon to do so. The Department may also furnish, free of charge, standard plans and specifications for permanent improvements in the building of bridges and culverts, establish all grades, proper drainage, and such other matters as may be deemed essential.
15. To prescribe the method of keeping township accounts and record of moneys received and expended for highways, machinery, bridges, tools, implements and for miscellaneous purposes; from time to time to cause examination of all such accounts and records to be made, and to furnish and supply to the several township officers all necessary books, blanks, forms and supplies which shall be necessary for the proper conduct of the road work of the township.
16. To administer the State Reward Fund, as provided by law.
17. To acquire, on behalf of the Commonwealth, by purchase or otherwise, turnpike or toll roads, or any parts thereof, or toll bridges, in such manner and subject to such terms and conditions as provided by law.
18. To prepare plans for and rebuild county bridges over navigable rivers and other streams, where such bridges have been destroyed by flood, fire, or other casualty: Provided, however, that such bridges shall be rebuilt only if and when the General Assembly shall have specifically appropriated funds for such purpose.

19. Through the State Bridge and Tunnel Commission to acquire, maintain, and operate intra-state toll bridges, and for the purpose of acquiring such bridges, to enter into such agreements, issue such revenue bonds or other securities, and perform such other functions as shall, from time to time, be prescribed by law.

In order to carry out its assigned duties, the Department is authorized, within limits prescribed by law, to own or lease necessary machinery, equipment, lands and buildings.

C. ORGANIZATION AND OPERATIONS

The Department of Highways is organized functionally as shown in Chart XXIV-1, page 2408. There follows a general description of the operations and functions of the Department by organizational units, as shown in the organization chart.

1. Secretary of Highways

The Secretary of Highways is the executive head of the Department. He is appointed by the Governor with the advice and consent of two-thirds of the members of the Senate. By virtue of his office he is a member of the Geographic Board in the Department of Forests and Waters, which assigns official proper names to creeks, mountains, valleys, etc.; a member of the Highway Mining Commission, which regulates mining activities under State Highways; a member of the Pennsylvania Turnpike Commission, which constructed and now operates the new Pennsylvania Turnpike; and a member of the State Bridge and Tunnel Commission.

2. Administrative Staff Reporting Directly to Secretary of Highways

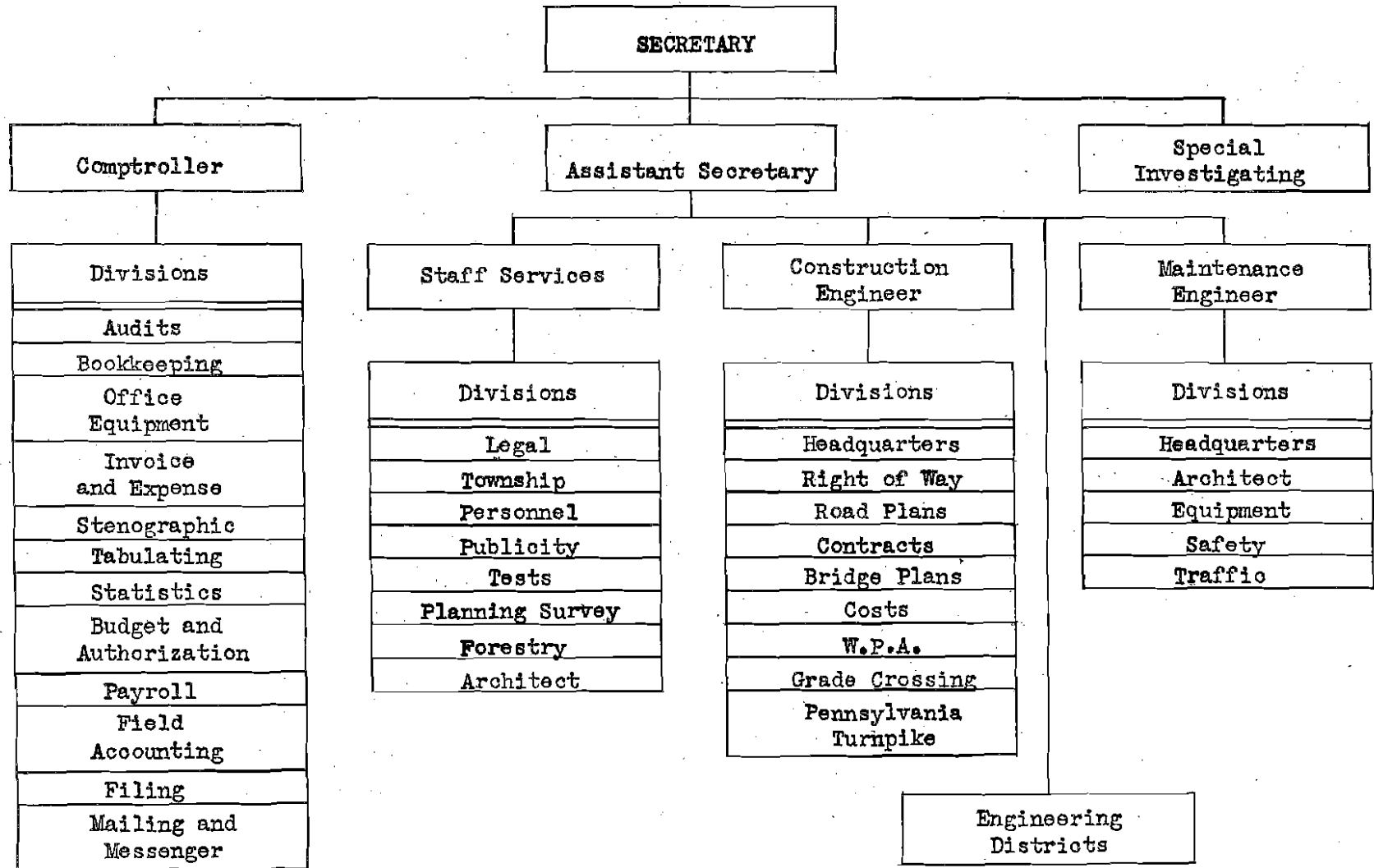
Executive control of the Department is maintained by the Secretary through the following officers of the Department who report directly to him:

a. The Comptroller

The Comptroller is in charge of all financial matters connected with new construction, reconstruction, maintenance, equipment and snow re-

CHART XXIV-1

ORGANIZATION OF THE DEPARTMENT OF HIGHWAYS



-2408-

removal work, and the allocation of funds to each county and to each job. In addition he exercises jurisdiction over the auxiliary or housekeeping agencies within the Department. Reporting to the Comptroller through an Assistant Comptroller are the following divisions: auditing, (performing both field and office audits), bookkeeping, office equipment, stenographic, statistics, filing, mailing and messenger, invoice and expense control, tabulating, budget and authorization, payroll, field accounting and clerical forces.

The Comptroller secures regular reports from field employes, maintains a check on field employes to ascertain whether or not their expenditures are in accordance with the budget allocations. A number of headquarters and field auditors serve under the Comptroller to check on materials, audit accounts and requisitions, enforce accounting procedure and prevent payroll and expense account padding. All expenditures are closely checked by the Comptroller's staff, and the following procedure has been established to prevent overdrafts:

A book account is set up for each authorization for field construction or maintenance work. The account is credited with the amount of the authorization, and invoices and payrolls are charged against the account as they pass through for payment, so that the balance available can be determined quickly at all times. The same procedure is followed in the field offices and the central office. No posting is made which would create an overdraft of the funds budgeted. If the posting of a bill would cause an overdraft, no posting is made, but a form is prepared and forwarded to the office involved, stating that payment has been stopped on the account due to shortage of funds. In order that the work may be completed, additional funds are requested of the Comptroller and arrangements are made to pay the bills on hand or contracted for.

No transfers of funds may be made by the field office, and each account must reflect the true status of a work project at all times. Any funds required to complete a particular job in excess of the amount originally authorized can only be secured through proper explanation to and authorization by the central office.

It will be seen that there is a complete separation of the financial and operating organizations, thus assuring absolute control of all funds appropriated or allocated to the Department.

b. Special Investigating Division

Also reporting directly to the Secretary and responsible only to him is a Special Investigating Division with the job of preventing and detecting misappropriation of highway materials and equipment, and collusion between Department employes and private contractors. These investigators operate somewhat in the manner of Federal Post Office Inspectors.

c. Chief Engineer

The Chief Engineer of the Department works directly with the Secretary to assist him in the administration of technical affairs.

d. Assistant Secretary of Highways

All of the functions of the Department which have not been discussed above are under the supervision of the Assistant Secretary of Highways, who acts in a capacity similar to a General Manager, and absorbs much of the field and office routine detail for the Secretary.

3. Departmental Functions under the Direction of the Assistant Secretary of Highways

The supervision and coordination of the activities of the headquarters and field organizations, covering both line and staff functions, is centralized in the office of the Assistant Secretary of Highways. The major line functions are highway construction and maintenance, under a Chief Con-

struction Engineer and a Chief Maintenance Engineer, respectively. Staff units provide such services as legal counsel, supervision of township aid, personnel, publicity, tests, planning survey, forestry, and building construction architect.

a. Construction

Complete jurisdiction over the construction of State highways and bridges is placed in the Chief Construction Engineer. Table XXIV-B, which shows the Department expenditures for capital improvements by contract forces during the years 1939 and 1940 by highway districts, pictures the volume of work handled by this Division. (4)

TABLE XXIV-B
DEPARTMENT OF HIGHWAYS
EXPENDITURES FOR CAPITAL IMPROVEMENTS ON
CONTRACTS AWARDED OR EXECUTED
BY HIGHWAY DISTRICTS
1939 AND 1940

District Number	Miles	Contract Value
1	110.28	\$ 5,009,384.85
2	72.13	3,642,986.97
3	77.68	4,251,075.89
4	99.16	5,835,083.98
5	74.77	4,048,676.76
6	58.17	3,718,416.63
8	80.42	4,037,577.13
9	41.45	4,279,048.40
10	90.81	4,461,477.07
11	60.05	5,706,418.03
12	<u>43.05</u>	<u>2,774,048.91</u>
Sub-Total.....	<u>807.97</u>	<u>\$47,764,194.62</u>
Additional in December Letting not included above.....	6.15	3,600,000.00*
Total.....	814.12	\$51,364,194.62

*Estimated

The Chief Construction Engineer is assisted by a staff of technical assistants, clerks, and stenographers, operating in divisions as follows:

(1) Headquarters Construction Division

The Headquarters Construction Division is headed by an office engineer, supervising and coordinating actual construction work details.

(2) Right-of-Way Division

The Right-of-Way Division handles all matters pertaining to the location and right-of-way of all State highways and property damage claims.

(3) Road Plans Division

All drawings for highway construction are prepared by the district offices and submitted to the Road Plans Division, headed by a Design Plans Engineer, for checking. The design of State highways is based on the character and amount of traffic which will use the highway, taking into consideration the normal volume of traffic, and also providing for peak loads.

Particular attention is paid to the following factors in completing the design of a highway:

- (a) Width of Road surface
- (b) Width of graded roadway
- (c) Type and depth of road material selected, taking into consideration soil conditions and character of local native materials available.
- (d) Anticipated speed of vehicles operating on the completed highway.

Recommendations for type of construction to be used on any highway originate in the district offices and are submitted to the Chief Engineer of the Department for final approval.

(4) Contract Division

The Contract Division supervises the advertising for bids, prepares contracts in final form and submits them to the Attorney General

for approval. The standard procedure as outlined by the Department in the manual of specifications is as follows:

Bids are advertised, submitted, opened by the Chief Construction Engineer, tabulated, and the award made to the lowest bidder by the head of the Department. The specifications set forth in the advertisements are drawn by the Department's engineers. Specifications and drawings are sold to prospective bidders at \$2.50 a copy. Bids when submitted are deposited in a steel box with a combination safe lock.

(5) Bridge Plans Division

The Bridge Engineer and his designing organization prepare plans and specifications for State highway bridges and incidental structures. Standard designs are used whenever possible, but in many cases a special design is necessary. Since bridges represent a very high initial cost per mile, and are fixed in position and of long-lived construction, they must be designed with consideration of the expected traffic needs for 50 years or more, and to possible future improvement of the highway beyond the limits of the structure.

Reviewed briefly, the following are some of the principal steps involved in bridge planning:

- (a) Determine location, width and right-of-way.
- (b) Determine amount of free waterway opening or clear span to be provided, considering stream velocity, rapidity of runoff, possible flood heights, shallows and bends in stream, etc. In some cases the stream channel is relocated to provide for more effective use of the bridge opening.
- (c) Assure compliance with all State and Federal laws affecting bridges over streams, over or under railroads and other public utilities. This requires approval of the Water and power Resources Board for the waterway opening, of the Fish Commission for stream channel changes, and of the State Arts Commission for the artistic appearance of the structure.
- (d) Secure approval of the United States War Department for horizontal and vertical clearances when crossing navigable streams.
- (e) If a bridge is over or under a railroad or other public utility, the approval of the Public Utility Commission must be secured.

- (f) If Federal moneys are to be used in the construction, approval must be secured on line, grade, and plans by the Federal Public Roads Administration.

The examples mentioned are not intended to cover the work of this Division completely, but are cited to show the range of problems handled.

During 1940, contracts for constructing 497 bridges were awarded at a total cost of \$6,765,061. In addition, 219 bridge projects for construction by department forces at a total estimated cost of \$568,158 were approved. The latter consists mostly of repairs, but does include the construction of a number of small span bridges.

(6) Costs and Estimates Division

Costs and estimates on all projected construction work are prepared in this Division, which is under the direction of the Cost Engineer.

(7) W.P.A. Cooperation Division

The W.P.A. Engineer coordinates the programs of the Highway Department and the Works Progress Administration to prevent useless projects and duplication of work, and indicates to the Federal authorities where relief labor could be profitably put to work on public roads within the State.

Department funds required for the sponsor's share of each specific project are definitely allocated to that project and represent the definite limit of departmental participation. Participation is limited to materials incorporated into, and which become a component part of the completed work, together with a definite proportion of road building equipment costs. The balance of equipment as well as all labor costs are furnished by the W.P.A. authorities.

(8) Grade Crossing Division

The Grade Crossing Engineer and his assistants secure data on

railroad crossings from highway field organizations and railroads, make personal investigations, and compile the data and studies. After consultation with railroad engineers, projects are selected and included in a program for which a definite amount of money has been allotted. In the past six years the Federal Government has made millions of dollars available for use in undertaking grade separation projects.

According to law, all matters involving grade crossing eliminations or protection must be approved by the Pennsylvania Public Utility Commission. Proceedings against existing crossing conditions are prepared and instituted through this Division. General construction drawings showing the location of existing conditions and the proposed improvement are prepared. Where the improvement requires a bridge, the overhead structures carrying the highway over the railroad are designed by the Bridge Plans Division. Undergrade structures carrying the railroad over the highway are designed by the railroad engineers.

Upon completion, the various plans are submitted for review to the Public Utility Commission, the local municipalities and any public utility company involved. A sufficient time is permitted for study of the drawings, after which a conference is called on the ground, to discuss the various engineering features and to consider the effect which might be produced on local communities. Final decision rests with the Public Utility Commission as to whether the plan prepared by the Highway Department or any other party is the best method of promoting safety for the users of the highway and the railroad.

Federal funds are not available for the payment of property damage claims resulting from the improvement, and such costs must be assumed by

the State, railroads and local parties. If the parties cannot agree on the division of these costs, the Public Utilities Commission may allocate the cost among the parties affected.

Plans are reviewed, checked and revised, and estimates prepared to show the cost of the proposed improvement. Agreements between the Department of Highways and the railroads are also made up to indicate and definitely prescribe the parties who will perform the work, how the costs will be paid and which parties shall maintain the completed improvement. When all these data have been assembled, they are submitted to the Federal authorities for their approval in regard to Federal moneys involved, and upon receipt of such approval, bids are asked.

(9) Turnpike Division

The survey for the route of the Pennsylvania Turnpike was made by the Department of Highways, for which the Department was reimbursed by the Commission. Supervision of the survey, and the handling of matters involving the Department while construction was in progress, was handled by this Division. The Secretary of Highways, as a member of the Turnpike Commission, exercises continuing control over the operation and maintenance of the Turnpike, and details of these matters are handled in this Division.

b. Maintenance

All maintenance activities of the Department are under the direction of the Chief Maintenance Engineer. Throughout its history the Department has placed a broad interpretation upon the legislative authorization to maintain highways. A list of maintenance activities drawn up by the Department in 1930 includes: resurfacing, surface treatment of macadam roads, oiling of earth roads, snow removal, repairs to bridges, erection and main-

tenance of guard rails and signs, pavement markings, roadside plantings and repairs of a general nature, such as patching of pavements, maintenance of shoulders and drainage features. In recent years, the definition of maintenance has been enlarged to include erection of improved structures to house district personnel and equipment, and also an intra-departmental safety program.

Table XXIV-C shows the total cost, mileage, and cost per mile of general and special maintenance, excluding surface treatment and snow removal, by highway districts for 1939:

TABLE XXIV-C
DEPARTMENT OF HIGHWAYS
GENERAL AND SPECIAL MAINTENANCE EXPENDITURES
EXCLUDING SNOW REMOVAL AND SURFACE TREATMENT
1939

District Number	Total Cost	Mileage	Cost Per Mile
1	\$ 818,181.60	3,695	\$221.
2	526,120.71	2,999	175.
3	643,107.46	3,834	168.
4	904,924.75	4,520	200.
5	825,515.00	3,415	242.
6	1,348,427.00	3,455	390.
8	1,215,040.96	5,795	210.
9	616,137.15	3,010	205.
10	741,575.32	3,540	210.
11	889,851.58	3,046	292.
12	728,187.05	3,236	225.
Total.....	\$9,257,068.58	40,545	\$228.

An increasingly important phase of the Department's maintenance activity has been the snow removal program, which has increased in cost and covered increasing mileage of roads during the past ten years. The miles of road covered by the snow removal program, the average cost per mile, and the total cost of snow removal is shown by years in the following Table XXIV-D:

TABLE XXIV-D

DEPARTMENT OF HIGHWAYS
EXPENDITURES FOR SNOW REMOVAL PROGRAM
1930 TO 1940

Fiscal Year	Mileage Snow Removal	Average Cost Per Mile	Total Cost
1930-31.....	9,685	\$157	\$1,519,000
1931-32.....	10,715	128	1,367,000
1932-33.....	11,372	106	1,208,000
1933-34.....	11,839	201	2,388,000
1934-35.....	12,495	211	2,639,000
1935-36.....	15,375	376	5,771,000
1936-37.....	16,729	178	2,970,000
1937-38.....	17,834	197	3,510,000
1938-39.....	18,577	263	4,895,000
1939-40.....	18,215	240	4,380,000

The mileage shown under the snow removal program is that upon which complete snow removal for two-way traffic and anti-skid service on all curves and hills is guaranteed. In addition, all other roads are opened for one-way traffic, but this service is not definite and must await action until the mileage of the snow removal program has been properly serviced.

For the winter of 1940-41, the guaranteed snow removal program has been extended to 19,050 miles, to include all improved roads with a traffic of 100 or more vehicles per day.

From the standpoint of mileage and money expended, Pennsylvania has a larger program of winter service activities and spends more than twice as much as fourteen compared states for this class of work. A statement of the winter service supplied by the above states, as compared with Pennsylvania is shown in Table XXIV-E, page 2419.

TABLE XXIV-E

DEPARTMENT OF HIGHWAYS
COMPARISON OF MILEAGE AND COST OF WINTER ROAD SERVICE
BY SELECTED STATES
1938 - 1939

State	Mileage Serviced	Total Cost
Pennsylvania.....	18,577	\$4,895,000
Ohio.....	16,314	885,000
Illinois.....	13,400	593,000
New York.....	12,674	2,195,000
Minnesota.....	11,273	1,164,000
Indiana.....	10,170	317,000
Wisconsin.....	10,000	1,091,000
Michigan.....	8,987	1,438,000
West Virginia.....	5,409	107,000
Connecticut.....	2,775	622,000
New Hampshire.....	2,766	933,000
Massachusetts.....	1,798	2,006,000
Vermont.....	1,752	445,000
New Jersey.....	1,593	441,000
Maine.....	2,633	508,000

An Assistant Chief Maintenance Engineer is responsible for field supervision of maintenance activities, and directs the activities of the following units:

(1) Headquarters Maintenance Division

This Division controls the allocation of maintenance funds to the State Highway Districts and counties, receives reports, supervises the purchase of materials, and sees that budget allowances are not exceeded.

(2) Architectural Division - Maintenance of Buildings

Headquarters and field office buildings, as well as garages, are maintained under the direction of this Division.

(3) Equipment Division

The close supervision of the 9,395 pieces of numbered equipment owned by the Department is the responsibility of the Equipment Engineer

and his staff. Equipment is transferred from county to county according to need, and is so scheduled that the need for renting outside equipment is reduced to a minimum. Repairs to equipment and disposition of obsolete equipment are also a function of this Division.

(4) Safety Division

The purpose of the Safety Division is to reduce the number of accidents to the highway laboring force, which in turn reduces the cost of compensation insurance and other forms of expense incidental to accidents.

In addition to devising methods for the prevention of accidents to highway employes, the Safety Division representatives conduct classes in first aid, investigate and report accidents to employes to the central office, where a coding system covering age, occupation, time employed, agency, accident type, unsafe act, mechanical defect, personal defect, nature and location of accident is used in classifying accident causes.

For the fiscal year 1939-40 the average weekly highway labor force was 13,727 men and the total number of compensable accidents in the county maintenance organizations amounted to 269, a reduction of 65% from the fiscal year 1938-39 in which the number of compensable accidents was 768. For the first five months of the fiscal year from June 1, 1940 to November 1, 1940, the average weekly labor force was 12,484 men and the total number of compensable accidents was reduced to 63.

The improvement in the Department's accident record, has resulted in a decrease in compensation insurance, which is paid from the Motor License Fund. The compensation insurance rate per \$100.00 of payroll in the fiscal year 1938-39 was \$2.65, which was reduced to \$1.49 in the fiscal year 1939-40, and for the first five months of the fiscal year June 1, 1940 to November 1, 1940 was \$1.20 per \$100.00 of payroll.

(5)

(5) Traffic Division

The Traffic Division was organized in August, 1937 by an amendment to the Motor Vehicle Code, which standardized and regulated all traffic control devices in the Commonwealth. This Division is responsible for determining the standards of and the necessity for warning and direction signs, traffic signals, regulatory devices and pavement markings for traffic control and safety. During the spring and summer seasons of 1940, a total of 6,942 miles of traffic lines were painted, an increase of 2,556 miles over 1938.

c. Staff Services

In addition to the organizations engaged in direct construction and maintenance activities, discussed in the preceding sections, the Assistant Secretary of Highways supervises the work of certain staff units which are charged with specific tasks in carrying on the work of the Department. A discussion of these units follows:

(1) Legal Division

The Legal Division counsels the Department on the application of the law to its work. It handles all work before the Public Utility Commission involving the elimination of grade crossings, and represents the Department in all cases where the Department is either plaintiff or defendant.

The Legal Division handles all claims against the Department, supervises the purchase of land, checks upon all legislation affecting the Department, etc. Since the Department is dependent in many cases upon rulings made by the Attorney General's office, the Legal Division prepares the material for submission to that office, thereby expediting procedure. In the past there has been discussion of the advisability of cen-

tralizing this work in the Attorney General's office. However, no action has been taken. The Department is of the opinion that such a course would slow up its work, and it is further believed that the State's General Fund should not bear the expense of this Division.

(2) Township Division

The maintenance of township roads, totaling 44,600 miles, was turned back to the township supervisors under legislation enacted at the 1939 session of the Legislature. Act 9-A, approved May 17, 1939, amended appropriation Act 51-A, approved June 5, 1937, to provide for the allocation of \$3,300,000 to second class townships on a mileage basis.

The amended Act provided for the allocations to be expended by the township supervisors of each township, under the supervision and subject to the approval of the Department of Highways, and in compliance with such rules and regulations which the Department of Highways prescribed in carrying out the provisions of the Act.

Act 10-A, approved May 17, 1939, was a companion Act to Act 9-A, and appropriated \$8,500,000 for township road work during the two calendar years.

The supervision of the township work authorized under the provisions of Acts 9-A and 10-A was assigned to the Township Division.

The Township Division consists of a central office supervisory unit, headed by a Township Engineer, and a field organization comprising eleven District Township Engineers, one for each engineering district, and, in addition, Assistant District Township Engineers in most of the engineering districts. The duties of the township engineers include general supervision over all township work, and advice to the township supervisors on the repair, maintenance and improvement of township roads and bridges, and the rendering of such assistance as may be necessary to the secretary of the road board in

the proper method of keeping the township records and accounts.

Other duties assigned to the Township Division include the issuance of occupancy and special hauling permits, bridge occupancy licenses, bridge lighting, county-aid work, and the approval of township purchase orders for road building materials and equipment.

(3) Personnel Division

The Personnel Division of the Department handles all vacancies and appointments within the Department above the rank of unskilled labor (which is handled on a district basis). The Personnel Bureau in the Governor's office maintains a complete record of all positions, standardizes titles and wages and classifies positions in the Highway Department as in other Departments.

(4) Publicity Division

This Division furnishes information to the press, answers definite inquiries, and prepares and distributes tourist maps and weekly detour maps which are sent to State Legislators, motor clubs, hotels, traffic bureaus and private individuals. A photographic section takes pictures of scenic and technical subjects for records, study and publicity purposes. All money received from the sale of maps, plans, blue-prints or any records of the Department of Highways is deposited in the Motor License Fund.

(5) Testing and Research Laboratory

The Testing and Research Laboratory now located in Harrisburg maintains a branch in Allentown for the testing of cement at the point of shipment, and at Pittsburgh for the testing of steel and cement. The Harrisburg laboratory has acquired an international reputation for its research methods and results.

Every carload of asphalt, stone, gravel, slag or sand is checked by this

unit to determine whether or not it complies with specifications.

The laboratory tests and investigates all highway materials, studies sources of supply, recommends standards, etc. In addition it conducts tests on finished pavements and investigates the problem of road construction methods.

During previous administrations the responsibility for checking, testing and control of materials was divided between the laboratory and the field operating personnel. This has been changed to the extent that complete control of testing and use of all materials is the responsibility of the Testing Engineer and his assistants. There is a Materials Engineer in each engineering district who is responsible directly to the Testing Engineer in the laboratory. This control assures the use of only those materials which meet specification requirements.

(6) Planning Survey Division

The collection and compilation of reports, traffic counts and statistics to be used in planning future highway construction and reconstruction is the responsibility of this Division. The reports of the Planning Survey Division guide the Department in designing the type of highway to be built, and also provide data which is used in planning the Department's maintenance program. The scope of the work includes a rural road inventory, traffic survey and a financial study.

The rural road inventory covers an inventory of mileage, type and width of all existing roads, as well as cultural features and drainage characteristics. A perpetual road inventory is being maintained so that inventory records may be kept up to date continuously.

A blanket count and a main traffic count constitute the traffic survey. Blanket counts are taken at stations located on secondary routes. The main traffic survey is conducted at a State-wide system of key traffic stations, located on the main highways. Weights of heavy trucks are

systematically checked.

The financial study includes a detailed analysis of the source of public income, with special attention being given to motor vehicle taxes, and a comparison of motor vehicle taxes with the amount actually spent for roads.

(7) Forestry Division

This Division, under the supervision of the Chief Highway Forester, is charged with the responsibility of roadside planting and roadside improvement in general. The bulk of this work is connected with the maintenance activities of planting slopes to control erosion, seeding and sodding of berms, removal of dead trees, establishing vistas, and ever-green snow fences.

Prior to 1928, when automobile developments and highway designs portended the present day demand for comfort, speed, safety, and beauty, roadside improvement was limited to the planting of occasional straight rows or avenues of trees, usually near town entrances. This work was done under the supervision of foresters employed by the Department of Forests and Waters. In 1928 the Highway Department appointed a Highway Forester, and shortly thereafter a Forestry Division was organized.

The original effort consisted mainly of establishing numerous small, detached plantings of many species of native and exotic trees, shrubs, vines, and grasses. Through constant experimentation, which still continues, techniques have been developed for the natural improvement of the highway area as an integral part of its surroundings.

No conflict arises between the work of this Division and that of the Department of Forests and Waters. Its work might be referred to as a landscaping function, as distinguished from the work of the Department of

Forests and Waters which deals with forest care and development.

(8) Architectural Division

This Division prepares the plans for the construction of new departmental buildings, in contrast to the Architectural Division under the direction of the Chief Maintenance Engineer which supervises the remodeling and improved maintenance of buildings already erected.

d. Field Organization

The field administration of construction and maintenance work on the State Highway System is conducted through highway districts. There are eleven such districts in the State, subdivided into various numbers of county maintenance districts ranging from four to nine in number. The total mileage of the State Highway System has been so divided as to make the eleven districts as nearly equal in size as possible. The mileage in the individual counties varies widely, and with the exception of Cameron and Elk Counties in District No. 2, which have been combined, each county constitutes a maintenance district.

Each of the eleven districts is organized with a District Engineer, an Assistant District Engineer, and an average of two to six staff engineers, the number of staff engineers varying with the volume of technical work at hand.

Most of the drafting and designing work of the Department is done by the field offices. Their work is checked and approved in the central office at Harrisburg. Finally, the maintenance engineer has his county superintendents and their assistants as well as a small office force working under his direction.

Table XXIV-F shows the counties comprising each State Highway District, and the mileage in each.

TABLE XXIV-F

DEPARTMENT OF HIGHWAYS
COMPOSITION AND MILEAGE OF STATE HIGHWAY DISTRICTS

District Number	County	State Highway Mileage
<u>1</u>	Crawford.....	962
	Erie.....	795
	Forest.....	194
	Mercer.....	725
	Venango.....	511
	Warren.....	508
	Total District No. 1	<u>3,695</u>
<u>2</u>	Centre.....	577
	Clearfield.....	803
	Clinton.....	299
	Cameron.....	106
	Elk.....	273
	McKean.....	425
	Potter.....	516
Total District No. 2	<u>2,999</u>	
<u>3</u>	Columbia.....	556
	Lycoming.....	870
	Montour.....	174
	Northumberland.....	552
	Snyder.....	347
	Sullivan.....	290
	Tioga.....	780
	Union.....	265
Total District No. 3	<u>3,834</u>	
<u>4</u>	Bradford.....	1,041
	Lackawanna.....	421
	Luzerne.....	734
	Pike.....	316
	Susquehanna.....	936
	Wayne.....	711
	Wyoming.....	361
Total District No. 4	<u>4,520</u>	

TABLE XXIV-F
(Continued)

District Number	County	State Highway Mileage
<u>5</u>	Berks.....	1,024
	Carbon.....	256
	Lehigh.....	502
	Monroe.....	491
	Northampton.....	491
	Schuylkill.....	650
	Total District No. 5	<u>3,414</u>
<u>6</u>	Bucks.....	946
	Chester.....	1,123
	Delaware.....	438
	Montgomery.....	793
	Philadelphia.....	155
	Total District No. 6.....	<u>3,455</u>
<u>8</u>	Adams.....	551
	Cumberland.....	557
	Franklin.....	590
	York.....	1,194
	Dauphin.....	503
	Juniata.....	325
	Lancaster.....	1,230
	Lebanon.....	395
	Perry.....	450
	Total District No. 8	<u>5,795</u>
<u>9</u>	Bedford.....	803
	Blair.....	375
	Cambria.....	583
	Fulton.....	332
	Huntingdon.....	658
	Mifflin.....	258
		Total District No. 9 .....	3,009

TABLE XXIV-F
(Continued)

District Number	County	State Highway Mileage
<u>10</u>	Armstrong.....	717
	Butler.....	785
	Clarion.....	560
	Indiana.....	904
	Jefferson.....	573
	Total District No. 10	<u>3,539</u>
<u>11</u>	Allegheny.....	855
	Beaver.....	592
	Lawrence.....	403
	Westmoreland.....	<u>1,196</u>
	Total District No. 11	<u>3,046</u>
<u>12</u>	Fayette.....	698
	Greene.....	618
	Somerset.....	935
	Washington.....	<u>986</u>
	Total District No. 12	<u>3,237</u>
Grand Total.....		40,543

4. State Bridge and Tunnel Commission

The only Board or Commission operating under the fiscal control of the Department of Highways is the State Bridge and Tunnel Commission (name changed from State Bridge Commission by Act of July 12, 1935),⁽⁶⁾ which at the present time is not functioning as no funds have been appropriated by the Legislature for its operations.

This Commission is empowered to acquire, maintain and operate intra-state toll bridges, and for the purpose of acquiring such bridges, to enter into such agreements, issue such revenue bonds or other securities, and perform such other functions as shall, from time to time, be prescribed by law.⁽⁷⁾

The Secretary of Highways, the Auditor General and three other persons, of whom two shall be experienced in business, constitute the Commission.

D. PERSONNEL

The number of persons employed by the Department varies widely in keeping with the amount of construction and maintenance work in progress. This applies particularly to the personnel employed on an hourly or per diem basis, both in the central office and in the field, who are engaged as needed for the definite work at hand.

The salaried personnel, in the central and district offices, constitute the continuing organization, and is affected only in a slight degree by the amount of construction or maintenance activity at any particular season of the year.

Table XXIV-G, page 2431, contains a summary of the number of salaried employes and their annual salaries as of June 1, 1940, covering both headquarters and field employes, grouped according to sections and units in which they function.

E. FINANCES

Prior to 1919, all money for the construction and maintenance of State highways was made available to the Department of Highways by legislative appropriations from the General Fund. In that year the Motor License Fund was created for highway purposes, into which were paid the proceeds from motor vehicle registrations and operators' licenses. A liquid fuels tax of one cent per gallon was imposed, one-half cent of which was to be returned to the counties for highway purposes, and the remainder appropriated for the use of the Department of Highways.

Also in 1919, a program for financing State highway improvement and construction through issuing bonds was instituted and continued through

TABLE XXIV-G

DEPARTMENT OF HIGHWAYS
SUMMARY OF PERSONNEL AND ANNUAL SALARIES
JUNE 1, 1940

Section and Unit	Number of Employees	Annual Salaries
<u>Headquarters Staff:</u>		
Executive Staff.....	11	\$ 41,000
Engineering Section.....	131	287,460
Equipment and Maintenance Section..	61	105,680
Staff Service Section.....	164	306,760
Clerical and Accounting Section....	<u>172</u>	<u>225,680</u>
Total.....	<u>539</u>	<u>\$966,580</u>
<u>Field Staff:</u>		
District No. 1	185	\$301,260
District No. 2	159	250,280
District No. 3	168	265,920
District No. 4	227	385,020
District No. 5	182	281,970
District No. 6	188	303,120
District No. 8	277	429,300
District No. 9	175	271,920
District No. 10.....	182	287,160
District No. 11.....	218	359,240
District No. 12.....	<u>185</u>	<u>285,840</u>
Total.....	2,146	\$3,196,030
Grand Total.....	2,685	\$4,162,610

1926. In 1927, a further proposed bond issue was defeated by the electors of the State, and since that time highway construction and improvement has been financed out of current revenues to the Motor License Fund. Table XXIV-H shows the detail of the above bond issues for highway improvement and construction, and their present status as shown in the 10th Biennial Budget of the Commonwealth, 1941-43.

TABLE XXIV-H

DEPARTMENT OF HIGHWAYS
STATE HIGHWAY ROAD BONDS
ISSUED AND OUTSTANDING

Date of Loan	Original Amount	Interest Rate	Date of Maturity	Amount Outstanding December 31, 1940
7/1/19	\$ 12,000,000.00	4 $\frac{1}{4}$ %	7/1/49	\$ 3,316,000.00
8/2/20	112,000.00	4 $\frac{1}{2}$ %	8/2/23	--
8/2/21	11,688,000.00	5 %	8/2/51	11,688,000.00
7/1/21	15,000,000.00	5 %	7/1/51	15,000,000.00
12/1/21	11,200,000.00	4 $\frac{3}{4}$ %	12/1/51	--
4/1/25	20,000,000.00	4 %	4/1/52	10,000,000.00
9/1/25	20,000,000.00	4 %	9/1/53	11,422,000.00
10/1/26	10,000,000.00	4 %	10/1/54	6,000,000.00
Total.....	\$100,000,000.00			\$57,426,000.00

Note: The loans floated in 1919, 1925 and 1926 were in the form of serial bonds due at various dates. The 1921 loans will be paid in full at maturity.

(8)

Through the provisions of the Act of May 1, 1929, the Department of Highways now secures its revenue out of the Motor License Fund as a continuing appropriation according to the procedure provided in the Act. The Act provides that the residue of Motor License Fund receipts, after the payment of specific appropriations to the Board of Finance and Revenue for sinking fund and interest payments on highway bonds, to the Department of Revenue for the operation of the Bureau of Motor Vehicles, and to the Pennsylvania Motor Police for that portion of the force which performs the duties

of the former Highway Patrol, etc., shall be appropriated to the Department of Highways for the purpose of carrying out its functions.

In contrast to administrative departments which are financed by appropriations from the General Fund at each session of the Legislature, allocations are made to the Department of Highways by the Budget Secretary out of Motor License Fund receipts. The Budget Secretary also approves each item in the Department's budget for the expenditure of the funds allocated to it.

The principal sources of revenue for the Motor License Fund are the fees derived from motor vehicle registrations and operators' licenses, receipts from the liquid fuels tax, miscellaneous revenues from the sale or rental of departmental equipment or supplies, and contributions from the Federal Government. At present Pennsylvania collects a tax of 4¢ per gallon on liquid fuels, of which $2\frac{1}{2}$ ¢ per gallon is deposited in the Motor License Fund; $\frac{1}{2}$ ¢ per gallon is returned to the counties for local highway use; and 1¢ per gallon is paid into the State's General Fund to be used for public assistance purposes. An additional tax of $1\frac{1}{2}$ ¢ per gallon is collected by the Federal Government.

Table XXIV-J, page 2434, shows Motor License Fund revenues and receipts by principal sources, with the actual amounts shown for the 1937-39 biennium, and actual plus estimated amounts as set forth in the Commonwealth's 10th Biennial Budget.

The actual expenditures of the Department of Highways, classified by purpose of expenditure, with actual figures shown for the 1937-39 biennium, and the funds expended and available for the 1939-41 biennium, are shown in Table XXIV-K, page 2434.

TABLE XXIV-J

DEPARTMENT OF HIGHWAYS
MOTOR LICENSE FUND REVENUES AND RECEIPTS
1937-1939 AND 1939-1941

Source	Actual 1937-1939	Actual and Estimated, 1939-1941
Taxes, Penalties & Interest....	\$ 69,934,565.95	\$ 74,653,853.00
Motor Licenses & Fees.....	70,561,606.96	77,895,152.00
Fines & Penalties.....	49,901.35	750.00*
Miscellaneous Revenue.....	1,321,874.42	1,060,059.00
Construction & Maintenance Contributions (Including Fed.)	13,873,359.72	15,990,280.00
Total Revenues.....	\$155,741,308.40	\$169,600,094.00

* Motor Law Fines made payable into General Fund, 1937, P.L. 2329, Section 1207.

TABLE XXIV-K

DEPARTMENT OF HIGHWAYS
ACTUAL AND AVAILABLE EXPENDITURES
BIENNIUMS 1937-39 AND 1939-41*

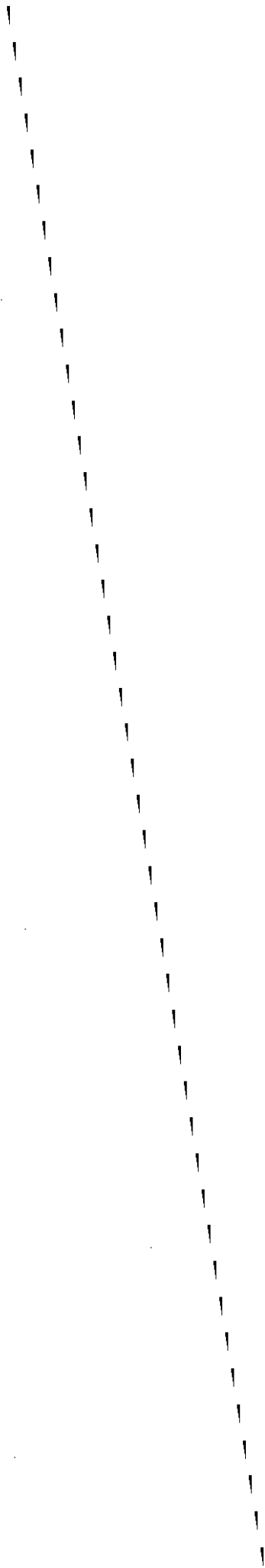
Purpose	Actual 1937-1939	Per Cent Of Total	Actual and Available 1939-41	Per Cent Of Total
Construction & Reconstruction.	\$ 46,267,516.90	31.7	\$ 74,960,597.00	46.0
Resurfacing.....	5,184,650.51	3.6	2,620,037.00	1.6
Maintenance.....	54,186,608.72	37.1	44,925,490.00	27.6
Special Work.....	2,244,342.48	1.5	2,529,914.00	1.6
Administration & Miscellaneous	17,226,033.40	11.8	13,861,665.00	8.5
Right-of-Way.....	1,593,390.84	1.1	3,432,000.00	2.1
W.P.A. Sponsorship.....	14,605,268.17	10.0	17,362,977.00	10.7
Plant & Equipment Acquired....	4,626,383.33	3.2	3,141,094.00	1.9
Total.....	\$145,934,194.35	100.0	\$162,833,774.00	100.0

* Source, 10th Biennial Budget of the Commonwealth, Page 49.

Note: The total maintenance and operation costs of plant, equipment, and stores, which amounted to \$1,918,493.85 in the 1937-39 biennium, and \$1,970,745.00 in the 1939-41 biennium, are distributed to and included in the various functions for which the equipment and stores were used.

FOOTNOTES

- (1) 1903 P. L. 188
- (2) 1911 P. L. 468
- (3) Administrative Code, Sections 2001 to 2010, inclusive.
- (4) C. H. Buckins, The 1939-40 Construction Record of the Pennsylvania Department of Highways, Highway Builder, Volume 19, Number 12, pp 27-31 (1940)
- (5) H. R. Moffit, Chief Maintenance Engineer Sees Savings and Economies Effected, Highway Builder, Volume 19, Number 12, pp 9 and 60 (1940)
- (6) 1935 P. L. 735
- (7) Administrative Code, Section 2010
- (8) 1929 P. L. 1046



CHAPTER XXV

BOARD OF FISH COMMISSIONERS

A. FUNCTION

(1)

The Board of Fish Commissioners, an independent administrative board, consists of the Commissioner of Fisheries, who is the President and Executive Officer of the Board and Chief Superintendent of all hatcheries and fish cultural establishments belonging to the State, and seven other citizens of the Commonwealth. All are appointed for terms of six years. The Commissioner receives a salary of \$6,000 per annum which is fixed by law, but the other members of the Board serve without pay.

The Commissioner of Fisheries is a member, ex officio, of the Water and Power Resources Board, which regulates the erection of dams and encroachments in the waters of the State, the Sanitary Water Board, which controls stream pollution, and the Pennsylvania State Park and Harbor Commission of Erie. He is thus in direct touch with all agencies of the Commonwealth which might affect the waters thereof.

B. POWERS AND DUTIES

The Board of Fish Commissioners is vested with the following powers and duties:

1. To administer and enforce the laws of the Commonwealth relating to the encouragement, promotion and development of the fishery interests and the protection, propagation, and distribution of fish.
2. To make rules and regulations for the enforcement of such laws.
3. To appoint fish wardens and special fish wardens.
4. To publish, through the Department of Property and Supplies, information respecting the laws relating to the protection of fish and the extent and conditions of the fisheries of the Commonwealth.

5. To acquire by purchase, gift, lease or otherwise, title to or control of lands or buildings within the Commonwealth for the purposes of the Board. (7)

C. ORGANIZATION AND OPERATIONS

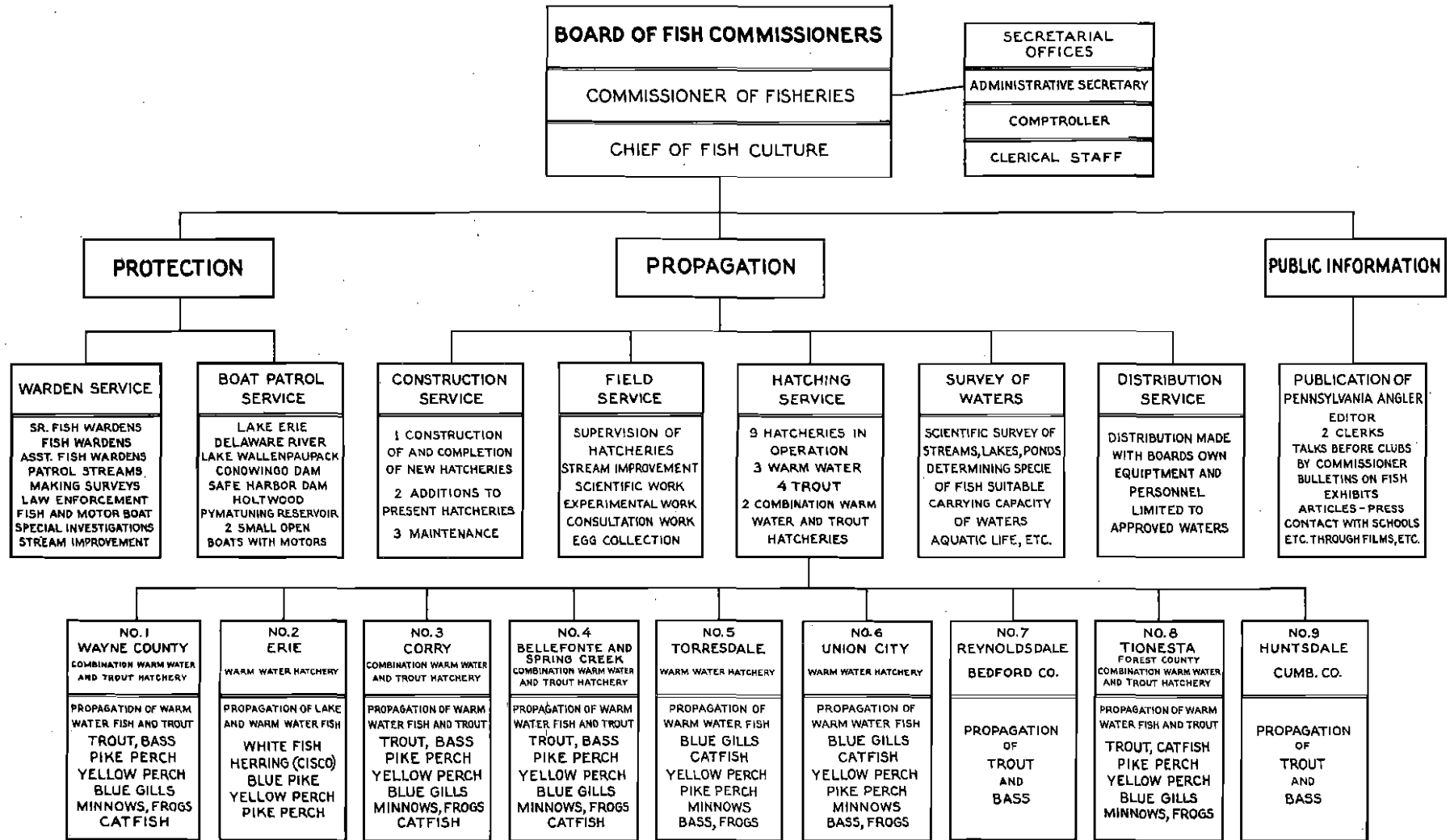
The present organization of the Board provides for no separate bureaus. For administrative purposes, however, as is indicated by Chart XXV-1, the work is divided into Divisions of Protection, Propagation, and Public Information, under the direct supervision of the Board.

The administrative work of the Board is under the direction of the Commissioner of Fisheries, and an Administrative Secretary, located in Harrisburg, and a Chief of Fish Culture who is stationed at Bellefonte. A Comptroller and 7 other employes complete the regular personnel in the administrative function. Per diem employes are used as the need arises. All important matters of policy relating to the work of the Board are in direct charge of the Commissioner of Fisheries.

1. Division of Protection

The protection function of the Board is divided between the Warden Service and the Boat Patrol Service. There are 39 wardens in the employ of the Board, 24 on the regular payroll and 15 on a per diem basis. These men patrol the streams in assigned districts to protect the fish against persons violating the law by fishing without a license, using illegal devices, exceeding the limit of any kind of fish or retaining fish below the legal size. (8) The wardens have full police power in the laws relating to fish. In addition to the purely police service, the wardens also make surveys to determine whether streams are suited for certain types of fish which the Board has been requested to plant. They also assist in the distribution of fish when they are stocked in the streams, make special investigations at the instance of the Board, and appear before various associations to explain the work of and aims of the Board of Fish Commissioners.

CHART XXV-1
ORGANIZATION CHART OF THE BOARD OF FISH COMMISSIONERS



-2505-

The Boat Patrol Service consists of two small open boats with out-board motors which operate on Lake Erie, Delaware River, Lake Wallenpack, Conowingo Dam, Safe Harbor Dam, Holtwood and Pymatuning Reservoir. The boats are carried on trailers from one location to another.

2. Division of Propagation

This function has been organized under five distinct services, construction, field, hatching, survey of waters, and distribution.

a. Construction Service

The construction service relates to the erection of new hatcheries, the expansion of existing facilities and the maintenance of all properties under the Board. Two projects are in operation at the present time, according to testimony submitted to the Commission -- one at Huntsdale, Cumberland County, and one at Bellefonte, Centre County. The Huntsdale project was subsidized by the Works Progress Administration, the Board furnishing 20% of the cost. The Huntsdale hatchery was increased from 28 ponds to 154 ponds over a period of 2 years. When completed it will be one of the largest in the country.

The Board has the right to acquire lands, buildings, etc., by purchase, gift, lease or otherwise. ⁽⁷⁾ This privilege had been previously given the Game Commission.

b. Field Service

The field service consists, in part, of securing and analyzing water to determine its type and its condition as to pollution. This is done to prevent loss of fish when stocking streams. In some streams food samples are taken to determine whether the proper food is available for the fish to be distributed there. This work is in the charge of one man, with occasional help from two others. Field Service also includes the supervision

of nine hatcheries, scientific work in connection with different species of fish, experimental work covering the problems of the Board or occurring in the waters of the Commonwealth, egg collection, consultation work, and assisting associations, clubs and individuals on fish cultural problems.

c. Hatching Service

The hatching service concerns itself with the actual operation of 9 hatcheries, four combination warm water and trout hatcheries, 3 warm water hatcheries, and 2 trout hatcheries. The expansion of hatchery facilities was necessitated by the increase in licensed fishermen and the passage of the Sunday Fishing Law. The location and type of the various hatcheries is shown in the list which follows:

TABLE XXV-A

HATCHERIES OPERATED BY BOARD OF FISH COMMISSIONERS
BY LOCATION AND TYPE

Hatchery Number	Location	Type
1	Wayne County	Warm water and trout
2	Erie	Warm water
3	Corry	Warm water and trout
4	Bellefonte and Spring Creek	Warm water and trout
5	Torresdale	Warm water
6	Union City	Warm water
7	Reynoldsdale	Trout
8	Tionesta	Warm water and trout
9	Huntsdale	Trout

d. Survey Service

The survey service embraces all streams, lakes and ponds in the Commonwealth in a scientific survey to determine the species of fish most suitable for each and the carrying capacity for those particular waters

from the standpoint of the aquatic life.

e. Distribution Service

The distribution service consists of the distribution of the output of the 9 hatcheries comprising the following species:

brown trout	bass	catfish	pickerel
brook trout	sunfish(bream)	blue pike	suckers
rainbow trout	yellow perch	cisco	minnows
lake trout	pike perch	white fish	frogs

The distribution is carried out with the Board's personnel and equipment and is limited to approved waters found suitable under the survey.

Table XXV-B shows the species, size, age, and number of the fish distributed during the calendar year of 1939. The total number stocked was 275,144,614, or approximately 45.2% of the number distributed in 1932.

TABLE XXV-B
FISH STOCKED IN THE WATERS OF PENNSYLVANIA
DURING 1939

Species	Size	Age	Number Stocked
Brook, Brown and Rainbow Trout	6" to 21"	10 to 48 mos.	1,511,834
Brook, Brown and Rainbow Trout	Fingerling		1,864,350
Black Bass	2" to 20"	2 mo. to adult	254,101
Pike Perch	Fry to 16"	Fry to adult	25,714,088
Yellow Perch	Fry to 10"	Fry to adult	219,970,735
Blue Gill Sunfish	1" to 8"	1 mo. to adult	2,020,767
Catfish	2" to 12"	4 mo. to adult	941,447
Minnows	2" to 6"	3 mo. to adult	949,626
Blue Pike (Lake Erie).	Fry	Fry	7,625,000
Cisco (Lake Erie)	Fry	Fry	13,600,000
Pickerel	14" to 18"	Adult	4,717
Suckers	2" to 10"	4 mo. to adult	121,180
Frogs (Embryo)			481,169
Miscellaneous			85,600

This reduction in the number of fish distributed, however, must not be construed as a drop in the service rendered to the fishermen of the State. Rather, the reduction in the number stocked actually means a greater service rendered, since under the present food conditions in the streams of the Commonwealth, many fish planted in the fry stage, as the bulk were planted ten years ago, would not survive. The advanced propagation methods, recognized as the best in the country, make it possible to distribute fish able to care for themselves. This is especially true of trout which range from legal size to 15 inches and larger.

3. Division of Public Information

The function of this service is to acquaint the public, especially the sportsmen, with the scope of the Board's work, the opportunities afforded anglers, etc. The Commissioner of Fisheries addresses Fish and Game Associations, Rotary, Kiwanis and other service clubs throughout the Commonwealth. Regular reports on the work of the Board are compiled and special bulletins on fish culture, scientific matter, exhibits, etc., are prepared and published. Educational features, including motion pictures, are developed for the public schools to give the child a knowledge of conservation. The monthly "Angler" is edited and distributed to all associations throughout the State, while items of general interest are prepared and distributed to the press.

4. Issuance of Licenses

Fishing licenses are now issued by issuing agents appointed by the Department of Revenue (9) instead of through the County Treasurers and their agents. In some cases, the County Treasurer has been designated as issuing agent under the new act.

The result of the new method has been to have 500 to 750 issuing agents, each individually responsible to the Department of Revenue under a \$1,000 bond, instead of 67 County Treasurers. This has increased the cost of issuance by \$4,000 per year for the Game Commission and Fish Commission combined. This was due to the larger number of licenses necessary to the wider distribution and the impossibility of transferring unissued licenses from one agent to another.

The new method is supposed to have resulted from the unwillingness of some County Treasurers to appoint agents for the handling of licenses, thus compelling all sportsmen to come to the county seat. This attitude was due to the fact that the issuance of licenses added to the work and the expenses of the Treasurer but gave him no compensation. The 10¢ fee provided "for the use of the County Treasurer" went into the general fund of the county and not to the Treasurer personally.

The present act definitely allots the 10¢ fee to the issuing agent as "full compensation for services rendered.....". Since this provision certainly includes such County Treasurers as are designated "issuing agents" it would seem to remove the former objection. Thus, it appears that simply by designating the 67 County Treasurers as agents and requiring them to appoint sub-agents, where needed, the extra cost would be eliminated.

5. Auditing and Other Overhead Expenses

Prior to the passage of the Fiscal Code, the Board of Fish Commissioners paid for all audits out of the Fish Fund. These audits were performed by private firms at a cost of approximately \$3,500 annually. Under the Fiscal Code (10) the Auditor General is charged with making "all necessary audits" and is required to make an annual audit.

The 1933 Legislature enacted legislation setting forth the principle that agencies operating on special funds should share in the cost of auditing, (11) issuing checks, (12) purchases of supplies, rent of space, heat, (13) light, water, etc. Specific authority was given for such payment out of the Motor Fund and the State Workmen's Insurance Fund. The Liquor Control Act was amended (14) to permit such payments from the State Stores Fund.

There may be some sound reason for the exemption of these two special funds from the principle that each fund must pay its share but it is not apparent. Even the Liquor Control Board which produces millions in revenue is not so favored. To the extent that the Fish and Game Funds fail to pay these expenses, they are subsidized by the General Fund. Stated in another way, the general taxpayer pays in part for privileges which he cannot enjoy without additional payment in the form of a license fee.

The principle that the Fish Fund and Game Fund must be used exclusively in the interest of the two sports is well established. Since the funds are so well protected in law and practice, it seems reasonable that they should pay their way in full.

D. PERSONNEL

Table XXV-C showing classification and number of employes, with annual salaries, follows:

TABLE XXV-C

STATEMENT OF PERSONNEL AND ANNUAL SALARIES
AS OF JUNE 1, 1940

Classification	Number of Employees	Annual Salary
<u>Administrative</u>		
Commissioner of Fisheries	1	\$6,000.00
Administrative Secretary	1	4,200.00
Comptroller	1	3,300.00
Head Record Clerk	1	1,980.00
Senior Bookkeeper	1	1,860.00
Stenographers	3	4,440.00
Total	8	\$21,780.00
<u>Field Service</u>		
Chief of Fish Culture	1	\$ 5,000.00
Total	1	\$ 5,000.00
<u>Hatchery Service</u>		
Fish Culturists	8	\$11,640.00
Hatchery Superintendents	9	18,660.00
Hatchery Assistants	5	6,120.00
Total	22	\$36,420.00
<u>Education and Publicity</u>		
Public Information Editor	1	\$ 2,400.00
Total	1	\$ 2,400.00
<u>Warden Service</u>		
Fish Wardens	24	\$36,240.00
Total	24	\$36,240.00
GRAND TOTAL	56	\$101,840.00

E. FINANCES

A summary statement of receipts and disbursements from January 1, 1933 to December 31, 1940, follows:

	Balance January 1, 1933		\$381,065.72
Calendar			
Year	<u>Receipts</u>	<u>Disbursements</u>	
1933	\$369,758.43	\$441,234.31	
1934	435,651.83	427,455.02	
1935	444,693.65	415,104.89	
1936	449,227.12	443,923.09	
1937	600,913.07	479,453.48	
1938	656,872.82	483,348.23	
1939	662,699.81	563,591.18	
	<u>\$3,620,816.23</u>	<u>\$3,254,110.20</u>	
	Excess of Receipts over Disbursements		<u>\$366,706.03</u>
	Balance December 31, 1939		<u>\$747,771.75</u>

Thus, during the seven year period receipts have increased 79.2% while expenditures have increased but 27.7%.

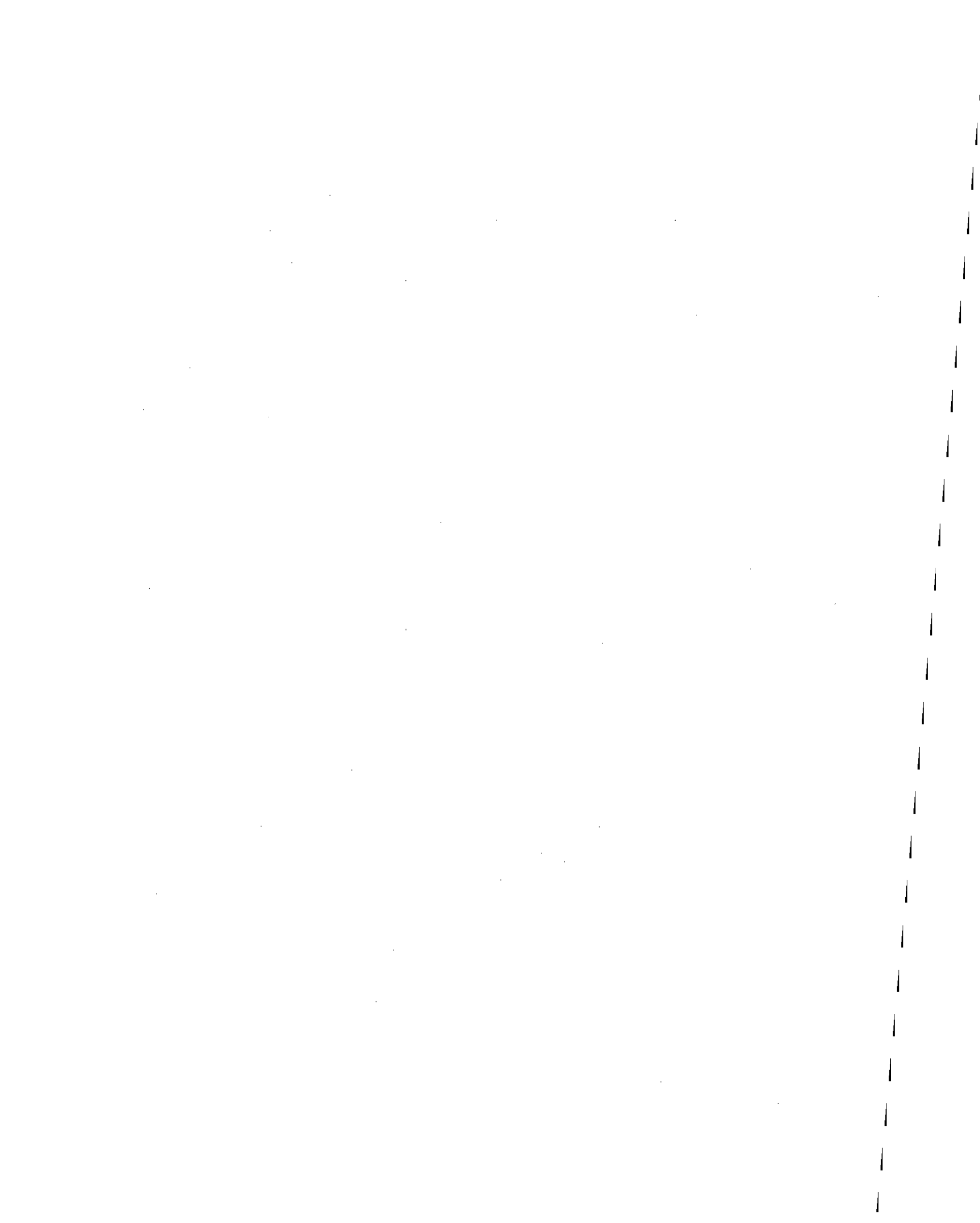
Table XXV-D shows a detailed statement of receipts and disbursements for the calendar year of 1939.

TABLE XXV-D
 RECEIPTS AND DISBURSEMENTS OF FISH FUND
 CALENDAR YEAR 1939

Balance January 1, 1939		\$ 648,663.62
 RECEIPTS		
Fish Fines	\$14,167.68	
Commercial Hatchery Licenses	1,020.00	
Motor Boat Fines	210.00	
Lake Erie Licenses	2,985.00	
Non-Resident Fishing Licenses	14,800.44	
Interest	3,065.30	
Motor Boat Licenses	11,473.75	
Resident Fishing Licenses	596,082.11	
Tourist Fishing Licenses	3,851.70	
Contributions for Restocking Streams ...	10,422.25	
Sale of Publications	4,314.58	
Eel Chute Licenses	179.00	
Sale of Unserviceable Property	108.01	
Seine Licenses (Tidewater)	10.00	
Miscellaneous	9.49	
		662,699.31
Total Funds Available		\$1,311,362.93
 EXPENDITURES		
Administration	41,399.16	
(Salaries, Wages, Travel, etc.)		
Protection	104,181.88	
(Salaries & Exp. of Wardens)		
Hatching Service	335,926.31	
(Hatching, Propagating & Distributing Fish)		
New Construction & Repairs	36,491.50	
By Revenue Department	17,920.83	
(Print. Fishing Lic., Sal., etc.)		
Publicity & Research	21,854.01	
Boat Patrol (Lake Erie)	56.99	
By State Department	2,447.50	
(Employes Retirement Fund)		
Refunded Fish Fines	25.00	
Purchase of Land	3,288.00	
		563,591.18
Balance January 1, 1940		\$ 747,771.75

FOOTNOTES

- (1) Administrative Code, Section 302
- (2) Administrative Code, Section 210
- (3) Administrative Code, Section 431
- (4) Administrative Code, Section 439
- (5) Administrative Code, Section 434
- (6) Administrative Code, Section 2702 to 2704
- (7) 1939, P.L. 834
- (8) Administrative Code, Section 2706
- (9) 1937, P.L. 2643
- (10) Fiscal Code, Section 402
- (11) Fiscal Code, Section 408
- (12) Fiscal Code, Section 308
- (13) Administrative Code, Section 2417
- (14) 1935, P.L. 1316



CHAPTER XXVI

THE PENNSYLVANIA GAME COMMISSION

A. FUNCTION

The Pennsylvania Game Commission, which succeeded the Board of Game Commissioners, ⁽¹⁾ consists of "eight competent citizens" fairly representing the several geographic sections of the Commonwealth and "well informed on the subject of wild life conservation and restoration." The term of the commissioners is eight years, staggered so that the terms of two commissioners shall expire in each odd numbered year.

The Commission annually elects a president and a vice-president from among its members. It also appoints and fixes the compensation of the executive director who attends to the administrative work of the Commission and also serves as chief Game Protector. The executive director may not be a member of the Commission nor shall he have served in that capacity within one year of his appointment. The annual salary of the executive director is fixed by the Commission at \$10,000 a year.

B. POWERS AND DUTIES

The Pennsylvania Game Commission, an independent administration commission, ⁽²⁾ is vested with the following powers:

1. To protect, propagate, and preserve the game, furbearing animals, and protected birds of the Commonwealth, and to enforce the law relating to the same.
2. To appoint game protectors and deputy game protectors.
3. To issue special deer licenses, special licenses for scientific purposes and other special licenses upon payment of such fees as may be provided by law.
4. To acquire land by purchase, lease or gift and to establish and maintain State Game Refuges and Game Farms, State Game Propagation Areas and Special Preserves.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, the Commission is divided into General Administration and the Bureau of Field Operations. As is indicated by Chart XXVI-1 on page 2603, the former includes the Executive Office, and Division of Accounting and Budget, the Division of Lands, Public Information and Training, the two latter being service units. The Bureau of Field Operations is broken down into three divisions, Propagation and Research, Law Enforcement, and Game Land Management.

This organization is the result of a comprehensive study by the special Organization Analysis Committee of the Commission. In this work, the Committee had the benefit of advice and assistance from experienced business organization analysts who served in a consulting capacity without charge. The change was made in the interest of efficiency and operating economy.

The functions of the various divisions of the Commission are discussed below:

1. General Administration

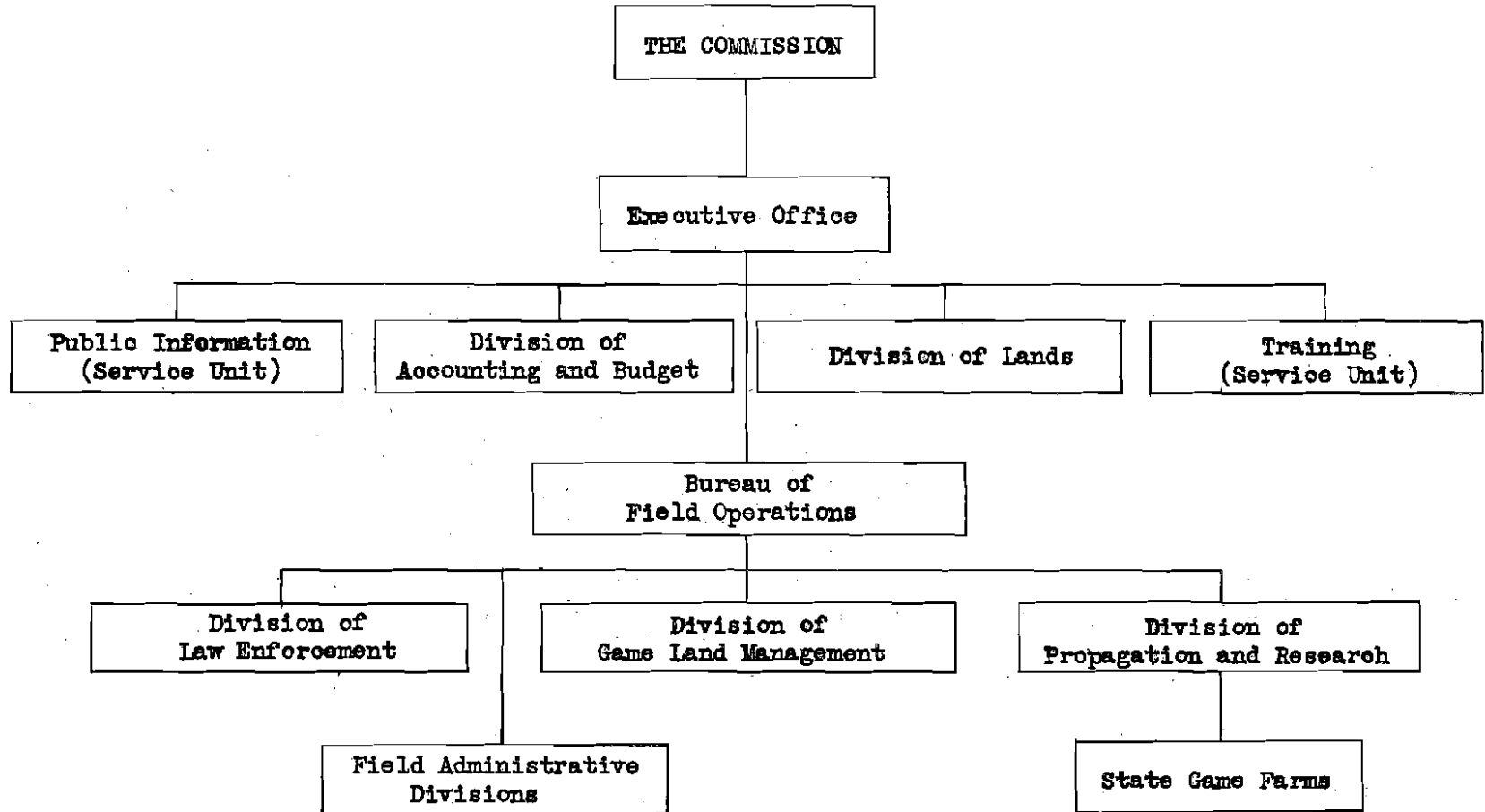
The Executive Director has complete control of all staff and field forces. He has direct charge of the administrative functions of the Commission through the Division Chiefs and of the field force through the Assistant Executive Director.

a. Division of Accounting and Budget

This Division has charge of all accounting and auditing, controls expenditures, and prepares budgets, payrolls, personnel records and statistics. It also handles mailing service, printing, departmen-

CHART XXVI-1

ORGANIZATION OF THE PENNSYLVANIA GAME COMMISSION



tal supplies, special game permits, payment of bounties and other miscellaneous duties. The chief of this Division is the Comptroller, who acts as control officer governing all purchases.

b. Division of Lands

This Division coordinates, supervises and manages all land acquisition and engineering functions of the Commission. These include the negotiation of land offers and the securing of options; securing leases and rights-of-way; directing surveys and other engineering work; preparation of maps, drafts and sketches; legal work incident to the acquisition of lands; maintenance of land records; and assembling and maintaining statistical information in regard to lands.

c. Public Information

This unit has charge of all the public information and educational work of the Commission. It prepares and edits all Commission publications, including the Pennsylvania Game News, bulletins and pamphlets; develops press and radio releases, exhibits and educational posters; conducts motion picture and still photography; and directs all field lecture work.

d. Training

This unit is charged with the Commission's personnel training program, and the training school staff and students. It makes arrangements for lecturers and departmental experts to present courses at the school; maintains training school buildings and equipment, and accumulates, analyzes and prepares material for use in the regular, refresher and extension courses.

2. Bureau of Field Operations

The State is divided into seven field administrative divisions each

in charge of Field Division Supervisor who is the chief field administrative officer of the Commission in his assigned district. As such, he directs and coordinates the activities of law enforcement, land management, and game transfer within his Division. He also recommends lands for purchase, directs food and cover improvement activities; supervises the maintenance and development of the refuge system; prepares estimates of game stocking requirements; and directs field studies relative to wildlife conditions.

a. Division of Propagation and Research

This Division is charged with all of the game propagation, purchase, distribution and research activities of the Commission. This work includes the direction of game propagation according to prescribed schedule; supervision of experimental game breeding projects, purchase of game for stocking purposes; and coordination of the transfer of wild game. It aids individuals and organized groups in the propagation of game, and inaugurates and supervises all authorized game research activities in which the Commission is concerned.

b. Division of Law Enforcement

The Division of Law Enforcement is responsible for all the law enforcement functions of the Commission, including the development of administrative policies pertaining thereto. It prepares all legal forms; conducts legal hearings on hunting accidents, preliminary to revocation of licenses; advises on procedure in the administration of the Game Law; and directs the disposal of forfeited equipment, firearms, etc., seized by the Game Protectors.

c. Division of Game Land Management

This Division has charge of all land management functions of the

Commission. This work includes the establishment, maintenance and development of primary and auxiliary game refuges, cooperative farm-game projects, and various special areas. It markets forest products and negotiates timber sale agreements; aids in the direction of State and Federal projects on game lands and refuges, administering and expanding the general food and cover program of the Commission; and supervises the maintenance of buildings, roads, trails and telephone lines on the Commission's property.

D. PERSONNEL

A summary statement of personnel and salaries at June 1, 1940, by divisions, is shown in Table XXVI-A.

TABLE XXVI-A

SUMMARY STATEMENT OF NUMBER OF EMPLOYEES AND SALARIES
BY MAJOR DIVISIONS, JUNE 1, 1940

Division	Number of Employees	Annual Salaries
<u>General Administration</u>		
Executive Office.....	3	\$ 13,000.00
Accounting and Budget.....	18	29,763.00
Lands.....	13	30,105.00
Public Information.....	6	12,390.00
Training.....	<u>3</u>	<u>6,390.00</u>
Total.....	43	\$ 91,648.00
<u>Bureau of Field Operations</u>		
Supervisors.....	13	\$ 23,820.00
Propagation & Research.....	18	30,855.00
Law Enforcement.....	98	164,520.00
Game Land Management.....	<u>53</u>	<u>81,540.00</u>
Total.....	182	\$300,735.00
Grand Total.....	225	\$392,383.00

E. FINANCES

1. Income

A summary statement of income is shown in Table XXVI-B.

TABLE XXVI-B

PENNSYLVANIA GAME COMMISSION
SUMMARY STATEMENT OF INCOME FOR FISCAL YEARS
1933 to 1940, INCLUSIVE

Year Ended May 31st	Source of Income			Total
	Licenses	Fines	Miscellaneous	
1933.....	\$1,102,939.56	\$44,434.46	\$35,266.17	\$1,182,640.19
1934.....	1,069,056.50	38,938.83	26,669.48	1,134,664.81
1935.....	1,169,341.85	40,756.31	25,797.81	1,235,895.97
1936.....	1,276,576.95	60,209.11	28,789.89	1,365,575.95
1937.....	1,121,195.23	59,365.20	39,641.37	1,220,201.80
1938.....	1,260,295.03	64,450.75	46,504.65	1,371,250.43
1939.....	1,353,212.76	87,344.48	46,269.13	1,486,826.37
1940.....	1,375,553.89	72,137.42	82,394.03	1,530,085.34
Total.....	\$9,728,171.77	\$467,636.56	\$331,332.53	\$10,527,140.86

The chief source of revenue is licenses - in order of importance, resident hunters', non-resident hunters', and special. An analysis of resident and non-resident hunters licenses issued 1932 to 1939 will be found on Table XXVI-C.

(3)

With the passage of the Game Code, the issuance of licenses was placed in the hands of issuing agents appointed by the Department of Revenue instead of the County Treasurers. The result of this change has complicated the control of licenses by making 700-800 accounts with agents instead of 67 and has increased the cost by necessitating a 10% increase in the number of licenses printed each year.

It is suggested that this situation could be corrected by the appointment of the County Treasurers as issuing agents with the requirement that sub-agents must be appointed in any county where they issue more than a certain number of licenses. This suggestion parallels that made in the discussion of the Board of Fish Commissioners.

TABLE XXVI-C

PENNSYLVANIA GAME COMMISSION
 RECEIPTS FROM RESIDENT AND NON-RESIDENT HUNTERS' LICENSES
 1932 to 1939 INCLUSIVE

Year	RESIDENT					NON-RESIDENT					Total Net Receipts to Game Fund
	Number	Cost	County Treas. Fee	Issued from Hbg. <u>a/</u> Office	Net Receipts	Number	Cost	County Treas. Fee	Issued from Hbg. <u>a/</u> Office	Net Receipts	
1932	537,451	\$2.00	\$.10	1,856	\$1,021,342.50	5,251	\$15.00	\$.50	188	\$76,233.50	\$1,097,576.00
1933	524,337	2.00	.10	2,347	996,475.00	4,966	15.00	.50	196	72,105.00	1,068,580.00
1934	568,666	2.00	.10	2,777	1,080,743.10	6,024	15.00	.50	182	87,439.00	1,168,182.10
1935	606,469	2.00	.10	3,455	1,152,636.60	8,460	15.00	.50	357	122,848.50	1,275,485.10
1936	534,573	2.00	.10	3,397	1,016,028.40	7,124	15.00	.50	213	103,404.50	1,119,432.90
1937	598,261	2.00	.10	3,303	1,137,026.20	8,357	15.00	.50	1,272	123,583.75	1,260,609.95
1938	654,146	2.00	.10	2,135	1,243,090.90	7,584	15.00	.50	732	112,047.00	1,355,137.50
1939	651,371 <u>b/</u>	2.00	.10	?	1,237,604.90 <u>b/</u>	8,991 <u>b/</u>	15.00	.50	?	132,617.23 <u>b/</u>	1,370,222.13 <u>b/</u>

a/ The number issued from Harrisburg Office is included under "number" column.

b/ Figures incomplete at time of compilation.

The lack of uniformity as to licensing and the fee paid to issuing agents as between fishing licenses and hunting licenses is of interest. In the case of the former, the resident and non-resident license fee is fixed at \$1.50⁽⁴⁾ for the former and a reciprocal fee for the latter, for the use of the Commonwealth, and the law adds that "in the event that the license is issued by an issuing agent, a fee of ten cents (10¢) for the use of the issuing agent," shall be paid.

⁽³⁾
The Game Code states that on payment of \$2.00 for a resident license or \$15.00 for a non-resident license, such licenses shall be issued. A later section of the Act, 311, provides that the issuing agent shall "be allowed to retain not to exceed the sum of ten cents from the amount paid for each resident hunter's license, and not to exceed twenty-five cents from the amount paid for each non-resident hunter's license....."

⁽⁵⁾
The Fish Law fixes a definite resident license fee and collects the agent's fee in addition thereto; the Game Code simply states the gross amount to be paid for resident licenses, which includes the fee. In contrast to this, the Game Code specifies a definite, though gross, amount of Fifteen Dollars, which every non-resident must pay while the Fish Law fixes the non-resident fee as "the same amount that is charged and received from non-residents by the State of which the applicant is resident for a similar license."

The issuing agent's fee is definite ten cents under the Fish Law but indefinite, not to exceed ten cents or twenty-five cents, under the Game Law. In practice, however, the maximum amount usually becomes the minimum as well.

Since perhaps the majority of licensees are licensed under both laws, it would seem that uniformity would be highly desirable. There

may, of course, be some sound reason, not developed in the various discussions, for the present condition.

The Commission states that the reciprocal fee for non-resident hunters was tried for a number of years with the hope that fees would tend to become uniform among the States. Not only did this hope fail to materialize, but it was difficult to keep the issuing agents informed of the many changes from year to year.

The sum of not less than seventy-five cents from each resident hunter's license and all net revenues derived from the State Game Lands and Refuges is set aside for the acquisition, maintenance and administration of State game lands, public hunting grounds, refuges, etc., for the purchase of timber, mineral, oil, gas or other rights on lands acquired; and water rights on adjoining lands whenever it is deemed desirable. It may also be spent for stocking and feeding game on the areas under State control. Thus, all revenue is not available for the general operating expenses of the Commission.

All prosecutions for violations of the Game Laws must be brought within the county unless it is a field settlement, which may be made anywhere in the Commonwealth. Such settlement is provided in Section 1203 of the Game Code, whereby any person accused of a violation, either before or after beginning of suit, may sign an acknowledgment of guilt, surrender illegal game and devices and pay the fine and all costs to that date to commissioned game protector or deputy game protector.

A summary statement of fines collected and related data is found in Table XXVI-D.

TABLE XXVI-D

PENNSYLVANIA GAME COMMISSION
SUMMARY STATEMENT OF FINES COLLECTED AND RELATED DATA
FOR BIENNIUMS 1927-29 to 1939-41 a/

Biennium	Fines Collected	Number of Convictions	Number of Acquittals	Fish Prosecutions by Game <u>b/</u> Protectors	Dog Law Prosecutions by Game Protectors
1927-29.....	\$129,530.50	4,396	139	362	182
1929-31.....	175,321.50	5,962	237	526	181
1931-33.....	102,918.18	4,092	241	497	49
1933-35.....	79,695.14	3,779	166	345	37
1935-37.....	119,574.31	4,478	192	227	26
1937-39.....	151,795.23	8,809	272	195	29
1939-41.....	72,137.42	4,265	94	47	10

a/ 1939-41 - one year only.

b/ Evidence or information on Fish Law violations coming to the attention of a Game Protector is now brought to the attention of a Fish Warden for prosecution whenever possible, to avoid misunderstandings. With this exception, the Game Protectors do as much fish law work as previously.

The only instance in which any county is put to any expense is when jail sentence is imposed in lieu of penalty and costs. The theory was advanced that since the Game Commission is spending large sums in many of the counties and the officers render considerable gratuitous service to the counties, the Commission should not share its revenue from this source. The argument seems to have a large degree of validity.

Other income includes chiefly interest on deposits made by the State Treasurer, rental of State property, and sale of publications, skins, and guns, and unserviceable property. With the exception of interest, the income is relatively small.

2. Expenditures

An analysis of expenditures by object classification by biennium from 1931 to 1941 inclusive will be found in Table XXVI-E.

TABLE XXVI-E

PENNSYLVANIA GAME COMMISSION
ANALYSIS OF EXPENDITURES BY MAJOR OBJECT CLASSIFICATION
BIENNIUMS 1931-33 to 1939-41, INCLUSIVE

Object	June 1, 1931 to May 31, 1933	June 1, 1933 to May 31, 1935	June 1, 1935 to May 31, 1937	June 1, 1937 to May 31, 1939	June 1, 1939 to May 31, 1941*
Salaries.....	\$570,842.31	\$614,362.63	\$670,138.94	\$797,452.25	\$849,525.00
Wages.....	<u>260,078.35</u>	<u>222,372.43</u>	<u>266,498.27</u>	<u>338,579.35</u>	<u>421,575.00</u>
Total.....	<u>\$830,920.66</u>	<u>\$836,735.06</u>	<u>\$936,637.21</u>	<u>\$1,136,031.60</u>	<u>\$1,271,100.00</u>
Materials & Supplies.....	\$256,343.50	\$179,309.77	\$246,217.32	\$379,156.67	\$451,730.00
Traveling Expenses.....	300,209.92	260,035.30	292,563.63	318,317.71	381,020.00
Other Operating Expenses.....	<u>203,080.19</u>	<u>166,696.19</u>	<u>244,184.77</u>	<u>347,626.95</u>	<u>331,250.00</u>
Total.....	<u>\$759,633.61</u>	<u>\$606,041.26</u>	<u>\$782,965.72</u>	<u>\$1,045,101.33</u>	<u>\$1,214,000.00</u>
Maintenance Expenses.....	\$ 23,477.29	\$ 23,151.30	\$ 24,439.52	\$ 43,612.98	\$ 57,925.00
Motor Vehicles.....	\$ 6,062.90	\$ 7,566.33	\$ 16,365.23	\$ 21,442.03	\$ 26,800.00
Livestock.....	352.50	1,650.00	75.00	500.00	105.00
Equipment & Machinery.....	31,095.10	21,483.66	24,424.31	34,620.38	43,835.00
Land.....	466,072.07	358,831.44	310,596.90	270,138.34	306,040.00
Contracted Bldg. & Construction...	<u>7,594.72</u>	<u>11,918.11</u>	<u>9,858.75</u>	<u>14,922.45</u>	<u>10,610.00</u>
Total.....	<u>\$511,177.29</u>	<u>\$401,449.53</u>	<u>\$361,320.19</u>	<u>\$ 341,523.20</u>	<u>\$ 387,390.00</u>
Subsidies, Grants, Bounties, Etc..	<u>\$212,944.54</u>	<u>\$260,070.66</u>	<u>\$265,607.19</u>	<u>\$ 143,803.69</u>	<u>\$ 174,800.00</u>
Fixed Charges, Debt, Interest, etc.	<u>\$ 29,149.54</u>	<u>\$ 40,192.51</u>	<u>\$ 48,172.17</u>	<u>\$ 57,116.70</u>	<u>\$ 62,570.00</u>
Other Expenses.....	\$ 42,475.55	\$ 81,499.70	\$ 56,895.15	\$ 86,954.12	\$ 92,150.00
Grand Total.....	<u>\$2,409,778.48</u>	<u>\$2,249,140.02</u>	<u>\$2,476,037.15</u>	<u>\$2,854,143.62</u>	<u>\$3,259,935.00</u>

*1939-41 Estimated

A comparative summary of the 1931-33 biennium with 1939-41 is given below:

TABLE XXVI-F

PENNSYLVANIA GAME COMMISSION
SUMMARY STATEMENT OF EXPENDITURES
FOR BIENNIUMS 1931-33 AND 1939-41

Purpose	Biennium	
	1931-33	1939-41*
Salaries and Wages.....	\$830,920.66	\$1,271,100.00
Operating Expenses.....	759,633.61	1,214,000.00
Maintenance.....	23,477.29	57,925.00
Land, Building, Equipment.....	511,177.29	387,390.00
Subsidies, Grants, Bounties, etc....	212,944.54	174,800.00
Fixed Charges.....	29,149.54	62,570.00
Other Expenses.....	42,475.55	92,150.00
Total.....	\$2,409,778.48	\$3,259,935.00

* 1939-41 Estimated

The estimated expenditures for the current biennium represent an increase of 35% over those of the 1931-33 biennium. This increase is due to the expansion of plant and activities on the part of the commission. This statement may appear paradoxical since the expenditure for lands etc. shows a decrease of 24.21%. Actually, however, the so-called expenditures are investments in land and buildings which in turn call for a larger force with higher operating and maintenance costs.

The question as to whether the purchase of lands from the increased fee under the 1927 Act (6) would not increase expenditures to a point where the Commission was no longer self-supporting, was again discussed. It is interesting to note that in spite of this concern, expressed as early as 1935, the Game Law of 1937 now stipulates that "not less than 75% from each regular hunter's license and all net revenues derived from the State Game Lands and Refuges" is set aside for the purpose of expanding land holdings and maintaining them.

That the Commission has been alert to the possibility of over expansion is borne out by the sharp reduction in land purchases. For example, within the past year, a special committee of the Commission has made an exhaustive study of this problem. The Commission is being guided in their expansion program by the report of this Committee. It is pointed out, however, that when the Pitman-Robinson Act, imposing a Federal Excise Tax of 10% on firearms and amusements, gets into full operation, the Game Commission will receive almost \$150,000.00 which will help materially in their program.

The records of the Commission as to its land holdings are very complete since it must pay 5¢ per acres in lieu of tax by political subdivision. This amount is divided so that the county receives 1¢ and 2¢ each goes to the township roads and schools.

The present practice of the Commission is to buy in more widely scattered areas rather than concentrate in certain northern counties. Higher priced lands in forming areas of western, southwestern, southeastern and to some extent northeastern counties have been secured. This tends to spread the benefits of public land holding to widely scattered sections and relieves somewhat the danger of over-expansion.

Table XXVI-G shows the areas and cost of game lands by fiscal years 1933-34 to 1939-40.

In comparing Table XXVI-E and Table XXVI-G, it must be remembered that the expenditure shown in Table XXVI-E under the heading "Land," includes costs of survey, title search, conveyance, etc., while the "Cost" shown in Table XXVI-G is the contract price of the land only. Table XXVI-G is shown on an annual and Table XXVI-E on a biennial basis.

TABLE XXVI-G

PENNSYLVANIA GAME COMMISSION
 AREAS AND COST OF GAME LANDS
 CONVEYED TO THE COMMONWEALTH
 1933 to 1940, INCLUSIVE

Fiscal Year	Area (Acres)	Cost
1933-34.....	61,802.30	\$202,573.37
1934-35.....	38,847.20	133,677.30
1935-36.....	41,984.40	146,660.45
1936-37.....	45,036.85	174,691.95
1937-38.....	30,914.50	147,509.57
1938-39.....	20,187.20	100,521.87
1939-40.....	33,135.90	141,326.47
Total.....	271,908.35	\$1,046,960.98

An examination of Table XXVI-H reveals that during a period of ten years the land owned by the Game Commission tripled in area, or from 313,194 acres in 1930 to the present area of 956,459 acres.

TABLE XXVI-H

COMPARATIVE STATEMENT OF LANDS OWNED AND CONTROLLED
 BY THE GAME COMMISSION

Division	Land Owned (Acres)			
	May 31, 1930	May 31, 1934	May 31, 1938	May 31, 1940
A.....	17,473	21,416	60,800	107,201
B.....	27,650	46,309	77,082	119,441
C.....	54,631	125,667	144,397	157,391
D.....	33,751	66,535	109,165	129,211
E.....	117,513	185,739	203,077	225,423
F.....	30,383	55,224	79,267	103,909
G.....	31,793	29,416	79,374	113,883
Total.....	313,194	530,306	753,162	956,459

As shown in Table XXVI-J, land owned by the Game Commission on May 31, 1940, totaled 956,459 acres, of which the greater part, or 749,848 acres, consisted of open hunting areas.

TABLE XXVI-J

SUMMARY OF LANDS OWNED AND CONTROLLED BY
THE GAME COMMISSION, May 31, 1940

Type	Total Area (Acres)	Refuges		Open Huntg. (Acres)
		No.	Acres	
State Game Lands.....	636,680	154	59,657	577,023
Primary Refuges on Other Public Lands.....	80,778	84	62,543	18,235 <u>b/</u>
Auxiliary State Game Refuge Pro: General Classification.....	54,584	71	14,212	40,372
Farm-Game Classification.....	135,551	880	7,010	98,402 <u>c/</u>
Special Wild-Life Refuge Pro- jects.....	18,983	42	2,702	15,816 <u>d/</u>
Dog Training and Archery Pre- serves..... <u>a/</u>	2,935	--	--	--
Game Propagation Areas Exclusive of Wild Turkey Areas.....	26,948	75	26,948	--
495 Separate Blocks Located in 66 Counties.....	956,459	1,306	173,072	749,848

a/ 2 Preserves located on State Game Lands total 1,985 acres.

b/ The 18,235 acres represent the open hunting area on Tobyhanna Military Reservation, in addition to the 3 refuges leased from the U.S. War Department.

c/ 1,656 Safety Zones total 30,139 acres.

d/ 45 Safety Zones total 465 acres.

A statement of revenue and expenditures is shown in Table XXVI-K.

An analysis of expenditures by function for each fiscal year 1932 to 1939 is shown in Table XXVI-L, page 2619.

TABLE XXVI-K

PENNSYLVANIA GAME COMMISSION
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
1932 to 1940, INCLUSIVE

Fiscal Year	Revenue	Expenditures		
		General	Bounty	Gross
1932-1933....	\$ 1,182,640.19	\$1,046,367.34	\$120,308.00	\$ 1,166,675.34
1933-1934....	1,134,664.81	1,058,140.26	128,979.00	1,187,119.26
1934-1935....	1,235,895.97	947,448.76	114,572.00	1,062,020.76
1935-1936....	1,365,575.95	979,481.80	115,801.00	1,095,282.80
1936-1937....	1,220,201.80	1,252,866.35	127,888.00	1,380,754.35
1937-1938....	1,371,250.43	1,355,599.32	53,452.50	1,409,051.82
1938-1939....	1,486,826.37	1,383,673.30	61,418.50	1,445,091.80
1939-1940....	1,530,085.34	1,440,925.03	59,197.00	1,500,122.03
Total.....	\$10,527,140.86	\$9,464,502.16	\$781,616.00	\$10,246,118.16

3. Audits and Services

Prior to the passage of the Fiscal Code, ⁽⁷⁾ the Game Fund was audited by a private firm at the expense of the fund. The Auditor General is now required to make "all necessary audits." He must make a quarterly audit of receipts and an annual audit of the financial affairs of the Commission. Each requisition drawn on the Game Fund must be examined for accuracy and legality.

The State Treasurer acts as custodian of the Game Fund, ⁽⁸⁾ must see that it is properly deposited in bank ⁽⁹⁾ and must draw checks upon it upon warrant of the Auditor General. ⁽¹⁰⁾

The Department of Property and Supplies must furnish space ⁽¹¹⁾ with heat, light, power, water, etc. It also is required to act as purchasing agent ⁽¹²⁾ for the Commission.

Other special funds pay for the service rendered by these agencies whose cost is borne by the General Fund. The Game Fund does not pay for

these necessary services. There is no apparent sound reason why it should not do so. While it is true that the activities of the Game Commission benefit farmers and the general public, such benefit is a somewhat unavoidable by-product of efforts in behalf of the hunter.

TABLE XXVI-L

PENNSYLVANIA GAME COMMISSION
ANALYSIS OF EXPENDITURES BY MAJOR FUNCTIONS
1932 to 1939, INCLUSIVE

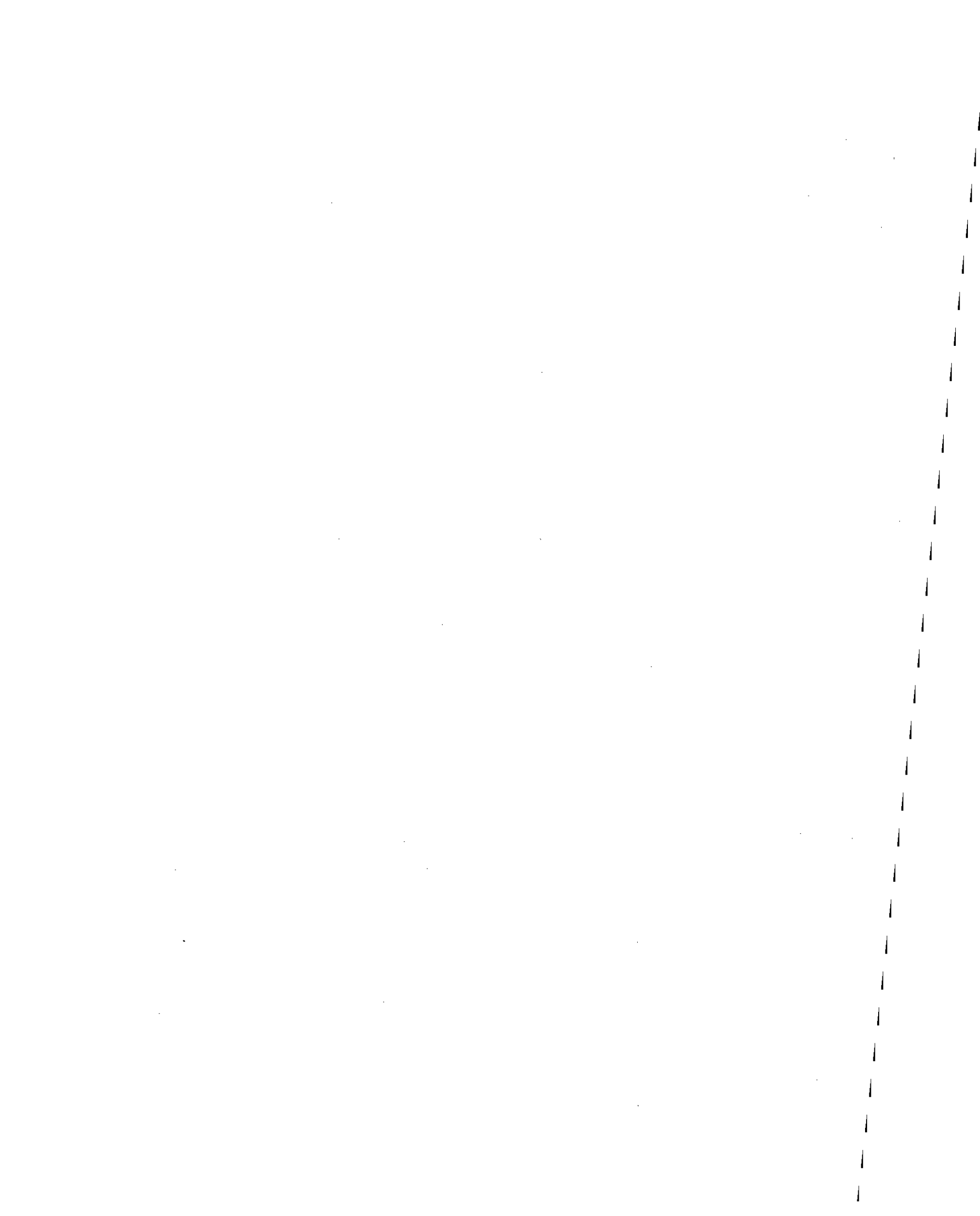
Fiscal Year Ending May 31	Protection	Purchase of Land	Land Management	Game Farms	Game Purchases	Bounties	All Other Expenses	Total
1932.....	\$ 353,240.59	\$ 340,271.18	\$ 122,470.56	\$ 83,769.54	\$ 99,250.09	\$106,486.44	\$ 137,614.74	\$1,243,103.14
1933.....	373,811.27	250,422.20	136,768.75	86,012.44	80,064.64	148,976.75	90,619.29	1,166,675.34
1934.....	325,573.42	247,929.27	136,686.10	135,884.03	55,494.03	158,437.63	127,114.78	1,187,119.26
1935.....	315,816.72	173,637.37	173,177.19	107,154.74	48,275.22	138,494.93	105,464.59	1,062,020.76
1936.....	369,761.07	175,910.18	157,281.06	105,034.55	46,655.48	126,636.71	114,023.75	1,095,282.80
1937.....	366,591.67	238,021.85	240,650.62	139,340.47	96,630.92	137,912.35	161,606.27	1,380,754.35
1938.....	378,227.55	185,514.50	318,139.36	134,842.85	82,873.62	61,544.42	247,909.52	1,409,051.82
1939.....	378,046.62	189,870.23	248,586.87	164,357.89	136,760.15	69,790.15	257,679.18	1,445,091.80
Total.....	\$2,861,068.91	\$1,801,576.78	\$1,533,576.71	\$956,396.51	\$645,984.15	\$948,280.09	\$1,242,032.12	\$9,989,099.27

FOOTNOTES

- (1) 1937, P. L. 1865
- (2) Administrative Code, Section 2602
- (3) 1937, P. L. 1225
- (4) 1937, P. L. 2643
- (5) 1925, P. L. 448
- (6) 1927, P. L. 815
- (7) 1929, P. L. 343
- (8) Fiscal Code, Section 302
- (9) Fiscal Code, Section 301
- (10) Fiscal Code, Section 1502
- (11) Administrative Code, Section 2413
- (12) Administrative Code, Section 2403

PART V

OTHER ADMINISTRATIVE BOARDS AND COMMISSIONS



CHAPTER XXVII

THE PENNSYLVANIA MILK CONTROL COMMISSION

A. FUNCTION

The Pennsylvania Milk Control Commission⁽¹⁾ was created to replace the Milk Control Board established by an emergency milk control law of 1934.⁽²⁾ This law expired April 30, 1935 but was reenacted and amended to be effective until April 30, 1937.⁽³⁾

The Commission is composed of three members appointed by the Governor with the consent of the Senate. The Governor designates one of the members as chairman. The terms of the first appointees were to be two, four and six years respectively, in order that the terms of future members would overlap. Subsequent appointments are for six-year terms. The membership of the Commission has been rather stable, with only one member resigning before completing his term. A vacancy has existed since September 15, 1939 as no appointment has been made to complete this unexpired term. This is in distinct contrast with the experience of the former three-member Milk Control Board, which had six resignations and six appointments from July 26, 1934 to July 2, 1935.

The Act requires only that a member of the Commission be a citizen of the United States at the time of his appointment. Residence in the State is not required. The salary is \$6,500 per annum for the chairman and \$6,000 for other members of the Commission.

Pennsylvania is the only one of 20 states having milk control laws in which the administration is placed in the hands of a full time salaried Commission of this type.

B. POWERS AND DUTIES

(1)

Under the provisions of the Milk Control Law, the Pennsylvania Milk Control Commission is vested with powers and duties as follows:

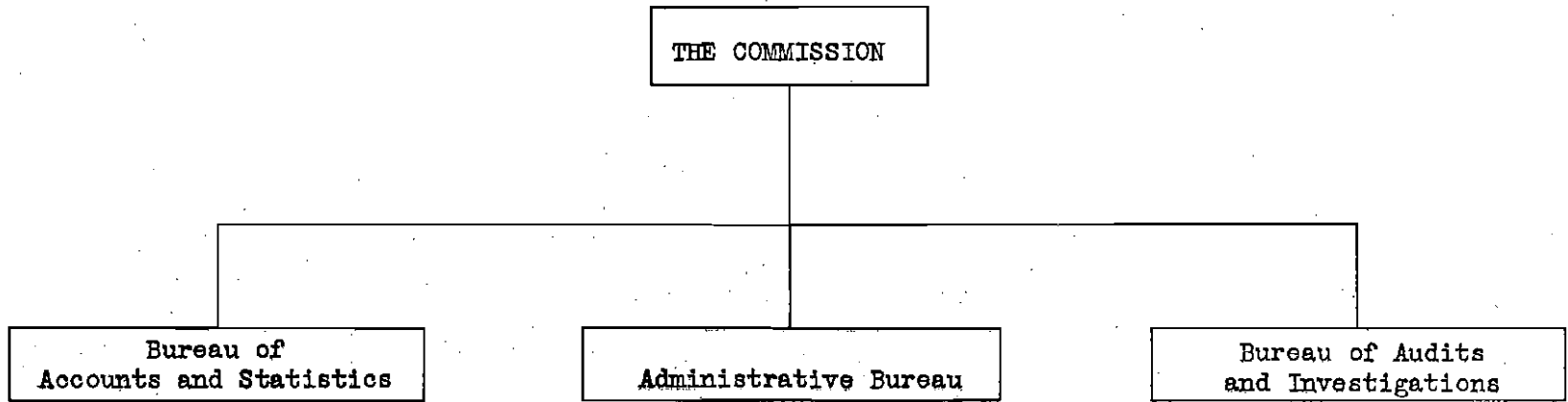
1. To supervise, investigate and regulate the entire milk industry of the Commonwealth, including the establishment of reasonable trade practices, systems of production control and marketing area committees in connection therewith;
2. To hold such hearings as it deems necessary to carry out the provisions of the Act;
3. To issue subpoenas requiring the appearance and testimony of, or the production of pertinent books and papers by milk dealers or producers or their employes or any other persons;
4. To administer oaths and affirmations, to question witnesses thereunder, and to examine such books and papers;
5. To issue commissions, letters rogatory, or other appropriate processes outside the Commonwealth;
6. To have access to, enter and inspect at all reasonable hours, all places where milk, or any product thereof is being produced, stored, bottled, processed, manufactured, sold, weighed, tested, or otherwise handled;
7. To inspect, audit and copy all books, papers, records or documents in any place within the Commonwealth, for the purpose of ascertaining facts to enable the Commission to administer the Act.
8. To confer with authorities of other states and the United States with respect to uniform milk control within the states and as between states, to function jointly with them and enter into compacts subject to Federal approval.
9. To ascertain, fix, and maintain such prices for milk in the respective milk marketing areas as will be most beneficial to the public interest, best protect the milk industry of the Commonwealth and insure a sufficient quantity of pure and wholesome milk to the inhabitants of the Commonwealth, having special regard to the health and welfare of children residing therein;
10. To fix, by official order, the minimum prices to be paid by milk dealers to producers for milk.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, as is indicated in Chart XXVII-1,

CHART XXVII-1.

ORGANIZATION OF THE PENNSYLVANIA MILK CONTROL COMMISSION



the Pennsylvania Milk Control Commission is divided into the following
bureaus:

1. Administrative
2. Accounts and Statistics
3. Audits and Investigations

1. Administrative Bureau

The Administrative Bureau deals principally with the administrative activities of the Commission, including legal, fiscal and general problems which come under the direct jurisdiction of the Commissioners and the Secretary.

a. Legal Service

The legal work of the Commission has included defense of the Constitutionality of the Milk Control Law, in addition to prosecutions by the Commission of persons accused of violating the law, and defense of the Commission in a number of cases where orders of the Commission were attacked. Some of the decisions favorable to the Commission are as follows:

- (1) Constitutionality of the Milk Control Law sustained;
- (2) Bonding provisions of the law upheld;
- (3) Omission by the Act of power to fix resale prices of manufactured milk products sustained;
- (4) Regulation of the price paid producers for milk purchased in Pennsylvania and sold outside the State sustained in the absence of regulation by Congress;
- (5) The right of the Commission to books and records which will assist it in price fixing sustained.

These favorable decisions were secured in the highest State courts, and in one instance in the United States Supreme Court. The Commission has lost certain cases, including some of the above, in lower courts. The most significant issue lost by the Commission involves the so-called "consignment contract," according to which a dealer seeks to avoid compliance

with the Act by simply refraining from "purchasing" milk. He becomes the agent or factor of the producer, handles the producer's milk, and remits to the producer whatever the value of the milk proves to be. This type of contract and avoidance of the law was upheld in the Dauphin County Common Pleas Court. Upon the basis of a strong dissenting opinion in the case, the Commission appealed the decision to the Supreme Court of Pennsylvania which, in a divided opinion, upheld the decision of the Dauphin Court.⁽⁴⁾ The Commission has now submitted a petition for a writ of certiorari to the Supreme Court of the United States.

2. Bureau of Accounts and Statistics

The Bureau of Accounts and Statistics assembles technical and statistical information largely used in promulgating price orders and in analyzing the effect of policies of the Commission and the production and distribution in the various markets.

Price fixing is applied to milk in Pennsylvania according to the following major principles and practices:

- a. The Commission is required to fix the minimum prices paid by milk dealers to producers for milk. Prices for milk used solely in manufacturing may be exempted.
- b. The Commission is required to fix, with certain minor exceptions, the minimum wholesale and retail prices charged for milk. Maximum resale prices may be fixed.
- c. Logical and reasonable milk marketing areas are to be established.
- d. Such prices are to be maintained in each milk marketing area as will be most beneficial to the public interest, and will best protect the milk industry of the State and insure a sufficient quantity of pure and wholesome milk to its inhabitants.
- e. Prices are to be based on conditions in each marketing area, including the amount necessary to yield reasonable returns to producers and milk dealers.
- f. Before issuing or amending an order fixing prices, the Commission is required to hold a hearing.
- g. Milk may be classified, for pricing, in any reasonable manner. This is not mandatory, however.

The Milk Control Law does not provide specifically for pooling milk on a market-wide basis by the Commission, although it is the opinion of the Attorney General that this power may be implied. There is no mention of "base-rating" plans in the law, but the Commission has instituted such a plan in one marketing area. Powers of mediation and arbitration are not specified.

The law does not provide for the exercise of control powers in only limited areas of the State; it is a universal system of control. Neither does it permit interested parties, such as producers or dealers, to determine whether control shall be exercised in a given area or not. The Commission has power to act upon its own authority.

Although the constitutional obstacles to milk price fixing have been dispelled, the administrative and economic problems which remain are formidable. Certain outstanding facts suggest the difficulties.

The Milk Control Commission fixes the prices paid producers or charged consumers by more than 4,000 milk dealers. Obviously there is a problem of securing satisfactory compliance. The Commission is applying regulations to an industry which has long been subject to regulation in its technological aspects, but not as to its pricing arrangements. Such control of prices and other economic factors as existed formerly was in the hands of powerful economic groups within the industry. The Commission is subject to attack by such groups if it fails to keep them contented.

The regulations undertaken are of the same general character as public utility regulations, but in detail very dissimilar. There are no franchises or certificates of convenience and necessity. The Commission is charged with fixing prices which will be beneficial to the public interest, having

regard for the health and welfare of the children residing in the State. At the same time producers and dealers are to be guaranteed a reasonable return. Adding to the perplexities of fulfilling this large order is the fact that the price of milk purchased by dealers outside of the State may not be regulated. Thus, if producers elsewhere are able to undersell Pennsylvania producers, it becomes difficult to fulfill the claim of all Pennsylvania producers to a "fair" return.

Providing a "fair" return to dealers consistent with the public interest is equally difficult. This task is complicated, as in the case of producers, by the wide variation discovered in the costs of operation of various units. This raises the question of the proper "spread" between the prices paid by dealers to producers and the minimum resale prices which the dealer may charge. The courts have said that this margin does not have to be wide enough to protect the most inefficient dealer. But the corollary conclusion has not been reached, i. e., that the margin need be only wide enough to permit the most efficient dealer to operate. Apparently a certain amount of inefficiency is to be condoned.

In interpreting the Milk Control Law, the Pennsylvania Supreme Court held that "the Commission should not select the most efficient or the least efficient producers or dealers in the milk districts or areas under consideration, upon whose figures of investments and costs to conclude what a fair return should be, but it should endeavor to utilize a cross section representative of the average of the normally efficient producers or dealers in the districts."⁽⁵⁾ This meets the test of judicial reasonableness in that it tends to protect existing interests. There does not appear to be anything about this theory or in its practical implementation which will give the general public the advantage of technological advancements made in the milk

industry. Some well-informed persons associated with the dairy industry think this has the effect of inviting inefficiency. They say it has some of the characteristics of a "cost-plus" arrangement. Over-capitalization, high executive salaries, opposition to new methods of distribution, higher wages than in other comparable enterprises, and low wagon route efficiency have been pointed to as evils which have been encouraged rather than alleviated. Certainly dealers' margins have not been reduced but have increased in the major markets of the State, as shown in Tables XXVII-A and B, pages 2709 and 2710.

The increased dealers' margins are explained in part by rising labor costs. Wage data secured by the Milk Control Commission from the Bureau of Employment and Unemployment Compensation, covering 27 Pittsburgh dealers, with 3,600 to 4,000 employes, showed the following percentage increases in average weekly wages during the years 1937 to 1940, as compared with the year 1936: 1937, 19.6 per cent; 1938, 25.4 per cent; 1939, 27.3 per cent; first quarter of 1940, 28.2 per cent. The industry-wide contract secured by organized labor in Pittsburgh in 1937 contributed materially to these increases. An even more favorable agreement was adopted May 1, 1940.

The Milk Control Commission, in a survey of the Pittsburgh marketing area for the year 1938, found that 19.37 per cent of the consumer's milk dollar went for wage payment to dairy plant employes and to sales and delivery employes. Obviously, increased costs in an item as important as this may be used by dealers in making an effective claim for wider margins. On the other hand, a claim that increased taxes should result in increased margins carries less weight, since insurance and taxes combined accounted for only 2.76 per cent of the consumer's milk dollar.

TABLE XXVII-A

MILK CONTROL COMMISSION

Dealers' Buying Prices for Grade B Milk, f.o.b. City, Retail and Wholesale Prices, Per Quart and Per Pint, and Dealers' Gross Margins, Philadelphia, Pennsylvania Under Pennsylvania Milk Control Orders

Effective Date	Dealers' Buying Prices Per Quart of 3.8 Milk * (Cents)	Dealers' Sale Price (Cents)				Dealers' Gross Margin (Cents)				Per Cent Excess of Margin Over Retail Price Per Quart
		Retail		Wholesale		Retail		Wholesale		
		Per Quart	Per Pint	Per Quart	Per Pint	Per Quart	Per Pint	Per Quart	Per Pint	
4/2/34	5.849	11.0	7.0	9.25	6.5	5.15	4.08	3.40	3.58	46.8
6/1/34	5.849	11.0	7.0	9.00	6.0	5.15	4.08	3.15	3.08	46.8
7/18/34	5.634	11.0	7.0	9.5	6.0	5.37	4.18	3.87	3.18	48.8
10/1/34	5.849	11.0	7.0	10.0	6.5	5.15	4.08	4.15	3.58	46.8
9/1/35	5.849	11.0	7.0	10.0	6.5	5.15	4.08	4.15	3.58	46.8
1/16/36	5.634	11.0	7.0	9.0	5.5	5.37	4.18	3.37	2.68	48.8
6/16/36	5.634	11.0	7.0	9.0	5.5	5.37	4.18	3.37	2.68	48.8
10/11/36	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
1/13/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
2/15/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
6/2/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
7/1/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
7/16/37	6.452	12.0	7.0	10.0	5.5	5.55	3.77	3.55	2.27	46.3
5/12/38	6.280	12.0	7.0	10.0	5.5	5.72	3.86	3.72	2.36	47.7
8/16/38	6.237	12.0	7.0	10.0	5.5	5.76	3.88	3.76	2.38	48.0
8/16/38	6.237	12.0	7.0	10.0	5.5	5.76	3.88	3.76	2.38	48.0
1/17/39	6.237	12.0	7.0	10.0	5.5	5.76	3.88	3.76	2.38	48.0

* The average butterfat test of milk distributed is approximately 3.8 per cent.

Source: Computed from price reports and official orders of the Pennsylvania Milk Control Board and Commission.

TABLE XXVII-B

MILK CONTROL COMMISSION

Dealers' Buying Prices for Grade B Milk, f.o.b. City, Retail and Wholesale Prices, Per Quart and Per Pint, and Dealers' Gross Margins, Pittsburgh Area, Under Pennsylvania Milk Control Orders

Effective Date	Dealers' Buying Prices Per Quart of 3.8 Milk * (Cents)	Dealers' Sale Price (Cents)				Dealers' Gross Margin (Cents)				Per Cent Excess of Margin Over Retail Price Per Quart
		Retail		Wholesale		Retail		Wholesale		
		Per Quart	Per Pint	Per Quart	Per Pint	Per Quart	Per Pint	Per Quart	Per Pint	
4/ 2/34	4.796	10.0	6.0	8.5	5.0	5.20	3.60	3.70	2.60	52.0
6/ 1/34	4.989	10.0	6.0	8.0	5.0	5.01	3.51	3.01	2.51	50.1
6/ 1/34	4.989	10.0	6.0	8.5	5.0	5.01	3.51	3.51	2.51	50.1
7/18/34	4.989	10.0	6.0	8.5	5.0	5.01	3.51	3.51	2.51	50.1
8/ 7/34	5.505	11.0	7.0	9.5	6.0	5.50	4.25	4.00	3.25	50.0
10/ 1/34	5.505	11.0	7.0	9.5	6.0	5.50	4.25	4.00	3.25	50.0
9/ 1/35	5.333	11.0	7.0	9.5	6.0	5.67	4.33	4.17	3.33	51.5
1/16/36	5.290	11.0	7.0	9.5	6.0	5.71	4.36	4.21	3.36	51.9
6/16/36	5.290	11.0	7.0	9.5	6.0	5.71	4.36	4.21	3.36	51.9
10/11/36	5.871	12.0	8.0	10.0	6.0	6.13	5.06	4.13	3.06	51.1
12/21/36	6.731	13.0	8.0	11.5	7.0	6.27	4.63	4.77	3.63	48.2
6/ 2/37	6.731	13.0	8.0	11.5	6.0	6.27	4.63	4.77	2.63	48.2
7/16/37	6.731	13.0	8.0	11.5	6.0	6.27	4.63	4.77	2.63	48.2
10/ 1/37	6.602	13.0	8.0	11.5	6.0	6.40	4.70	4.90	2.70	49.2
3/16/38	6.516	13.0	8.0	11.5	6.0	6.48	4.70	4.98	2.74	49.8
8/ 2/38	6.323	13.0	8.0	11.5	6.0	6.68	4.84	5.18	2.84	51.4
2/10/39	4.688	11.0	7.0	9.5	6.0	6.31	4.66	4.81	3.66	57.4
2/16/39	4.688	11.0	7.0	9.5	6.0	6.31	4.66	4.81	3.66	57.4
8/ 1/39	5.548	12.0	8.0	10.5	6.5	6.45	5.83	4.95	3.73	53.8
10/ 5/39	5.548	12.0	7.0	10.5	6.0	6.45	5.23	4.95	3.73	53.8
12/ 1/39	6.194	13.0	7.0	11.5	6.0	6.81	3.90	5.31	2.90	52.4
4/ 1/40	5.548	12.0	7.0	10.5	6.0	6.45	5.23	4.95	3.73	53.8

* Adjusted to milk containing 3.7 per cent butterfat, approximately the average test of milk distributed.

Source: Computed from official orders and price reports of the Pennsylvania Milk Control Board and Commission.

Complaints are heard that the Commission can not adjust prices quickly enough to keep them in line with changing economic conditions. When business conditions are improving and most farm prices are increasing, milk producers must await the action of the Commission in increasing their prices. On the other hand, when prices of farm products are falling and when business is contracting, the downward adjustment of milk prices necessary to prevent undue expansion of production and discouragement of sales is delayed.

United States Department of Agriculture figures indicate some tendency to increase milk production in Pennsylvania during recent years. This is due in part to herd improvement and in part to a relationship between milk prices and feed prices favorable to increased production. Some persons attribute the increase to over-optimism due to milk control. A similar large increase is appearing not only in the other Middle Atlantic and New England States where milk control is prevalent, but also in certain East North Central States which have not had State milk control.

3. Bureau of Audits and Investigation

The Bureau of Audits and Investigation is responsible for auditing dealers' records, making investigations, bringing prosecutions, carrying out of the butterfat testing laws and the licensing and bonding of the dealers.

a. Licensing

Milk dealers, with certain exceptions which may be made by the Commission, are required to be licensed. There are eleven specific grounds on which the Commission may decline to grant, or suspend, or revoke a license. This power can be used, for example, to force dealers to obtain bonds, comply with price schedules fixed by the Commission, keep records, and make reports. With the application for a license a dealer is required by the Com-

mission to submit a financial statement on a form provided by the Commission, in addition to the license fee and the dealer's bond.

Table XXVII-C, page 2713, shows the number of licenses, classified by type of dealer, issued during the three license years ending April 30, 1941.

b. Weighing and Testing

The Milk Control Commission is charged with certain functions relative to the testing and weighing of milk which prior to 1937 were performed by the Department of Agriculture. Dairy inspectors employed by the Commission examine persons who wish to qualify to be testers, or weighers and samplers of milk. A tester, or weigher and sampler must obtain a certificate annually from the Commission, and failure to obtain a certificate two years in succession necessitates re-examination. In addition, milk dealers must obtain a weighing or measuring permit annually from the Commission in order to receive milk from producers at any plant, station or creamery where milk is weighed or tested. In August, 1940, there were 1,494 certified testers, 750 weighers and samplers, and dealers had obtained 1,157 weighing or measuring permits.

For the purpose of insuring the accurate testing of butterfat it is necessary that the Commission's agents carry on continuous routine check-testing and weighing. The emphasis is placed upon check-testing of butterfat samples because of the opportunities for fraud in the application of the "Bobcock Test." Special investigations are made where suspicious circumstances are discovered. Approximately 5,000 samples were tested during the first six months of 1940.

The employes engaged in this work need special training in the collection and presentation of evidence necessary in successfully prosecuting violators. Due to difficulties experienced in prosecuting persons accused of

TABLE XXVII-C

MILK CONTROL COMMISSION
 STATEMENT SHOWING THE NUMBER OF LICENSES
 CLASSIFIED ACCORDING TO TYPE OF DEALER
 ISSUED DURING THREE LICENSE YEARS-
 MAY 31, 1938 to APRIL 30, 1940

Source	1938-1939			1939-1940			1940-1941		
	Pennsylvania	Out of State	Total	Pennsylvania	Out of State	Total	Pennsylvania	Out of State	Total
Producer Distributors..	1,891	18	1,909	1,954	22	1,976	2,608	26	2,634
Producer dealers.....	212	-	212	199	-	199	195	2	197
Dealers.....	690	16	706	776	12	788	756	16	772
Sub-dealers.....	203	2	205	473	1	474	485	2	487
Manufacturers.....	54	1	55	54	2	56	41	2	43
Other Dealers.....	41	1	42	44	2	46	62	2	64
Total.....	3,091	38	3,129	3,500	39	3,539	4,147	50	4,197

violations, the Commission is attempting to introduce new procedures necessary to present more satisfactory evidence to the courts.

c. Bonding

Milk dealers, including sub-dealers, are required to furnish a bond to the Commission. Bonds may be in the form of collateral, or corporate or personal surety. Some large dealers in good financial circumstances prefer to furnish collateral. Many dealers, however, find it more convenient to furnish personal surety bonds. The Commission favors the requirement of corporate surety bonds, as greater protection to milk producers, because of the difficulty frequently encountered in collecting on the personal surety type.

D. PERSONNEL

Table XXVII-D, page 2715, shows the number of employes by job classification and annual salaries at June 1, 1940.

E. FINANCES

The Commission operates on a partly self-supporting basis. Financial support is derived from appropriation made by the Legislature, and from several other sources provided by the Act, the most important of which is the license fees paid annually by milk dealers.

Table XXVII-E, page 2716, shows the income of the Commission by sources for the four fiscal years June 1, 1936 to May 31, 1940.

Table XXVII-F, page 2717, shows expenditures by object classification for the four fiscal years June 1, 1936 to May 31, 1940.

By the end of the fiscal year 1940-41, milk control activities in Pennsylvania will have cost in excess of \$1,500,000, approximately \$800,000 of which has been appropriated from the General Fund and the remaining \$700,000 derived from special sources of income included in the Milk Control Fund.

TABLE XXVII-D

MILK CONTROL COMMISSION
STATEMENT SHOWING NUMBER AND ANNUAL SALARIES OF EMPLOYEES
AS OF JUNE 1, 1940

Bureau and Personnel Classification	Number of Employees	Annual Salaries
<u>Administrative Bureau</u>		
Chairman.....	1	\$ 6,500
Member.....	1	6,000
Secretary.....	1	3,600
Deputy Attorney General.....	1	5,000
Assistant Deputy Attorney General.....	1	4,000
Assistant Deputy Attorney General.....	1	3,600
Advanced Hearing Stenographer.....	1	1,980
Senior Hearing Stenographer.....	1	1,740
Senior Stenographer-Secretary.....	1	1,620
Stenographer-Secretaries (\$1,440).....	2	2,880
Stenographer-Secretaries (\$1,380).....	3	4,140
Senior Stenographer-Clerks (\$1,140).....	4	4,560
Stenographer-Clerks (\$1,080).....	4	4,320
Stenographer-Clerks (\$1,020).....	3	3,060
Messenger-Clerk.....	<u>1</u>	<u>1,020</u>
Total.....	<u>26</u>	<u>\$54,020</u>
<u>Bureau of Accounts and Statistics</u>		
Director of Research.....	1	\$ 3,000
Statistician.....	1	2,100
Senior Comptometer Operator.....	1	1,140
Junior Control Accountant.....	1	2,100
Advanced File Clerk.....	<u>1</u>	<u>1,140</u>
Total.....	<u>5</u>	<u>\$ 9,480</u>
<u>Bureau of Audits and Investigations</u>		
Director.....	1	\$ 3,000
Supervising Milk Control Examiners (\$2,400)	4	9,600
Milk Control Investigators (\$2,100).....	6	12,600
Junior Milk Control Investigator.....	1	1,920
Junior Milk Control Investigators (\$1,860)	20	37,200
Senior Record Clerk.....	1	1,380
Milk Control Enforcement Investigator.....	1	840
Milk Control Enforcement Investigators (\$1,620).....	6	9,720
Senior Dairy Inspector.....	1	2,400
Junior Dairy Inspectors (\$1,860).....	<u>3</u>	<u>5,580</u>
Total.....	44	\$84,240
Grand Total.....	75	\$147,740

TABLE XXVII-E

MILK CONTROL COMMISSION
 REVENUE DERIVED FROM LICENSES, FEES
 PERMITS, FINES AND OTHER SOURCES
 JUNE 1, 1936 TO MAY 31, 1940

Source	Fiscal Year Ending May 31.			
	1937	1938	1939	1940
Licenses and Fees:				
Milk Dealers' Licenses...	\$81,197.25	\$181,610.00	\$ 93,211.95	\$ 92,461.78
Transfer Fees.....	22.00	17.00	21.00	16.00
Weighing & Measuring Permits.	--	6,445.00	5,902.00	5,895.00
Milk Testers Certificate Fees	--	4,587.00	4,470.00	4,530.00
Milk Weighers Certificate				
Fees.....	--	2,505.00	2,298.00	2,352.00
Interest on Deposits.....	581.61	147.77	--	--
Milk Weighers & Testers Exam- ination Fees.....	--	1,272.00	1,041.00	1,011.00
Milk Law Fines.....	2,400.00	2,307.20	2,302.00	2,785.00
Miscellaneous Revenue.....	97.65	418.90	118.25	250.05
Total.....	\$84,298.51	\$199,309.87	\$109,365.00	\$109,300.83

TABLE XXVII-F

MILK CONTROL COMMISSION
EXPENDITURES BY OBJECT CLASSIFICATION
JUNE 1, 1936 TO MAY 31, 1940

Object	Fiscal Year Ending May 31.			
	1937	1938	1939	1940
Salaries.....	\$125,509.27	\$179,266.36	\$165,994.73	\$150,553.66
Wages.....	16,204.55	2,965.64	1,112.65	8,187.45
Fees.....	1,276.59	2,220.74	1,087.83	699.35
Printing & Binding -				
Stationery.....	2,417.75	3,490.55	6,117.63	2,330.51
Materials & Supplies.....	636.93	788.23	626.76	509.69
Travel Expense.....	50,426.55	60,774.24	60,463.12	55,992.27
Freight, Express & Car-				
tage.....	9.28	54.36	39.72	53.94
Postage.....	3,710.36	3,681.52	4,534.24	2,926.57
Telephone & Telegraph....	2,273.89	2,241.15	2,392.37	2,038.70
Newspaper Advertisements				
& Notes.....	--	--	8.37	--
Contracted Repairs.....	79.60	117.85	124.16	163.31
Rent of Real Estate.....	5,862.65	7,873.50	8,265.00	8,306.78
Rent of Equipment.....	398.20	548.75	1,330.08	209.47
Insurance; Security &				
Fidelity Bonds.....	270.84	747.74	501.04	199.44
Other Maintenance Service				
& Expense.....	59.85	56.92	81.42	136.89
Equipment & Machinery....	7,140.69	2,316.36	2,917.61	3,163.64
Total.....	\$216,277.00	\$267,143.91	\$255,596.73	\$235,471.67

FOOTNOTES

- (1) 1937 P. L. 417
- (2) 1933-1934 P. L. 174
- (3) 1935 P. L. 96
- (4) Green et al vs. Milk Control
Commission, 340, Pennsylvania 1.
- (5) Colteryahn Sanitary Dairy vs.
Milk Control Commission, 332,
Pennsylvania 15.

CHAPTER XXVIII

PENNSYLVANIA PUBLIC UTILITY COMMISSION

A. FUNCTION

The Pennsylvania Public Utility Commission, an independent administrative commission, was created in 1937, ⁽¹⁾ being a substitute for the Public Service Commission as a regulatory body controlling public utilities. The first step in the direction of utility control by an agency of the Commonwealth was made in 1907 ⁽²⁾ by the creation of the Pennsylvania State Railroad Commission. This agency had jurisdiction over common carriers, including pipe lines and telephone and telegraph companies. In 1913, under the Public Service Company Law ⁽³⁾ the scope of control was broadened and placed in the hands of the Public Service Commission, where it remained for 24 years.

The new body is composed of 5 members appointed by the Governor, as against 7 in the Commission it replaced. The Commissioners first appointed held office for 2, 4, 6, 8 and 10 years respectively, their successors being appointed for 10 years. Vacancies are filled for the balance of the unexpired term. The qualifications for membership include residence in the Commonwealth, a minimum age of 30 years and registration as a qualified voter for at least one year prior to appointment. The annual salary is \$10,000 with \$500 additional for the Chairman.

The Governor may remove a member of the Commission for cause by and with the consent of the Senate. A member of the Commission, to be designated by the Governor, shall be a member of the Water and Power Resources Board. ⁽⁴⁾

⁽⁵⁾
A "Public Utility" is defined by the Act to mean "persons or corpora-

tions now or hereafter owning or operating in this Commonwealth equipment or facilities for:

- (a) Producing, generating, transmitting, distributing or furnishing natural or artificial gas, electricity, or steam for the production of light, heat, or power to the public for compensation.
- (b) Diverting, developing, pumping, impounding, distributing, or furnishing water to or for the public for compensation.
- (c) Transporting passengers or property as a common carrier.
- (d) Use as a canal, turnpike, tunnel, bridge, wharf, and the like, for the public for compensation.
- (e) Transporting or conveying natural or artificial gas, crude oil, gasoline, or petroleum products, materials for refrigeration, or other fluid substance, by pipe line or conduit, for the public for compensation.
- (f) Conveying or transmitting messages or communications by telephone or telegraph for the public for compensation.
- (g) Sewage collection, treatment, or disposal for the public for compensation."

Table XXVIII-A shows the number and classes of public utilities supervised by the Pennsylvania Public Utility Commission at December 16, 1940.

B. POWERS AND DUTIES

The powers and duties of the Commission relate generally to the regulation of rates, services and facilities of all public utilities in the Commonwealth. Some of the more important specific powers with which the Commission is vested appear below:

1. To approve or disapprove the creation of public utilities and the addition to or abandonment of any of their services.
2. To regulate the rates charged by public utilities and to prescribe temporary rates pending the final determination of a rate proceeding.
3. To eliminate rate discriminations, and enforce tariffs under which rates are charged by the utilities.
4. To conduct public hearings on matters relating to public utilities and to subpoena witnesses.

TABLE XXVIII-A

PUBLIC UTILITY COMMISSION
NUMBER AND KIND OF PUBLIC UTILITIES SUPERVISED
DECEMBER 16, 1940

Utility	Operating	Lessor and Non-Operating	Total
Electric	60	12	72
Manufactured Gas	30	6	36
Natural Gas	110	--	110
Pipe Line	7	--	7
Steam Heating	26	--	26
Water	618	--	618
Telephone	274	--	274
Telegraph	4	5	9
Electric Railway	26	136	162
Trackless Trolley	2	--	2
Steam Roads	82	110	192
Express	2	--	2
Sleeping Car	1	--	1
Aircraft	8	--	8
Boat	5	--	5
Bridge	18	--	18
Canal	3	--	3
Ferry	18	--	18
Sewerage	17	--	17
Wharf	4	--	4
Common Motor Carriers	11,800	--	11,800
Contract Motor Carriers	1,687	--	1,687
Total	14,802	269	15,071

5. To conduct investigations and examinations of utility corporations including their physical properties, books and accounts.
6. To prescribe reasonable, safe, adequate and sufficient services and facilities to be furnished by public utilities.
7. To regulate installation, protection and removal of grade crossings.
8. To regulate and control the issuance of securities of public utilities.
9. To regulate the relation of public utilities with their affiliates.

10. To issue permits to contract carriers by motor vehicle and brokers and to prescribe minimum rates for such service.
11. To regulate common carriers by motor vehicle.
12. To supervise and regulate the budgetary and accounting procedures of public utilities.
13. To have access to the books and records of public utilities.
14. To reform and revise contracts of public utilities where such action is deemed necessary in the public interest.
15. To certify to the Sanitary Water Board any question of fact which arises regarding the purity of water supplied to the public by any public utility.
16. To require such periodical and other reports from public utilities as may be deemed necessary.

C. ORGANIZATION AND OPERATIONS

For purposes of administration, as is indicated by Chart XXVIII-1, the Commission is divided into five bureaus as follows:

1. Secretary's Bureau
2. Law Bureau
3. Bureau of Accounts
4. Bureau of Engineering
5. Bureau of Motor Transportation.

The last named Bureau was created to take over the motor carrier functions of the former Bureau of Public Convenience, other than the hearing function which has been absorbed by the Secretary's Bureau. The duties formerly performed by the Bureaus of Accidents and of Rates and Tariffs have been placed upon the Bureau of Engineering and the Bureau of Accounts, respectively.

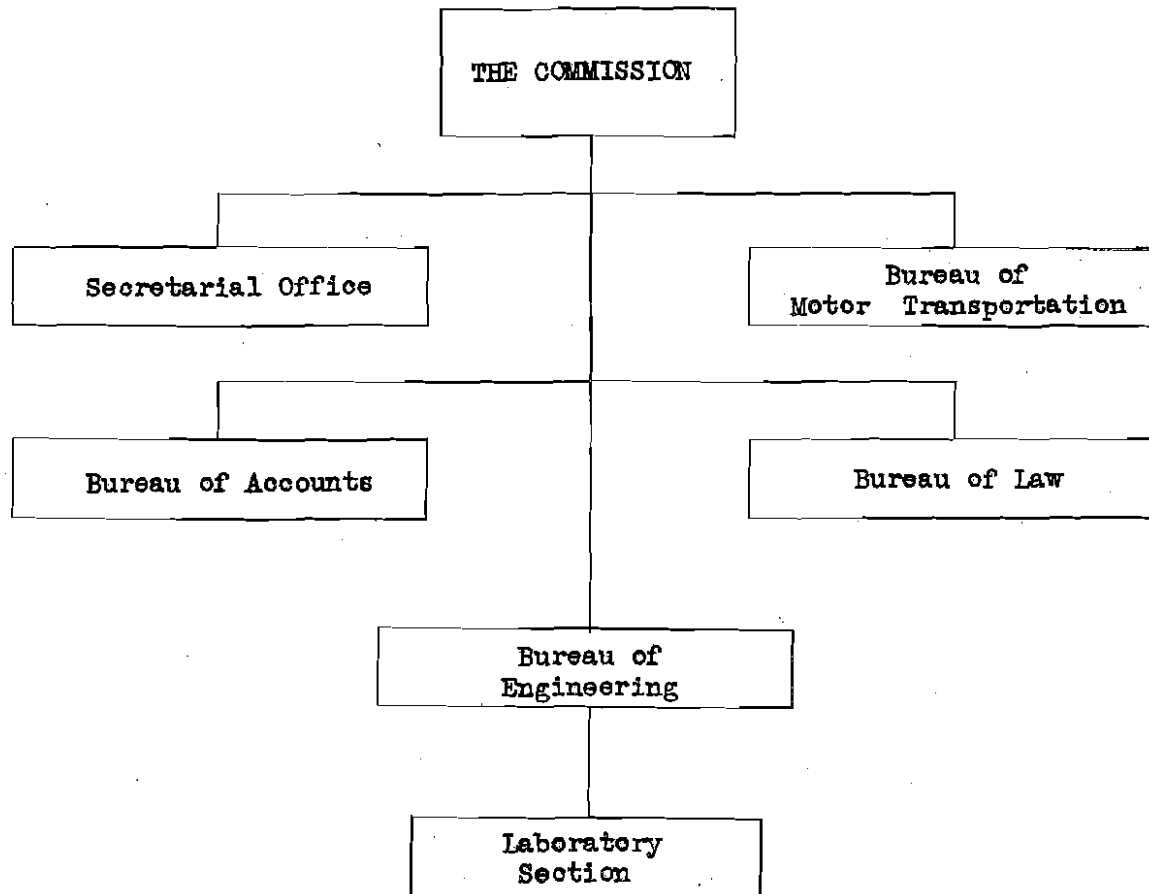
1. Secretary's Bureau

(6)

The Commission appoints a Secretary to serve at its pleasure under the law, and may designate a clerk who, in the absence of the Secretary, is vested with his powers. The Secretary is the chief executive officer of the Commission. He has charge of its general office, superintends its

CHART XXVIII-1

ORGANIZATION OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION



clerical business, conducts its correspondence, gives notice of all determinations, rulings, and orders of the Commission, prepares and publishes all public notices required to be given by the Commission under the law, and acts as custodian of Commission records. He arranges hearings, and assigns cases to other bureaus for study and reports to the Commission. In addition, the Secretary attends the executive sessions of the Commission to present matters on the executive calendar, and to record the minutes of its actions.

The examiners, all of whom are lawyers, are a part of this Bureau. They conduct the preliminary questioning of witnesses, securing the necessary information for the records to be sent to the Commission for review. The examiner is not allowed to report his own opinion or file his recommendations with the Commission. As a result, the reviewing section makes its report to the Commission without the benefit of any personal interrogation of witnesses. There is little doubt that the examiner is in better position to evaluate the testimony, having been in contact with the witness, than a reviewer having only the cold record. Examiners of the Interstate Commerce Commission and of many other Federal agencies report their findings with recommendations to the agency they represent.

The Law gives the examiner power "to administer oaths and examine witnesses and receive evidence."⁽⁷⁾ It also provides that "testimony and evidence so taken or received shall have the same force and effect as if taken or received by the Commission." It neither specifically prohibits nor permits the examiner to report his findings to the Commission. Mr. Justice Keller, in a concurring opinion in *J. Benkart & Sons Co. et al., Aps., v. Pennsylvania Public Utility Commission*, stated in part:⁽⁸⁾

"It developed, however, on the argument that in the proceedings leading up to its decision, the Commission had designated an examiner to take testimony, and the examiner, instead of confining himself to the duties committed to him by statute, to wit, administering oaths, examining witnesses and receiving evidence, filed a report, which did not become a part of the record, and made recommendations which were adopted by the Commission. This he was without legal authority to do Whatever may be the custom in other jurisdictions, in this Commonwealth the function of an examiner to take testimony is limited to his statutory authority, and he is given no power to pass on facts developed or make decisions or recommendations with regard to them, unless specially authorized in the statute to do so."

In view of the above ruling, if the Legislature is of the opinion that the examiner should report his findings, an amendment giving such specific authority to the examiner should be enacted.

2. Law Bureau

The office of counsel to the Public Utility Commission is created by statute (6) which places the appointing powers with the Attorney General subject to approval of the Governor. Assistant counsel are provided for on the same bases with compensation of all counsel fixed by the Commission with the approval of the Governor. The duties are generally provided for by law.

The functions of the Law Bureau may be divided into four major classes: legal advice to the Commission and members of its staff; representation of the Commission in appeals from its orders; prosecution of the actions before the Commission on its own motion or otherwise; and routine matters such as advice to litigants, indexing decisions and the like.

a. Legal Advice

The work of legal advice involves legal research and the preparation of opinions and memoranda for the guidance of the Commission in the exercise of its powers. The Bureau studies and analyzes the records and testimony to determine the scope of the discretion which the Commission

may exercise in each case that comes before it. It keeps the Commission informed of precedents established both by court decisions and by previous rulings of the Commission itself.

b. Legal Representation

When an appeal is made from a decision of the Commission, it is the duty of the Bureau to prepare the briefs which are filed with the appellate court in defense of the rulings of the Commission. It prepares and certifies the records which have been developed in the proceedings before the Commission and appears as counsel in oral arguments before the court. It also acts as counsel in actions instituted to recover penalties and enforce regulations and orders.

c. Prosecutions

When the Commission institutes an action against a utility on its own motion, the Bureau prepares the case for trial and develops the necessary testimony. This may involve the securing and, at times, the examination of witnesses. In these cases, every effort is made by the Commission to keep separate the prosecutor and judicial roles. The Bureau prosecutes the case without interference from the Commissioners, who render their decision on the basis of the facts presented. It also advises attorneys and individuals who call upon the Commission as to their rights in various situations and as to evidence necessary in cases pending before the Commission.

d. Miscellaneous Duties

The Bureau has charge of indexing, syllabizing and printing the decisions of the Commission for its future guidance. It also indexes relevant cases in the Federal courts and before utility regulating bodies in other States. The Bureau has general charge of the law library which, in addition to the usual material and indices, has textbooks on utility

matters and reported decisions of other utility commissions.

3. Bureau of Accounts

The Bureau of Accounts is the successor to the Bureau of Accounts, Rates and Statistics. Among its activities are: (1) to prescribe uniform systems of accounts for the various types and classes of utilities regulated; (2) to audit and examine the books, accounts and records of public service companies under the supervision of the Commission; (3) to prescribe the forms of annual reports to be filed by each utility; (4) to examine such reports when filed and compile statistics therefrom; (5) to administer the regulations pertaining to the determination of original cost and the installation of continuing property records by utilities; (6) to handle the fiscal affairs of the Commission, including the assessment of utilities for the cost of operating the Commission; (7) to examine the accounting and financial aspects of securities certificates and of applications for approval of mergers, sales, leases, etc; and (8) to make reports and proposed rate decisions on formal cases.

In the field formerly covered by the old Bureau of Rates and Tariffs, the duties of the Bureau include: (1) the disposition of applications for the waiver of the statutory notice when rate changes are contemplated; (2) the consideration of reparations petitions and of petitions for changes in the rate schedules of individual companies; (3) the receipt, filing and posting of tariffs, rates and rules; (4) the determination of the adequacy of compliance with the Commission's rate orders; and (5) the preparation and filing of concurrences and powers of attorney.

The work and duties of the Bureau require a great degree of cooperation and coordination with other bureaus of the Commission, as well as with other agencies of the State. Thus, the accountants and auditors in the

field who examine the records and accounts of the various companies very often are required to go on the witness stand in rate proceedings as experts for the Commission, assisting the Law Bureau in the development of the record and the Commission in arriving at a decision.

The Pennsylvania Commission, acting in harmony with various regulatory bodies of other states and of the Federal Government, has prescribed systems of accounts which require practically all electric, telephone, and gas utilities to determine the original cost of their property when first devoted to the public use. Such cost, as well as prices in excess of such cost paid to predecessors, and write-ups of all kinds, will be shown clearly on utility books when the study is completed. This will create a uniformity of meaning to property accounting which is now absent, but which is essential to rate making and other regulatory activities of the Commission. By additional orders, means have been created to keep property records up to date.

Although the gas and telephone industries are still engaged upon the above study, the electric utilities have filed their reports, and it is now necessary that the Commission check these before final acceptance. This checking and all other activities pertaining to the original cost function, are performed by a staff of eight men in the Bureau of Accounts. These men now have to review studies involving \$2,000,000,000 of property, and an idea of the magnitude of the task may be gained from the fact that the study of one medium sized electric company consisted of 70 volumes weighing 375 pounds.

There is no conflict between the function of this Bureau and that of the Pennsylvania Securities Commission in relation to the approval of applications filed by utilities for the registration of securities to be

issued. The latter body deals generally with "the registration and regulation of certain individuals and entities selling, offering for sale or delivery or dealing in any manner of securities." (9) The Public Utility Commission is primarily concerned with the effect of the proposed security upon the issuing utility's ability to render service at reasonable rates.

4. Bureau of Engineering

The Bureau of Engineering deals with all classes of engineering problems in connection with the various utilities regulated by the Commission. It is divided into sections, each dealing with a specific type of utility such as electric, railroad, gas, water, telephone, transit and motor, and steam heat. Other sections relate to general utility work, study of accidents, drafting and the Commission's testing laboratory. In general, the Bureau is a consulting engineer's office with a staff of professional engineers in different branches giving advice, making investigations and reports, dealing with problems of service, valuations, rates, and facilities, including the design, construction and operation of improvements and extensions thereto.

The engineers of the various sections analyze and report on various types of applications and complaints coming before the Commission; supervise the manner in which facilities are constructed; make field investigations, studies, and reports in the interest of safe and adequate service, including extension of service to new customers; and conduct field investigations of physical properties and appraisals which are used by the Commission in rate determinations and in passing upon consolidations and mergers.

a. Investigation of Accidents

The Bureau of Engineering, to a limited degree, carries on the

work of investigation and research relating to dangerous conditions and their prevention in the operation of railroads, street railroads, inclined planes, motor trucks and buses. These utilities file reports with the Bureau covering any accident resulting from the operation of the utility or its property. The Bureau makes a thorough investigation of all major accidents reported, for the purpose of recommending preventative measures against a possible recurrence.

Suggested changes in grade crossings are referred to this Bureau. Complaints of dangerous conditions, particularly at grade crossings, are investigated by the Accident Section, which advises the Commission as to the reasonableness of the complaint. Studies and surveys for the improvement of grade crossing conditions are made, as are recommendations for the installation of automatic warning devices and the consolidation of traffic lanes across common carriers. Statistics and other pertinent information are compiled for the use of the Commission in accident prevention work.

b. Laboratory

The Laboratory is equipped with facilities to test gas, water, steam, and electric meter provers. These provers are used by the utilities to test consumers' meters. The Commission maintains meter testing equipment and passes upon disputes relating to meter tampering and kindred matters. This service is rendered on a fee basis. The Bureau enforces rules which prescribe commercially reasonable limits of accuracy for the various types of meters.

5. Bureau of Motor Transportation

The Bureau of Motor Transportation is charged with the supervision of common carriers by motor vehicle, contract carriers by motor vehicle and brokers. The Commission, through the Bureau, regulates the common and

contract carriers by motor vehicles in regard to permits for the right to operate and also regulates and enforces the rates of such carriers. Before a decision is rendered by the Commission in proceedings involving operation of motor vehicles, the record is studied by this Bureau in order that the Commission may be advised concerning prior action in similar cases and the usual policy followed. Compliance with the Commission's insurance requirements by these carriers is also enforced by this Bureau. Each year it handles thousands of complaints of illegal operation by common carriers, as well as large numbers of requests for information concerning the law, practice and procedure in applications on motor vehicle cases.

The Bureau maintains a staff of motor vehicle investigators to detect infringements of the law or the rules and regulations prescribed thereunder. The Department of Revenue has cooperated with the Commission in a vigorous campaign to eliminate violations of the motor carrier laws, especially with regard to buses which operate illegally without certificates or permits. Before the Bureau of Motor Vehicles in the Department of Revenue issues registration tags to an applicant, the application is submitted to the Public Utility Commission for approval. The application is approved if the applicant holds a Public Utility Commission certificate, if the vehicle is authorized by an equipment certificate, and if there is on file evidence of the insurance required by the Commission.

The regulation of motor trucks is especially costly and difficult. During the first six months following the passage of the Public Utility Law applications for trucking permits and certificates averaged over 500 per week. At the present time, however, the volume of applications averages close to 29 per week. Many of the trucks are dump trucks operated by the owner and changing rapidly from job to job. This makes any attempt

to control the operation exceedingly difficult as these small operators fail to make reports or even to maintain records on which reports could be based. The Commission believes that some type of modified regulation, possibly in this form of registration, should be adopted for the constantly changing mode of transportation.

The serious problem is not only one of policing the holders of certificates, but of protecting this group from illegal competition. The holder of a certificate of public convenience or a permit as a contract carrier must undergo considerable expense to achieve that status. He must not only obey regulations as to operation and rates but must also protect the public by various types of insurance. Naturally, when an illegal operator, with none of the costs and difficulties, underbids him, he is very forcible in his protests to the Commission. The only real answer is constant policing by an adequate force of trained investigators.

Under Section 202 (d) of the Public Utility Commission Law, all public utilities, including the hundreds of small truckers, are required to secure a certificate of public convenience in order to discontinue or abandon service, and accordingly are required to pay the \$10.00 fee for filing the application for abandonment. This is a financial burden for many small operators, and is also burdensome to the Commission from the standpoint of procedure because trucking rights, large and small, are continually being abandoned.

Under present procedure, the Commission is required to notify each competitor whenever an application is made for a certificate of convenience in a particular area. The volume of these notices is such as to constitute a burden upon the Commission both as to work and expense. The Commission questions whether the notice serves any useful purpose except

to the larger carriers who have an office force to review all notices and follow them up.

In the administration of a number of State agencies, notice to certain individuals is required before final action is taken. Since these notices are also legal in their import, it would be possible to handle all such departmental notices in a State bulletin published at regular intervals on a subscription basis. This bulletin could be somewhat along the lines of the "Legal Intelligencer" and could include formal opinions of general interest, given by the Attorney General. The subscription price should be sufficient to defray the cost of publication, and only those interested sufficiently to subscribe would receive the notices. State agencies would be relieved of all work except to prepare the material for publication.

D. PERSONNEL

On June 1, 1940, the personnel of the Public Utility Commission totaled 344 receiving aggregate annual salaries of \$727,790. The distribution of employes by bureau and personnel classification is shown in Table XXVIII-B.

TABLE XXVIII-B

PUBLIC UTILITY COMMISSION
SUMMARY OF PERSONNEL BY BUREAU, PERSONNEL CLASSIFICATION,
AND TOTAL ANNUAL SALARIES, JUNE 1, 1940

Bureau and Personnel Classification	Number of Employes	Total Salaries
<u>Public Utility Commission</u>		
Chairman	1	\$ 10,500
Members	4	40,000
Total	5	\$ 50,500

TABLE XXVIII-B
(Continued)

Bureau and Personnel Classification	Number of Employees	Total Salaries
<u>Secretary's Bureau</u>		
Secretary	1	\$ 6,500
Executive Assistant	1	3,300
Hearing Examiners	6	21,450
Principal Public Information Editor	1	4,080
Principal Complaint Examiner	1	3,000
Supervisor of Carrier Certificates	1	2,100
Clerks, Stenographers, etc.	76	94,320
Total	<u>87</u>	<u>\$134,750</u>
<u>Law Bureau</u>		
Chief Counsel	1	\$ 7,500
Senior Public Utility Counsel	1	5,250
Assistant Counsel	2	8,400
Principal Legal Assistant	1	3,000
Stenographers	7	9,120
Total	<u>12</u>	<u>\$ 33,270</u>
<u>Bureau of Engineering</u>		
Director of Utility Engineering	1	\$ 6,000
Engineers:		
Electric	15	44,760
Gas	9	26,220
Water	5	15,360
Railroad	7	22,800
Telephone and Telegraph	4	11,400
Signal	1	4,200
Transit	2	7,500
Bridge	1	3,600
Draftsmen	2	4,260
Clerks, Stenographers, etc.	33	41,820
Total	<u>80</u>	<u>\$187,920</u>
<u>Laboratory Section</u>		
Senior Standards Tester	1	\$ 2,640
Senior Meter Prover Tester	1	2,400
Advanced Laboratory Assistant	1	1,500
Total	<u>3</u>	<u>\$ 6,540</u>
Total, Bureau of Engineering	<u>83</u>	<u>\$194,460</u>

TABLE XXVIII-B
(Continued)

Bureau and Personnel Classification	Number of Employees	Total Salaries
<u>Bureau of Accounts</u>		
Director	1	\$ 6,000
Assistant Director	1	5,000
Executive Assistant	1	4,200
Controller	1	3,000
Examiners	39	108,630
Head Railroad Rate Expert	1	4,200
Engineers	3	9,840
Tariff Investigators	4	9,420
Bookkeepers	7	12,780
Clerks, Stenographers, etc.	19	24,180
Total	77	\$187,250
<u>Bureau of Motor Transportation</u>		
Director	1	\$ 6,000
Executive Assistants	3	12,360
Chief Clerk	1	3,960
Administrative Assistants	6	14,880
Advanced Legal Assistant	1	2,400
Supervisor Correspondents	2	4,800
Assistant Supervisor of Contract Carriers ...	1	2,100
Motor Vehicle Investigators	17	29,220
Clerks, Stenographers, etc.	48	51,840
Total	80	\$127,560
Grand Total	344	\$727,790

E. FINANCES

Table XXVIII-C shows receipts of the Commission from various sources which were transmitted to the State Treasurer during the fiscal year ended May 31, 1940.

TABLE XXVIII-C

PUBLIC UTILITY COMMISSION
 RECEIPTS TRANSMITTED TO STATE TREASURY
 JUNE 1, 1939 - MAY 31, 1940

Source	Amount
Filing and Copy Fees	\$ 18,456.31
Testing Fees	11,036.00
Special Assessments	465,599.10
General Assessments	236,122.23
Violation of Order - Fines	2,568.98
Other Income	2,791.45
Total	\$736,574.07

1. Filing and Copy Fees

(10)

These fees are fixed under the Public Utility Law as:

- a. Copies of papers, testimony and records, 25¢ per page.
- b. Certifying copies of above, \$2.00 each.
- c. Preparing and certifying to the Superior Court any record in an appeal, \$10.00 each.
- d. Filing securities certificate, or application for certificate of public convenience, registration certificate, permit or license, \$10.00 each.

Applications for approval enabling a public utility "to make effective or modify any contract with an affiliated interest or, by way of donation, give to, or receive from, an affiliated interest, any property, money, security, right or thing" are filed without charge. (11) These applications entail as much work as the applications for which a \$10.00 fee is charged.

2. Testing Fees

Fees for testing "instruments of precision and measuring apparatus" for public utilities are as follows: (12)

a. Watthour meter	\$16
b. Indicating instrument	10
c. Instrument transformer	10
d. Standard cell	5

e.	Standard resistance	\$10
f.	Potentiometer	50
g.	Gas meter prover	35
h.	Calorimeter:	
	(1) At gas company's plant	35
	(2) At Commission laboratory	10
i.	Water meter testing apparatus:	
	(1) At company's plant	15
j.	Water meter:	
	(1) At Commission laboratory	3

3. Special Assessments

a. Recovery of Costs of Utility Examination

Whenever the Commission conducts an investigation of the affairs of any utility "involving an examination of the records or facilities thereof," the Commission charges the utility a sum equal to the salaries and expenses of Commission employees "while engaged in such examination." (13) Such direct charges, however, may not exceed 1% of the gross intrastate operating revenues of the utility during the prior year.

During the period from June 1, 1937, the effective date of the above provision, to September 30, 1940, direct charges against utilities were incurred in the amount of \$739,658.83. Of this amount \$738,332.93 was billed and \$1,708.79 remained unbilled due to the 1% limitation.

The wording of the Act, exclusive of the 1% limitation, prevents the Commission from recovering the actual direct cost of an investigation in that only costs of examination of records and facilities may be billed. After the examination is completed, the work papers and notes must be studied, schedules and statistical materials compiled and reports written. This may involve six weeks' work on the part of examiners, stenographers and typists, but this expense is not chargeable against the utility.

b. Recovery of Examination Costs - Banking Department

The Department of Banking recovers the full direct cost of examinations, including all traveling and subsistence expenses, salaries of

examiners and direct supervisors and of stenographers, typists and proof-readers. These salaries are recoverable for the full time the employes are engaged in the examination, whether on the premises of the bank or not. However, where frequent examinations are necessary and assessment of the entire direct cost thereof would adversely affect the institution, any portion of the assessment may be thrown into overhead and collected from all institutions at the end of the year.

c. Recovery of Examination Costs - Insurance Department

In the Insurance Department, the Examining Division, at the beginning of each year, estimates the number and the total cost of examinations for the year including the overhead of the Division. Each employe engaged in the direct work of examination is costed so that the per diem charge for the employe's service is sufficiently high to recover the total expense of Division operation. Thus, an employe may receive a salary of \$2,000 a year or, on the basis of 250 working days, \$8 per day. In billing for his services, the charge will be \$11 or \$12 per day. Actual expenses of travel and subsistence are collected in addition to the per diem rate.

4. General Assessments

a. Description

After deducting from the Commission's aggregate expenditures the amounts specially assessed as above, plus the cost of equipment, the estimated cost of regulating municipal corporations furnishing public service, and the cost of regulating contract carriers by motor vehicle, the balance is allocated against the utilities as a general assessment. In allocating this assessment the group furnishing each type of service has charged to it an amount equal to the expenditures of the Commission directly attributable to regulating that group, and an amount equal to such portion of the expenditures not attributable to any group, as the gross intrastate operating

revenues of the group bear to the total gross intrastate operating revenues of all public utilities.

b. Application of Assessment

The first assessment under this Act was made in September, 1938, covering the period June 1, 1937 to May 31, 1938. This was found to be objectionable since the records of operating revenue are usually on a calendar year basis. Accordingly, a new assessment will be made covering the periods June 1, 1937 to December 31, 1937, and from January 1, 1938 to December 31, 1938. Later assessments will be on a calendar year basis. Payments made on the original assessment are held in a suspense credit account to be credited against the revised assessments to December 31, 1938, and the balance will be billed against the utilities.

Table XXVIII-D shows the status of collections on the original assessments at October 31, 1940.

TABLE XXVIII-D

PUBLIC UTILITY COMMISSION
STATEMENT OF COLLECTIONS ON GENERAL ASSESSMENT
JUNE 1, 1937 - OCTOBER 31, 1940

Utility Group	Assessment September 1938	Paid to October 31, 1940	Balance Unpaid October 31, 1940
Electric	\$211,578.05	\$203,228.40	\$ 8,349.65
Water	31,768.63	29,964.06	1,804.57
Manufactured Gas	31,432.97	16,462.96	14,970.01
Natural Gas	53,017.57	41,733.20	11,284.37
Telephone & Telegraph	68,404.43	68,323.21	81.22
Street Railways	54,108.07	40,805.19	13,302.88
Motor Transportation.	74,369.82	42,091.72	32,278.10
Railroad	130,166.37	113,598.71	16,567.66
Miscellaneous	12,706.71	12,245.25	461.46
Total	\$667,552.62	\$568,452.70	\$ 99,099.92

Table XXVIII-E shows an analysis of the \$99,099.92 unpaid general assessment by size of the unpaid individual balances taken from the report of the Commission.

TABLE XXVIII-E

PUBLIC UTILITY COMMISSION
ANALYSIS OF UNPAID BALANCES, BY SIZE
OCTOBER 31, 1940

Utility Group	Under \$1.00	\$1.00 to 9.99	\$10.00 to 19.99	\$20.00 to 49.99	\$50.00 to 99.99	\$100.00 to 499.99	\$500.00 to 999.99	\$1000 and Over	Total
Electric	--	2	--	1	--	--	1	2	6
Water	7	23	7	5	3	4	--	--	49
Manufactured Gas	--	--	--	--	--	--	--	1	1
Natural Gas	3	6	3	4	1	--	--	3	20
Telephone and Telegraph ..	20	20	1	--	--	--	--	--	41
Street Railways	--	1	--	1	--	1	--	1	4
Motor Transportation...	--	--	--	--	2	28	7	4	41
Railroad	--	1	1	--	--	2	--	3	7
Miscellaneous	1	11	1	1	2	2	--	--	18
Total	31	64	13	12	8	37	8	14	187

Unpaid Motor Transportation balances do not include "Miscellaneous Items Each Less than \$100" in the total amount of \$12,089.86 on which the complete detail is not available in the report from which these figures were taken. The Bureau of Accounts states that there are approximately 7,000 accounts in this group, more than half of which represent less than \$1.00 each.

c. Difficulties of Administration

The general assessment has been difficult to administer because of:

- (1) The attitude of suspicion on the part of the utilities that expenses will be charged for services not attributable to their groups.
- (2) The complexity of properly accounting for services with the allocations of various expenses to the proper group so as to be able to certify the activities of employes.
- (3) The problem of legal interpretations of the laws in relation to the allocation of expenses.
- (4) The failure of thousands of motor carriers to file the annual report required by the Commission on which to base the assessment.

The last named difficulty has been overcome, under an opinion by the Attorney General, by estimating the probable revenues of the delinquent carriers and making a provisional assessment on that basis. The estimate is made by taking 20% of the carriers reporting and determining the intra-state operating revenue per vehicle and applying that average to each delinquent.

d. Difficulties of Collection

Under the Act the Commission is required to give notice by registered mail to each utility of the amount charged against it. ⁽¹⁴⁾ If no objections are filed within 15 days of receipt of notice, the bill must be paid within 30 days from such receipt. If objections are filed, payment must be made within 10 days after receipt of notice of the findings of the Commission with respect to such objection. Taking into consideration the fact that the majority of these assessments are for small amounts, the cost of collection in regard to that particular group is very high.

No suit or proceeding may be maintained in any court for the purpose of restraining or otherwise delaying the collection or payment of any assessment as previously described but every assessment must be paid as stated above. Any utility making payment under protest after filing objections

may, within two years of the date of payment, sue the Commonwealth in an action at law to recover the amount paid or any part thereof, upon the ground that the assessment was excessive, erroneous, unlawful or invalid, in whole or in part.

Although the larger utilities, after various protests and delays, have paid the assessment for the first year of the new system of operation, there are a large number of small organizations and individual operators who fail to pay the bills. In such cases, the Commission is authorized to bring action for payment through the Department of Justice. The small amount of the bill, in many cases less than \$1.00, makes such a remedy impractical.

The method of determining the general assessment places a considerable burden upon the Bureau of Accounts, in computing, billing and attempting to collect the assessment. This means that a considerable part of the time of this Bureau is diverted from the actual work of helping to regulate the utilities and turned to a form of tax collection for which they are not adequately manned.

e. General Assessment by Banking Department

The Banking Department also has the problem of collecting that portion of their expenditures which cannot be assessed against individual institutions under supervision. They, too, have the problem, to a small degree, of variation in types and size. The commercial departments of banks, building and loan associations, and credit unions are assessed at the rate of \$15 for the first \$100,000 of assets with a sliding scale for each additional \$100,000 of assets. The trust departments of banks are charged on a sliding scale basis starting at \$5 for each \$100,000 of assets up to \$1,000,000. Title companies pay a flat annual rate of \$15, while the

overhead for administering the small loan companies is absorbed in the \$100 annual license fee paid.

These assessments are based on the annual call report made by the institutions to the Department. Since one of the difficulties of administration of general assessment by the Public Utility Commission is their inability to get reports, the system outlined above, while having some advantages, would not be practical.

f. Suggested Solution of Problem

The Commission suggests that it would be entirely possible to collect an amount equivalent to the general assessment by adding one mill to the gross receipts tax now paid by certain utilities and a new gross receipts tax on utilities not subject to such a tax under existing law. The present normal gross receipts tax is assessed on approximately \$400,000,000 so that the added mill on this group would produce \$400,000. Some of the advantages claimed for the suggested plan are:

- (1) It would be assessed and collected by the Department of Revenue without additional cost, since the utilities now pay a gross receipts tax.
- (2) It would relieve the Public Utility Commission of the complicated record keeping and expenses of computing and collecting the assessment.
- (3) It would be readily collectible, as all businesses regardless of size are accustomed to filing tax returns and paying taxes.
- (4) It would cost the utilities no more than the present system.

An obvious disadvantage of the tax plan is its inflexibility. There is little apparent relation between the amount of business done by utilities and the overhead cost of the Commission. Thus, the tax would not necessarily cover the expenditures other than direct charges or in a rela-

tively quiet regulatory period might exceed such costs. This disadvantage could, of course, be eliminated by a blanket authority to levy the additional tax in sufficient amount to reimburse the State for the indirect costs of regulation by the Public Utility Commission.

5. Appropriations

Appropriations to the Public Utility Commission for the 1939-41 biennium amounted to \$1,866,000, divided as follows:

TABLE XXVIII-F

PUBLIC UTILITY COMMISSION
SUMMARY STATEMENT OF APPROPRIATIONS
BIENNIUM 1939-41

Purpose	Amount
Salaries of Chairman and Commissioners	\$ 101,000
Salaries and Expenses	1,750,000
Grade Crossing Protection	15,000
Total	\$1,866,000

In many governmental agencies, it is possible to predict, with reasonable accuracy, the demands that will be made for services during a biennium. This is not the case with the Public Utility Commission. As with the Banking Department, emergencies arise and demands for service are made at times and under conditions which cannot be predicted. An appropriation, under such circumstances, acts as a legislative straight-jacket preventing the agency from rendering services demanded and frequently badly needed.

One method of protecting an agency from such contingencies is to appropriate to it a sum sufficient to take care of expansion for any possible need. In practice, however, such a method is not feasible. With

constant pressure upon the General Assembly to reduce the cost of government, the Legislators view with suspicion any attempt to increase appropriations or to continue them at the same level when a large balance is shown in a previous biennium.

a. Revolving Funds

A number of governmental agencies operate wholly or in part on a revolving fund. Under this plan, an appropriation is made by the General Assembly on a continuing basis to establish the fund. As expenditures are made, the fund is replenished by sales, as with the Liquor Control Board, by collections as done by the Banking Department and the Insurance Department, or by license fees as in the cases of the Fish and Game Commissions and the Department of Highways. With the latter department a portion of the tax on gasoline also accrues to the revolving fund.

Among the advantages of a revolving fund, for agencies where the demands for service fluctuate sharply, are the following:

- (1) It permits a greater flexibility of operation in that funds are available to expand the force to meet a contingency.
- (2) It encourages the spending agency to collect assessments from the regulated organizations.
- (3) It encourages the agency to conserve its funds rather than spend to the limit of an appropriation so that it will be duplicated or increased for the next biennium.

The chief disadvantage is that the revolving fund may tend to tie up State funds beyond the needs of the immediate period.

6. Expenditures

A summary statement of functional expenditures for the fiscal year ending May 31, 1940, is shown in Table XVIII-G.

TABLE XXVIII-G

PUBLIC UTILITY COMMISSION
SUMMARY STATEMENT OF EXPENDITURES BY FUNCTION
JUNE 1, 1939 TO MAY 31, 1940

Bureau or Section	Expenditures
Bureau of Engineering.....	\$219,392.76
Laboratory Section	8,458.19
Law Bureau	46,001.41
Chairman and Commissioners	47,003.44
Secretarial Office	183,801.84
Bureau of Motor Transportation	158,309.58
Bureau of Accounts	219,500.13
Storeroom	1,516.79*
Total	\$880,950.56

* Deduction.

Table XXVIII-H shows the object classification of expenditures of the Commission for the fiscal year ended May 31, 1940.

TABLE XXVIII-H

PUBLIC UTILITY COMMISSION
EXPENDITURES BY OBJECT CLASSIFICATION
JUNE 1, 1939 TO MAY 31, 1940

Object	Expenditures
Salaries	\$740,508.89
Wages	4,999.92
Fees	23,387.50
Printing, Binding and Stationery	14,683.23
Food and Forage	12.06
Materials and Supplies	3,878.43
Traveling Expenses	51,835.50
Motor Vehicle Supplies and Repairs	4,001.31
Freight, Express and Cartage	550.91
Postage	20,208.39
Telephone and Telegraph	5,844.50
Contracted Repairs	287.90
Rent of Real Estate	4,748.82
Rent of Equipment	319.95
Insurance, Surety and Fidelity	1,172.20
Other Maintenance Services and Expenses	778.41
Equipment and Machinery	3,732.64
Total	\$880,950.56

FOOTNOTES

- (1) 1937, P.L. 160
- (2) 1907, P.L. 337
- (3) 1913, P.L. 1374
- (4) Administrative Code, Section 431
- (5) 1937, P.L. 1053, Article I, Section 17
- (6) 1937, P.L. 160, Section 6
- (7) 1937, P.L. 160, Section 7
- (8) 133, Pennsylvania Superior Court Reports #137
- (9) Administrative Code, Section 1605
- (10) 1937, P.L. 1053, Section 1202
- (11) 1938, P.L. 44, Section 702
- (12) 1937, P.L. 1053, Section 1203
- (13) Amendment 1938, P.L. 44, Section 1201
- (14) 1937, P.L. 1053.

CHAPTER XXIX

PENNSYLVANIA LIQUOR CONTROL BOARD

In anticipation of the repeal of the Eighteenth Amendment to the Constitution of the United States, the General Assembly of Pennsylvania, at the Special Session of 1933, created the Pennsylvania Liquor Control Board, (1) an independent administrative Board consisting of three members appointed by the Governor with the advice and consent of two-thirds of all the members of the Senate. The term of each member extends for six years, or until a successor is appointed or has qualified.

Members of the Board receive an annual salary of \$10,000, and must be citizens of the United States and residents and qualified electors in the Commonwealth for at least one year prior to appointment. Appointed members must be thirty years of age or over and are not allowed to hold any other public office. The affairs and duties of the Board are performed by the three members, one of whom is elected by the members as Chairman. The approval of two members is required for any action of the Board.

A. FUNCTION

The Board administers the Pennsylvania Liquor Control Act, (2) the Beverage License Law (3) passed in 1937, and the Manufacturing Act (4) of June 16, 1937 as the basic laws of Liquor Control. The Board's authority covers all phases of the traffic in and use of alcohol and alcoholic beverages in the Commonwealth. Its control extends from the manufacture of both liquor and malt beverages to the consumption of them; its control also covers the manufacture and traffic in alcohol. It licenses all those engaged in the business. By regulation and with police power of its own, it enforces the liquor laws and maintains a supervision over the entire business. The

Board is a quasi-judicial body, conducting hearings and penalizing offenders. Subject to appeal to the Courts, the Board determines who may be in the alcohol, liquor or malt beverage business in Pennsylvania, and may dismiss anyone from the business for just cause.

Through a monopoly over the sale of all liquors in the Commonwealth, the Board conducts through sales made in its stores an annual business of over \$75,000,000, returns to the State approximately \$24,000,000 in yearly revenues derived from profits and a 10% State Emergency Relief Tax, and remits to municipalities license fees collected from licensed places situated therein and amounting to a total of about \$6,000,000 each year.

The Board is the largest buyer of liquor in the world. Through its system of State Liquor Stores, of which there are 579 in the Commonwealth, it stocks more than 750 brands of various sizes and will secure any others available on special order for any purchaser. All liquor purchased in unopened bottles must be purchased at one of the State Stores. Wine is also sold exclusively by the Board in the same manner. Hotels, clubs and restaurants with licenses to sell liquor by the drink are obliged to purchase their supplies at the State Stores. Malt or brewed beverages, however, are sold directly by the brewer to the consumer and to or through distributors and retailers, who in turn also sell to the consumer, but control is maintained by the Board.

B. POWERS AND DUTIES

Under the Liquor Control Act, the Liquor Control Board is vested with the power and it is its duty:

- a. To buy, import, or have in its possession for sale, and sell, liquor and alcohol in the manner set forth in this Act: Provided, however, that all purchases shall be made subject to the approval of the Auditor General or his designated deputy.

- b. To control the manufacture, possession, sale, consumption, importation, use, transportation and delivery of liquor, alcohol, and malt or brewed beverages in accordance with the provisions of this Act; and to fix the wholesale and retail prices at which liquors and alcohol shall be sold at Pennsylvania liquor stores: Provided, that in fixing sale prices the Board shall not give any preference or make any discrimination as to classes, brands or otherwise, except where special sales are deemed necessary to move unsalable merchandise.
- c. To determine the municipalities within which Pennsylvania liquor stores shall be established, and the locations of the stores within such municipalities.
- d. To grant, issue, suspend, and revoke all licenses and permits authorized to be issued to those engaged in any phase of the traffic in liquor and malt beverages.
- e. Through the Department of Property and Supplies as agent, to lease, and furnish and equip, such buildings, rooms and other accommodations as shall be required.
- f. To appoint, fix the compensation, and define the powers and duties of such managers, officers, inspectors, examiners, clerks and other employes as shall be required, subject to the provisions of the Administrative Code of 1939, except as otherwise provided.
- g. To determine the nature, form, and capacity of all packages and original containers to be used for containing liquor, alcohol, or malt or brewed beverages, any other law to the contrary notwithstanding.
- h. Without in any way limiting or being limited by the foregoing, to do all such things and perform all such acts as are deemed necessary or advisable for the purpose of carrying into effect the provisions of this Act and the regulations made thereunder.

The Board may, from time to time, make such regulations, not inconsistent with the Acts as it may deem necessary for their efficient administration. Such regulations, however, must be published and disseminated throughout the State. The designated subjects on which the Board may adopt regulations are:

- a. The equipment and management of Pennsylvania liquor stores and warehouses in which liquor and alcohol are kept or sold, and the books and records to be kept therein.

- b. The duties and conduct of the officers and employes of the Board.
- c. The purchase of liquor and alcohol and its supply to Pennsylvania liquor stores.
- d. The classes, varieties, and brands of liquor and alcohol to be kept and sold in Pennsylvania liquor stores.
- e. The issuing and distribution of price lists for the various classes, varieties, or brands of liquor and alcohol kept for sale by the Board.
- f. The sealing and labeling of liquor and alcohol sold and of liquor and alcohol lawfully acquired by any person prior to January first, one thousand nine hundred and thirty-four.
- g. Forms to be used.
- h. The issuance of licenses and permits, and the conduct, management, sanitation, and equipment of places licensed or included in permits.
- i. The place and manner of depositing the receipts of Pennsylvania liquor stores, and the transmission of balances to the Treasury Department through the Department of Revenue.
- j. The solicitation by resident or non-resident vendors of liquor from Pennsylvania licensees and other persons of orders for liquor to be sold through the Pennsylvania liquor stores, and in the case of non-resident vendors, the collection therefrom of license fees for such privilege at the same rate as provided herein for importers' licenses.

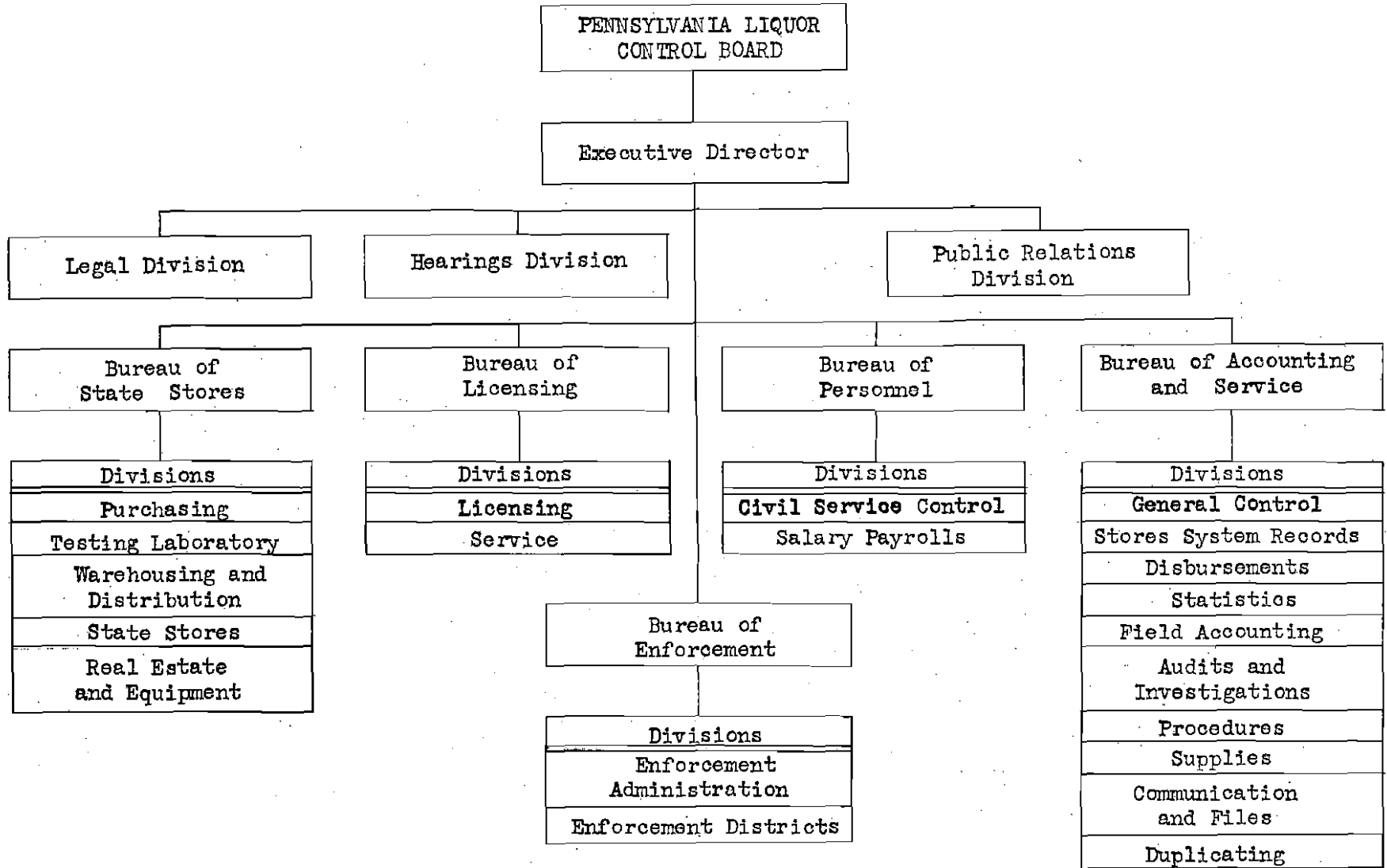
Under the powers given to the Board a number of regulations have been adopted from time to time. At present there are fifty-one such regulations in effect. These regulations, promulgated by the Board in the exercise of its regulatory grant of powers, govern and control the actions of licensees and permittees and are of vital importance to their operations.

C. ORGANIZATION AND OPERATIONS

As is indicated by Chart XXIX-1, the operations of the Board are supervised by an Executive Director who is appointed by the Board at an annual salary of \$7,500. The Director is in charge of the executive functions for the Board, which consist of three divisions; namely, the Legal, Hearings,

CHART XXIX-1

ORGANIZATION OF THE PENNSYLVANIA LIQUOR CONTROL BOARD



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and Public Relations Divisions; and the following five Bureaus:

Bureau of State Stores
Bureau of Licensing
Bureau of Enforcement
Bureau of Personnel
Bureau of Accounting and Service.

1. Executive Functions

a. Legal Division

The Attorney General has appointed and assigned to the Liquor Control Board one Deputy Attorney General who is chief counsel for the Board at an annual salary of \$6,000. He advises the Board on the legality of its several policies and other matters requiring legal interpretation. There are also seven Special Deputy Attorneys General, one at a salary of \$5,000, six at a salary of \$4,000 each, and one Assistant Special Deputy Attorney General at a salary of \$3,000. These salaries are fixed by the Department of Justice and paid from the Liquor Board funds.

The Special Deputy Attorneys General act as counsel for the Board in proceedings involving hearings on refusals of the Board to grant licenses, citations of licensees to show cause why their licenses should not be revoked, and on appeal cases arising from such matters which are carried to the Courts of Quarter Sessions of the counties in which the licensee or applicant is located. In some cases they represent the Board in further appeals taken by either the licensee or the Board to the various appellate courts. They represent the Board in petitions involving the forfeiture of seized equipment and vehicles, and condemnation and padlock proceedings and injunctions against violators, arising from illegal operations in violation of the liquor laws.

b. Hearings Division

The Liquor Control Act as amended in 1937 provides for the appoint-

ment by the Governor of examiners learned in the law. These examiners sit and conduct hearings for the Board in citation and license cases coming before it. Pursuant to this authority, the Governor has appointed seven examiners at an annual salary of \$4,000 each. These examiners sit as assigned at the various hearing centers designated by the Board as follows:

Allentown
Altoona
Erie
Harrisburg
Philadelphia
Pittsburgh
Punxsutawney
Wilkes-Barre
Williamsport

At these hearings testimony is presented by the Board's witnesses and by applicants or licensees and their witnesses in citation and license cases. Following an examination of the testimony presented, the examiners submit a written report to the Liquor Control Board in Harrisburg with their recommendations as to the action they believe the Board should take.

c. Public Relations Division

The Public Relations Division is headed by a Director of Public Relations who receives a salary of \$4,200 yearly, and is under civil service classification.

The duties of the Public Relations Division are to maintain a close check on public reaction and sentiment, and to prepare, supervise and disseminate all information concerning every activity of the Liquor Control system. Information concerning the laws governing the Liquor Control Board, and its rules and regulations, is available for public consumption.

The preparation of information concerning legal opinions of the various courts, notice and results of hearings for the violations of the laws, changes in State Store locations, hours of sale, price changes, additions

and dismissals of personnel, and the general publicity of all activities of the Board are the functions of the Public Relations Division.

2. Bureau of State Stores

The sales of the Pennsylvania Liquor Control Board are handled through the Bureau of State Stores. This Bureau has as its head a Director who receives a salary of \$6,000 a year and is composed of the following Divisions; namely, Purchasing, Laboratory, Warehousing and Distribution, State Stores, and Real Estate and Equipment.

a. Purchasing Division

The sales made by the Board are of two general types, stock sales and special liquor order sales. Purchases made by the Purchasing Division follow the same classifications. Thus, two purchasing functions are maintained, namely, one having to do with the purchase of liquors against stock sales and the other to provide liquor to customers who request items not carried in stock.

Stock sales are the sales of merchandise regularly listed and carried in stock at the State Stores. These constitute the major portion of sales volume and are responsible for the list of merchandise carried. During the fiscal year 1939-40 sales amounted to \$78,154,700.37.

Special orders are those requested by the customers of items not carried in stock. The Liquor Control Act requires that the Board procure any merchandise the customer desires. The Board carries no inventory of special merchandise. The provisions for securing anything the customer wants is peculiar to the Pennsylvania system. In the fiscal year 1939-40 the special order sales amounted to \$1,484,469.22.

The major problems that confront the Board in the purchase and sale of liquor relate to:

- (1) Listing and pricing
- (2) Stocking and restocking
- (3) Control of inventory

(1) Listing and Pricing

The items carried in State Stores are listed on price lists, which are published periodically, usually about four times each year. The retail prices shown on these lists continue until the next price list becomes effective.

Prices are quoted f.o.b. State Stores or warehouses and prices quoted remain in effect until the effective date of the next published list. No prices can be changed during any price list period. Retail prices are fixed by adding to vendor prices a uniform percentage of cost mark-up, and adding to this the 10% Emergency Relief Tax.

Proposals for substitutions for listed items are considered by the Board from time to time, to become effective at the date of the next price list and unless unusual conditions exist new items are considered only once a year. A de-listing or elimination of non-salable or slow moving items is made annually about May 1st.

(2) Stocking and Restocking

Liquor is first purchased and initially stocked by the Board on the potential sales volume of an item. The restocking is on the basis of public demand and is accomplished by having the merchandising division receive a weekly list of sales and status of stocks on hand, together with a two years' report on weekly sales. These form a basis for requisitions for restocking, which beginning January, 1941, are on a monthly order basis. After determination of quantities required, a purchase order is prepared. If the order is in proper form and approved by the Comptroller's office so as to come within the purchase budget, the purchase order is sent to the

Board for approval. It is then forwarded to the Auditor General for final approval as required by law.

(3) Control of Inventory

Control of Inventory is maintained by the Director of State Stores, the Comptroller, and with an independent check by the Auditor General. The Comptroller allocates, in accordance with budgeted sales, certain moneys to be used to purchase merchandise.

A vendor may change the age of a whiskey, the proof or a formula at any time, with the Board's approval. The stocks of the changed product are transferred under certain circumstances to a new code number (6000) to remain there 90 days for sale. After that time all unsold merchandise is returned to the vendor, and the Board is reimbursed for the original cost of merchandise plus expense incurred in its return. This class of merchandise is listed for sale on close-out price lists issued about once a month. Vendors may reduce the costs of close-out items whenever close-out price lists are issued if they adjust the inventory of close-out merchandise on hand.

If a vendor is no longer responsible for sale of his merchandise because of financial condition, the items become the property of the Board. The Board must dispose of this stock as best it can. This merchandise is placed under a 5000 code group.

The Board's Reclaim Section, which maintains field offices in Philadelphia and Pittsburgh, takes charge of all breakage and spoilage, such as spoiled wines, "musty" liquor, etc.

b. Testing Laboratory Division

A Laboratory Division is maintained to perform periodical tests of all wines and liquors sold through the State Stores. It is their func-

tion to see that each container holds the proper amount of liquor or wine; that quality is maintained according to established standards and that all merchandise is free from injurious or deleterious ingredients. The laboratory also analyzes and tests enforcement seizures.

c. Warehousing and Distribution Division

The Division of Warehousing and Distribution consists of a Distribution Control Section, a Traffic Section, and a Claims Section.

The warehousing and distribution of the Board's merchandise is handled through four warehouses, located at Philadelphia, Scranton, Pittsburgh and Erie. Six sub-warehouses are located at Philadelphia, Scranton, Pittsburgh, Erie, New Castle and Harrisburg.

Warehouses distribute only case quantities, while sub-warehouses distribute some cases and usually bottle quantities.

This Division grades stores according to sales volume and as to unit sales value. From these classifications, distribution schedules have been devised to affect original distribution.

A Principal Claims Clerk has charge of the collection and return of merchandise to vendors, and also prepares and collects damages for the Board due to breakage, loss in transit, etc.

A Traffic Division issues shipping instructions for purchase orders, keeps an account of merchandise in transit, directs the transfer of merchandise from store to store or warehouse to warehouse, and operates trucks in carrying on this work as part of the Bureau of State Stores.

d. State Stores Division

The Board operates 579 Liquor Stores throughout the Commonwealth. The Store personnel consisted of 2,347 employes, as of September 30, 1940, thirty-one being employed in the administrative offices in Harrisburg.

There are three district superintendents who direct from the field the operation of all stores and the work of 22 district supervisors. Their offices are located in Philadelphia, Pittsburgh and Scranton.

Each store has a manager. If the volume is less than \$37,500 per year it is known as a one-man store. As the volume of business increases, more clerks are added. The highest paid manager in the store system has the rating of Liquor Store Manager Senior Grade A, with a salary rating of \$2,700; the lowest paid clerk is classified as a Liquor Store Clerk and receives a salary of \$1,200 per year.

e. Real Estate and Equipment Division

The Real Estate and Equipment Division consists of 61 employes, with a yearly salary payroll of \$75,390. The Division is directly responsible for all automotive equipment and the supervision of Real Estate including the maintenance and operation of the Liquor Control Board building (Northwest Office Building), and procurement of all leases for the conduct of Pennsylvania Liquor Control Board business subject to approval of the Department of Property and Supplies. There are three real estate supervisory districts, each headed by a superintendent.

The Board approves the leases, procured by the superintendents of real estate, and they are then sent to the Department of Property and Supplies for review as agent for the Board. The total rent paid by the Board is \$762,530 a year for the 579 stores, or an average of about \$110 per month per store.

The maintenance and operation of the Liquor Control Board building is under the supervision of the Department of Property and Supplies, although the employes are under the Liquor Board civil service system.

3. Bureau of Licensing

The Bureau of Licensing has the responsibility for issuing various licenses and permits to those engaged in the manufacture, transportation and sale of alcohol, liquor and malt beverages in the Commonwealth. The Bureau receives all new applications for licenses, directs that an investigation be made of the applicant, and receives reports from the investigators. A review of all information is made to determine if the necessary requirements are met before a license is granted or refused.

On May 15, 1940, there were in the State a total of 29,660 licenses and permits, over which the Bureau of Licensing had supervision. The above total represents the aggregate of 34 different licenses issued by the Bureau. In Table XXIX-A is contained a detailed statement of licenses and permits issued by the Bureau according to the type and number of license or permit issued, qualifications for the license, filing fee, license fee, type of surety required, privileges granted to the licensee, and expiration date of each license. Particularly notable is the fact that retail licenses totaled 20,403 on the above date, or a ratio of about 1 to each 500 persons in the State. This total includes restaurant, hotel, club, catering club and public service liquor licenses, and all eating place, hotel, club and public service beer licenses.

Establishments licensed to sell liquor and beer, or beer only, generally fall into the following:

- (1) Restaurants and eating places
- (2) Hotels
- (3) Clubs
- (4) Public service, including railroad and steamship companies.

a. Eating Place and Hotel Beer Licenses

The license fee for an eating place or hotel beer license is based

TABLE XXIX-A
PENNSYLVANIA LIQUOR CONTROL BOARD
NUMBER OF LICENSES AND PERMITS ISSUED BY BUREAU OF LICENSING AS OF MAY 15, 1940

Type of License	No. of Permits and Licenses as of May 15, 1940	Qualifications	Filing Fee	License Fee	Bond	Surety	Privileges	Expiration Date
*Restaurant liquor (R)	12,325	Serving food regularly. Tables & chairs for at least 30 persons. Minimum area at least 400 sq.-ft. within a bldg. Applicant U. S. citizen and resident of Pa. 3 yrs. Immediately preceding application. (9)	\$10	\$150 to \$600 (1)	\$2000	Corporate, Cash, Federal or State Obligations	On premises consumption of liquor and malt beverages between 7 A. M. and 2 A. M. No Sunday sales. Off premises sale of malt beverages only, not exceeding 72 fluid oz. in single sale to person.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
Hotel liquor (H)	H-997** H-737***	Public dining rooms with tables & chairs accommodating at least 30 persons operated by same management, providing sleeping accommodations with meals for public. Separate kitchen, 15 permanent bedrooms if population is 100,000 or more; 12 if 3,000-100,000; 10 if 1,000-3,000; 6 if less than 1,000. Applicant U. S. citizen & 3 yrs. residence in Penna. (9)	\$10	\$150 to \$600 (1)	\$2000	Corporate, Cash, Federal or State Obligations	Same as restaurant with sales in hotel rooms.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
*Club Liquor (C)	2,940	Non-pr. fit organization. Have primary activity to which sale of liquor is only secondary. Prove continuous existence & operation for one year, if incorporated, and 10 yrs. if unincorporated. Members admitted by written application, investigation and ballot. Regular dues. Own or lease quarters. Conduct business thru officers. Hold regular meetings. Must be incorporators or legitimate successors thereof. All officers, directors and manager, U. S. citizens. (9)	\$10	\$50	\$2000	Corporate, Cash, Federal or State Obligations	On premises sales of liquor and malt beverages to members only, at any time, except between hours of 3 A. M. and 7 A. M. off premises sale prohibited.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
*Catering Club (CC)	166	Same as club, with facilities for catering to groups of non-members. (9)	\$10	\$150 to \$400 (1)	\$2000	Corporate, Cash, Federal or State Obligations	On premises sale to members only, 7 A. M. to 3 A. M. any day. Off premises sale prohibited. Permitted to furnish liquor and food to groups of non-members by prior arrangement for private meetings, etc. except Sundays.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
Public service liquor license (P)	8	Common carriers (Railroad, pullman or steamship companies) operating within the State of Penna.	None	\$20 and \$100 (2)	\$2000	Corporate, Cash, Federal or State Obligations	On premises sales between 7 A. M. & 2 A. M. except in stations or docks within municipalities prohibiting such sales. No Sunday sales.	December 31
Public service malt bev. lic. (MP)	3	Common carriers (Railroad, pullman or steamship companies). (9)	\$10	\$10 and \$50 (3)	\$1000	Corporate, Cash, Federal or State Obligations	Same as public service liquor, but including malt beverages only.	December 31
"Eating place" malt beverage (E)	2,672	Food regularly and customarily prepared and sold; 300 ft. area, tables and chairs for thirty persons. Applicant U. S. citizen, resident of Pa. 2 yrs. and county 1 yr. immediately preceding date of application. (9)	\$10	\$100 to \$300 (1)	\$1000	Corporate, Cash, Federal or State Obligations	Sell malt beverages for consumption on the premises, (and not exceeding 72 fluid oz. in single sale for consumption off the premises) between 7 A. M. and 2 A. M. No Sunday sales.	According to districts (see liquor licenses) after present county treasurer licenses expire on 5-31-38
Hotel malt beverage (L)	L-60** U-37***	Same as hotel liquor license for establishment, same as eating place, for applicant. (9)	\$10	\$100 to \$300 (1)	\$1000	Corporate, Cash, Federal or State Obligations	Same as eating place, with sales in hotel rooms.	Same as eating place.
*Club malt beverage (O)	463	Same as club liquor license.	\$10	\$25	\$1000	Corporate, Cash, Federal or State Obligations	On premises sale of malt beverages to members only, at any time except between hours of 8 A. M. and 7 A. M.	Same as eating place.
Amusement permit (AM & AP)	3,773	Hold retail dispenser license (except club) or hotel or restaurant liquor license.	None	\$25 minimum (3)	None	None	Permits dancing by patrons, floor shows, theatricals, motion pictures, etc.	Same as malt beverage or liquor lic.
Brewery (G)	77	Reputable firm or person who is U. S. citizen and resident of Pa. for 2 yrs. prior to date of application.	\$10	\$1000 pro-rated quarterly	\$10,000	Corporate, Cash, Federal or State Obligations	Produce & manufacture malt or brewed beverages. Transport, sell & deliver these products in quantities not less than 288 fluid oz. anywhere. No Sunday sales.	December 31
Winery (K)	12	Reputable person (United States citizen) or firm.	\$10	\$250 pro-rated quarterly	\$5000	Corporate, Cash, Federal or State Obligations	Produce, possess, store, purchase, receive, sell at whole., remove & deliver wines in compliance with laws and regulations of the U. S. and Penna.	December 31
Winery permit (Class B) (KB)	0	Reputable person (United States citizen) or firm.	None	\$20	\$500	Corporate, Cash, Federal or State Obligations	Manufacture and produce wine, from Pa. grapes by fermentation only, and sell same to a winery or P. L. U. B.	December 31
Distillery (A)	26	Reputable person (United States citizen) or firm	\$10	\$2500 minimum (4)	\$10,000	Corporate, Cash, Federal or State Obligations	Produce, possess, store, purchase, receive, sell at whole., remove & deliver alcohol & whiskey in compliance with laws and regulations of the U. S. and Pa.	December 31

Malt beverage distributor (D)	899	Reputable firm or person, United States citizen. Resident of Pa. 2 yrs. prior to date of application.	\$10	\$100	\$1000	Corporate, Cash, Federal or State Obligations	Purchase malt or brewed beverages from Pa. mfgs. or imp. dists. and resell to retail licensees or other persons in quantities of not less than 288 fluid ozs. No Sunday sales or consumption on premises.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
Malt beverage importing distributor (ID)	224	Same as distributor.	\$10	\$900	\$2000	Corporate, Cash, Federal or State Obligations	No Sunday sales Purchase from outside of Pa. and Pa. mfgs. and imp. dist. off premises sale only of not less than 288 fluid ozs. to dist., retail licensees, etc. No Sunday.	Dist. No. 1-Oct. 31 Dist. No. 2-Jan. 31 Dist. No. 3-Apr. 30 Dist. No. 4-Jul. 31
Transporter for hire (Class A) (IA)	100	Reputable person (United States citizen) or firm.	\$10	\$100 pro-rated quarterly	\$3000	Corporate, Cash, Federal or State Obligations	Transport alcohol, liquor and/or malt or brewed beverages.	December 31
Transporter for hire (Class B) (IB)	178	Reputable person (United States citizen) or firm.	\$10	\$25, \$15 & \$10 (5)	\$3000	Corporate, Cash, Federal or State Obligations	Transport malt or brewed beverages only.	December 31
Bonded warehouse (B)	12	Reputable person (United States citizen) or firm.	\$10	\$100 pro-rated quarterly	\$3000	Corporate, Cash, Federal or State Obligations	Store in bond any alcohol or alcoholic liquid.	December 31
Ballie for hire (J)	21	Reputable person (United States citizen) or firm.	\$10	\$100 pro-rated quarterly	\$3000	Corporate, Cash, Federal or State Obligations	Store for hire any alcohol or alcoholic liquid.	December 31
Importer (I)	57	Responsible person or firm of good reputation. Individual applicant or partners or corporation officers and directors must be U. S. citizens and Pa. residents.	\$10	\$100	\$10,000	Corporate, Cash, Federal or State Obligations	Import from outside Pa. and obtain tax paid liquor from mfgs. within Pa. to be sold outside, or exclusively to the P. L. C. B. within Pa.	December 31
Importer's warehouse (IZ)	6	Holder of an importer's license.	\$10	\$25	\$10,000	Corporate, Cash, Federal or State Obligations	Keeping and storing liquor in additional warehouses to the one permitted by importer's license.	December 31
Sacramental wine (8)	11	Responsible person or firm of good reputation. Individual applicant or partners must be U. S. citizens and Pa. residents. Corp. officers and directors, U. S. citizens.	\$10	\$100	\$10,000	Corporate, Cash, Federal or State Obligations	Purchase from winery or import into Pa., wine to be used for sacramental or religious purposes and sell same to priests, clergymen and rabbis, only.	December 31
Distillery certificate broker permit (LB)	5	Reputable, responsible individual or firm handling legitimate distillery warehouse certificates.	\$10	\$100	None	None	Buying, selling, deliver & handle distillery warehouse certificates.	December 31
Alcohol permit (AA to AH incl.)	2,880	Doctors, dentists, veterinarians, pharmacists, mfrs., hospitals, etc. Governmental agencies, laboratories, colleges, blenders.	None	\$1 and \$2 (6)	None	None	Purchase alcohol at a discount, at state stores or thru the State Store System, and by certain permittees, direct from distillers.	December 31
Pharmacy permit (RP)	4	A registered pharmacist.	None	None	None	None	Purchase from P. L. C. B., at discount, and sell or dispense upon written prescription of physician, dentist or veterinarian. U. S. P. whiskey, Holland gin, brandy, champagne, port, and sherry wines.	June 30
Hospital pharmacy permit (HP)	55	Hospital having a pharmacy which is in charge of registered pharmacist.	None	None	None	None	To purchase at discount for medicinal purposes only, same liquors as listed under pharmacy permit.	June 30
Special permit (SN)	180	Reputable manufacturer of non-beverage products which require the use of certain alcoholic liquors.	None	None	None	None	Purchase at a discount the liquor required in the manufacture of their products thru P. L. C. B.	Valid until either cancelled or revoked.
Sales permit (SP)	70	Required of all persons or firms selling liquor not manufactured in Pennsylvania, to the P. L. C. B.	None	(7)	None	None	Sell liquors not manufactured in Pennsylvania to the P. L. C. B.	December 31
Registration of licensed vendors (LV)	96	Vendor holding either Pennsylvania manufacturing or importer license, or vendor's permit.	None	None	None	Corporate	May register agents to solicit and secure from licensee or other persons, special orders for liquors to be handled through State Liquor Stores, and promote sales of stock merchandise.	December 31
Vendor's permit	54	Out-of-state firm selling liquors to P. L. C. B.	\$10	\$100	\$2000	Corporate	Qualifies for registration as licensed vendor.	December 31
Agent's registration	796	Employed by: (A) Licensed vendor; (B) Sacramental wine licensee; or (C) Distillery certificate broker.	(A) \$10 new (A) \$5 renewal (B) \$5 (C) \$10	(A) \$500 (B) \$250 (C) None		Corporate	(A) Promote sale of stock merchandise or take special orders for unlisted merchandise, (B) Promote sales of sacramental wines, (C) Promote sales of distillery bonded warehouse certificates.	December 31

(1) Determined by population; (2) \$20 per dining, club, or buffet car, \$100 per steamship or vessel; (3) \$10 per car, \$50 per steamship or vessel; (4) \$2500 minimum which permits production of 500,000 proof gallons, exclusive of alcohol which is denatured. \$100 extra for each additional 100,000 proof gallons or fraction thereof pro-rated quarterly; (5) \$25 (first truck), \$15 (second truck) and \$10 for each truck thereafter up to and including \$100; (6) Determined by classification and annual purchases; (7) No fee to \$4,000 (determined by the size required of a Pennsylvania manufacturer who desires to sell his product in the particular foreign state or country in which the product is manufactured.); (8) One-fifth the annual liquor or retail dispenser fee, with \$25.00 minimum. (9) No sales on any election day until 1 hour after closing of polls. No licenses issued in any municipality

which voted against the issuance of such licenses.

* These types of licenses may not be issued if ratio exceeds 1-1,000 population in particular municipality.

** Hotels issued "H" and "L" licenses are those which meet the requirements of Act 258 of 1939 and are, therefore, exempt from its limitation provisions.
*** Hotels issued "P" and "U" licenses are those which do not meet the requirements of Act 258, but do meet those of Acts 370 and 372, of 1937, respectively, which necessitates their being counted against the quota.

on the population of the municipality in which it is issued and is determined from the schedule set forth in Table XXIX-B.

TABLE XXIX-B

LIQUOR CONTROL BOARD
BEER LICENSE FEES CHARGED EATING PLACES AND HOTELS
ACCORDING TO POPULATION CLASSIFICATION

Population Range	Fee
Less than 10,000	\$100.00
10,000 but less than 50,000	150.00
50,000 but less than 100,000	200.00
100,000 but less than 150,000	250.00
150,000 and over	300.00

b. Restaurant and Hotel Liquor Licenses

The license fees charged for restaurant or hotel liquor licenses are also based upon the population of a municipality and are determined from the schedule set forth in Table XXIX-C.

TABLE XXIX-C

LIQUOR CONTROL BOARD
LIQUOR LICENSE FEES CHARGED RESTAURANTS AND HOTELS
ACCORDING TO POPULATION CLASSIFICATION

Population Range	Fee
Less than 1,500	\$150.00
1,500 but less than 10,000	200.00
10,000 but less than 50,000	300.00
50,000 but less than 100,000	400.00
100,000 but less than 150,000	500.00
150,000 and over	600.00

c. Club Licenses

The following is the definition of a Club, as found in the Liquor

Control Act, as well as the Beverage License Law:

"Any reputable group of individuals associated together not for profit, for legitimate purposes of mutual benefit, entertainment, fellowship, or lawful convenience, having some primary interest and activity to which the sale of liquor and/or malt and brewed beverages shall be only secondary, which if incorporated, has been in continuous existence and operation for at least one year, and if licensed after the effective date of these amendments, shall have been incorporated in this Commonwealth, and if unincorporated for at least ten years immediately preceding the date of its application for a license under this Act, and which regularly occupies as owner or lessee a clubhouse or quarters for the use of members. Continuous existence must be proven by satisfactory evidence. The Board shall refuse a license if it appears that the charter is not in possession of the original incorporators or their direct and legitimate successors. The club shall hold regular meetings, conduct its business through officers regularly elected, admit members by written application, investigation and ballot, and charge and collect dues from elected members, and maintain such records as the Board shall from time to time prescribe."

This definition was not included in the Beverage License Law until amended in June, 1937, but a similar definition has appeared in the Liquor Control Act since July 18, 1935.

If a club can meet the above requirements, an application is filed with the Board at the beginning of the license year in the particular district or six months from that date; the license to be effective thirty (30) days after application is made. Applications may be filed at any district enforcement office or at Harrisburg. The Board has full discretion in the issuance of all club licenses.

There is no provision in the law for a club catering beer license, but a club catering liquor license issued by the Board permits "the furnishing of liquor or beer, or both, to be served with food prepared on the premises, for the accommodation of groups of non-members, who are using the facilities of the club by prior arrangements for private meetings or functions such as dances, card parties, or banquets, and which is paid for by the non-member or members."

In a bulletin dated April 3, 1935, clubs were warned that a catering license does not permit them to sell to anyone but only in cases where prior arrangements had been made for serving a group of non-members.

(1) Classification of Licensed Clubs

There were 3,575 clubs licensed by the Liquor Control Board on June 15, 1940. Of this number, 3,116 or 87% hold club liquor licenses, (2,950 pay an annual license fee of \$50.00 and 166 catering clubs pay a license fee ranging from \$150.00 to \$600.00 depending upon the population of the municipality), while the remaining 459 or 13% hold club malt beverage licenses, (\$25.00 license fee).

Table XXIX-D shows the types of clubs to which these licenses were issued, the number of licenses issued to each group, and the percentage of each type to the total clubs, as nearly as they can be classified:

TABLE XXIX-D

LIQUOR CONTROL BOARD
TYPE AND NUMBER OF CLUBS LICENSED
JUNE 15, 1940

Type	Number of Clubs	Percent of Total
Fraternal	503	14.1
Veterans	322	9.0
Athletic and Sportsmen's ...	358	10.0
Political	394	11.0
Social	681	19.1
Fire Company	179	5.0
Beneficial	143	4.0
Italian	351	9.8
German	147	4.1
Polish	139	3.9
All Other Races	251	7.0
All Other Clubs	107	3.0
Total	3,575	100.0

d. Licensing Procedure and Restrictions

In order to obtain a license for beer or liquor for a hotel, restaurant or eating place, an application must be made to the Board either at Harrisburg or to the District Enforcement offices located in the following cities:

Allentown
Altoona
Erie
Philadelphia
Pittsburgh
Punxsutawney
Wilkes-Barre
Williamsport

The signatures of twelve reputable qualified electors of the ward, borough or township in which the establishment is located must accompany every application for a beer license. This is not required for liquor license applications. Photographs of applicant and premises are required, and a notice of the pending application must be displayed in a conspicuous place on the outside of the premises or in a window plainly visible from the outside of the premises.

Transfers from one person to another or from one address to another, or both, within the same municipality are allowed. A fee of \$10.00 is required for the transfer of a beer license and \$20.00 in the case of a liquor license. No license, however, may be transferred without the approval of the Board.

When a licensee dies, the surviving spouse, if a citizen, may obtain a transfer of the license to himself, without a new investigation, by filing a short form certificate obtainable from the Register of Wills, together with the necessary transfer application and bond. If the license is transferred to some person other than the surviving husband or wife, the usual investigation is required.

The Board insists that all licensed establishments be operated in a sanitary manner at all times. Local ordinances covering sanitary conditions govern in all localities and sanitation certificates must accompany the application. A licensee must comply with these regulations throughout the life of the license.

No retail license will be issued, nor may a license be renewed at expiration, in any municipality or township in which a majority of the voters voted against the issuance of such licenses. The local option vote may be taken at the primary election immediately preceding any municipal election, but such a vote may not be taken oftener than once in four years.

An applicant for a hotel or eating place beer license must be a citizen of the United States, a resident of Pennsylvania for two years, and of the county in which the establishment is located for at least one year. If a partnership, all partners must meet these qualifications. A corporation must be licensed to do business in the Commonwealth.

An applicant for a restaurant or hotel liquor license must be a citizen of the United States and a resident of Pennsylvania for three years.

There is no limit to the number of retail or manufacturing licenses an individual, partnership or corporation may hold, provided it is the same class of license. However, a licensee may not hold more than one distributor or importing distributor license. A beer licensee may hold a liquor license for a different address, and liquor licensees may hold a number of liquor licenses but may not at the same time be a beer distributor or a manufacturer.

Every holder of a beer or liquor license who permits dancing, floor shows, etc., must obtain an amusement permit. A separate application form is used, and the fee is one-fifth the annual license fee with a minimum of

\$25.00. These amusement permits are transferable upon payment of a \$5.00 fee.

e. License Districts

Under powers set forth in the Liquor Control Law (2) and the Beverage License Law, (3) the Board, by regulation, has divided the State into four license districts and has prescribed the expiration dates for licenses in each district as indicated in Table XXIX-E.

Applications for renewal of licenses must be filed not less than sixty days prior to the expiration date and become effective the day following the expiration date.

Applications for new licenses subject to and affected by this regulation, except distributors' licenses, are considered by the Board only twice each license year, and all such applications must be filed with the Board at least thirty days before they are to become effective. Applications for new distributors' licenses may be filed at any time.

All new licenses become effective either at the beginning of each license year, in the respective districts, or six months later, depending upon the date the application is filed.

TABLE XXIX-E

LIQUOR CONTROL BOARD
LICENSING DISTRICTS BY COUNTIES
AND LICENSE EXPIRATION DATES

COUNTIES IN DISTRICT NO. 1

Expiration Date: October 31

Bucks

Delaware

Philadelphia

COUNTIES IN DISTRICT NO. 2

Expiration Date: January 31

Adams
Bedford
Berks
Blair

Dauphin
Franklin
Fulton
Huntingdon

Montgomery
Northampton
Northumberland
Perry

TABLE XXIX-E
(Continued)

COUNTIES IN DISTRICT NO. 2
(Continued)

Cambria	Juniata	Schuylkill
Centre	Lancaster	Snyder
Chester	Lebanon	Somerset
Clearfield	Lehigh	Union
Cumberland	Mifflin	York

COUNTIES IN DISTRICT NO. 3

Expiration Date: April 30

Allegheny	Butler	Lawrence
Armstrong	Fayette	Washington
Beaver	Greene	Westmoreland
	Indiana	

COUNTIES IN DISTRICT NO. 4

Expiration Date: July 31

Bradford	Forest	Pike
Cameron	Jefferson	Potter
Carbon	Lackawanna	Sullivan
Clarion	Luzerne	Susquehanna
Clinton	Lycoming	Tioga
Columbia	McKean	Venango
Crawford	Mercer	Warren
Elk	Monroe	Wayne
Erie	Montour	Wyoming

Licenses subject to and affected by this regulation are:

(1) Liquor Licenses

- (a) Hotel
- (b) Restaurant
- (c) Club

(2) Retail Dispenser (Beer) Licenses

- (a) Eating Places
- (b) Hotels
- (c) Clubs

(3) Distributor Licenses

- (a) Distributor
- (b) Importing Distributor

In Table XXIX-F is set forth a schedule of the dates when new applications shall be filed, together with the date when the license shall become effective:

TABLE XXIX-F
LIQUOR CONTROL BOARD
APPLICATION AND EFFECTIVE DATES FOR NEW LICENSES

District Number	File Prior To	Effective Date
1	October 2 April 1	November 1 May 1
2	January 2 July 2	February 1 August 1
3	April 1 October 2	May 1 November 1
4	July 2 January 2	August 1 February 1

f. Quota of Licenses

(5)

An Act of Assembly in 1939 provided that, following the date of enactment, no new licenses for the retail sale of liquor or malt or brewed beverages should be issued by the Liquor Control Board in excess of one such license, of any class, for each one thousand inhabitants or fraction thereof in any municipality, except for hotels as defined in the said Act. The passage of this Act served to restrain the growth of establishments dispensing liquor and beer throughout the Commonwealth, and has served to strengthen the Board's function with respect to the granting or refusing of new applications for licenses.

g. Refusal of License

The Board may refuse to issue a new or renewal license or a trans-

fer, either with or without hearing. If a beer license is refused without a hearing, the applicant may request a hearing or take an appeal to the Court of Quarter Sessions of the county. If a liquor license is refused without a hearing, the applicant must request a hearing before the Board (or one of its examiners), and the hearing must be held before an appeal may be taken to the Court of Quarter Sessions of the county. A copy of the petition for appeal must be served on the Board and the Court hears the application de novo at such time as the Court fixes, giving notice to the Board.

h. Appeals from Refusals to Grant Licenses

During 1939 the Board held (before its examiners) a total of 1179 hearings on applications for licenses. Of this number, 406 were scheduled on the Board's initiative, but later 34 of these requests for hearings were withdrawn, and 773 applicants requested hearings after being refused. These requests were divided as follows:

Retail Liquor	-	664
Retail Malt Beverage	-	98
Wholesale, etc.	-	11

After hearing, the Board granted 449 of the applications, or 39.2%, conditionally approved 137 applications, reheard or had reinvestigated 12 cases, and refused 547 applications, or 47.8%. The refusals were divided as follows:

Retail Liquor	-	474
Retail Malt Beverage	-	69
Wholesale, etc.	-	4

Of the refusals, 87% or 476 appealed to the local courts from the decision of the Board. Of the 266 appeals disposed of by the court, the Board was sustained in 99 cases, or 37.2%, and reversed in 163 cases, or 61.3%. Four cases were referred back to the Board for rehearing. The

number of cases pending or withdrawn was 210.

4. Bureau of Enforcement

The Bureau of Enforcement is headed by a Director of Enforcement, who receives a yearly salary of \$5,000 and an Assistant Director whose salary is \$3,600. The Bureau is divided into three Divisions: the Division of Enforcement Administration, the Division of Enforcement Districts, and the Division of Enforcement Examining. On June 1, 1940, this Bureau employed 329 persons, at a yearly cost of \$576,980. Of this amount, \$25,760 is spent in the administration offices, while the remainder is accounted for in field enforcement and investigation work.

a. Investigations

The Bureau has the function of conducting all investigations for the Bureau of Licensing and the enforcement of all the laws of the Commonwealth relating to alcohol, liquor and malt or brewed beverages, and all regulations promulgated by the Board. The enforcement staff conducts its own investigations and also cooperates with Federal, State and Municipal agencies. All complaints are investigated by the Bureau. An investigator is detailed to visit the complainant, if he can be found, to determine more fully the nature of his complaint. An investigation is made to determine whether or not the things complained of are taking place. In general, complaints relate themselves to (1) sales after closing hours; (2) sales to minors; (3) noise, disorder and nuisance; (4) conduct of indecent entertainment or shows; (5) selling for consumption off the premises; (6) unlicensed establishments; (7) operation of speakeasies, and (8) operation of stills, or transporting liquor or alcohol into and out of the State.

b. Arrests

If the investigations reveal violations, the necessary evidence

is secured and a complaint or information is filed before a magistrate by the officer who will be the prosecutor. The enforcement officer may arrest on view, except in private homes, without warrant, any person actually engaged in the unlawful sale, importation, manufacture or transportation, or having unlawful possession of alcohol, liquor or malt or brewed beverages contrary to any law of the Commonwealth. It is left to the discretion of the enforcement officer or his superiors to decide when an arrest should be made.

c. Suspensions, Revocations and Hearings

The violation of any law of the Commonwealth or of the United States relating to liquor, alcohol, or malt or brewed beverages, or any regulation prescribed by the Board, or upon other sufficient cause shown may subject a licensee to the revocation or suspension of his license, and to criminal charges as well. Revocation proceedings may be instituted by the Board at any time within one year from the date of a violation, and the licensee may be cited to appear before the Board or its examiners, not less than ten nor more than fifteen days from the date of sending such licensee, by registered mail, a notice addressed to him at his licensed premises. Provided the cited licensee admits all charges he may waive a hearing and accept action by the Board, but when a hearing is held, the Board presents its reasons for the revocation or suspension of the license, and the licensee is given an opportunity to show cause why his license should not be suspended or revoked. The applicant may appear in person or be represented by counsel, and may cross-examine the witnesses for the Board, and may present evidence which shall likewise be subject to cross-examination by the Board. All hearings are stenographically recorded. If, after such hearing, the Board is satisfied that any such violation has occurred or for other sufficient cause it shall immediately suspend or revoke the license, notifying the licensee

thereof by registered letter addressed to his licensed premises. When a license is revoked, the licensee's bond may be forfeited by the Board. All sales must cease immediately upon receipt of the Board's order made subsequent to the hearing.

In the event that a person whose license was suspended or revoked feels aggrieved by the action of the Board, he may appeal to the Court of Quarter Sessions of the county in which he is located. Such appeal shall be in the same manner as provided for appeals from refusals to grant licenses.

d. Penalties

Any licensee whose license is revoked shall be ineligible to be granted any license relating to the manufacture, transportation or sale of liquor or beer for three years. No license shall be granted for the premises or transferred to the premises on which the license was revoked for at least one year after date of revocation, except in cases where the licensee or a member of his immediate family is not the owner of the premises, at which time the Board may use its discretion in the issuance of a license.

e. Offer in Compromise

In cases where the Board suspends a license it may accept from the licensee an offer in compromise as a penalty in lieu of such suspension, and thereupon rescind such suspension. In the case of a retail license, the offer in compromise shall be at the rate of \$10 for each day of suspension. No offer in compromise may be accepted by the Board if the suspension is for a period in excess of 100 days.

f. Violations by Licensees

During the year 1939 the Board issued 1177 citations against various types of licenses, for violations of the liquor laws or regulations of the Board. This number was classified as is shown in Table XXIX-G.

TABLE XXIX-G

LIQUOR CONTROL BOARD
NUMBER OF CITATIONS ISSUED FOR LICENSE VIOLATIONS
1939

Type of License	Number
Retail Liquor	879
Retail Malt Beverage	169
Malt Beverage Distributors, Liquor Vendors, Agents, Breweries, etc.	129

These citations represented 5.4% of all licenses or permits issued by the Board.

The Board's action on these citations resulted in 74 dismissals, 543 suspensions, and 187 revocations, with 373 cases still pending at the time these statistics were compiled.

Of the 187 revocations, 121 resulted in appeals to the local courts. The Board was reversed in 36 cases, or 46.2%, and sustained in 42 cases. Forty-three cases were still pending at the time these figures were compiled. The percentage of reversals given above was maintained in the various classes of licenses.

During the year 1939 the Board suspended 543 licenses, or 67.5% of those cited. Of these, 455 were retail liquor and 52 malt beverage licenses. Of the total suspended, 103, or 19%, took appeals to the local courts. The Board was sustained in 15 cases, or 27%, suspension was reduced in 27 cases, or 50%, and the Board was reversed completely in 12 cases, or 22.2%. The Board was partially or completely reversed, therefore, in 72.2% of the appeals. Forty-nine cases were still pending at the time of the compilation of these figures.

It is interesting to note that the Board was not sustained on any club

appeal.

5. Bureau of Personnel

The Bureau of Personnel has charge of salary payrolls and administers the civil service system under which all employes of the Board are selected, exclusive of the Executive Secretary appointed by the Board, hearing examiners appointed by the Governor, the Deputy Attorneys General appointed by the Attorney General and assigned to the Liquor Control Board.

a. Civil Service

(2)

The Liquor Control Act provides that employes of the Board be appointed from civil service lists developed as the result of examinations given by the Board throughout the Commonwealth. The Board is authorized to prescribe rules and regulations concerning the qualifications of persons seeking employment.

In setting forth the provisions under which the Board administers the civil service system, the General Assembly prescribed:

- (1) That qualifications of employes shall be such as will best promote the efficient operation and management of the Board's affairs.
- (2) That appointees shall be citizens of the United States, and, in the case of appointments to operate or assist in the operation of liquor stores, shall be qualified electors of the county in which the store is located, except where a person has been employed in a liquor store for a period of two or more years and becomes a bona fide resident of another county, in which case he may be employed in a liquor store in the county to which he has removed.
- (3) That every person desiring employment under the Board be required to file an application under oath or affirmation in such form as prescribed by the Board.
- (4) That applicants should not be required to furnish photographs of themselves.
- (5) That designation of color, religion or political affiliation should not be required from the applicant.

- (6) That applications received by the Board should be submitted to the Department of Public Instruction, which determines under the rules and regulations of the Board whether the applicant is qualified for the employment he seeks.
- (7) Applicants approved by the Department should be admitted to competitive examinations when such examinations are held for positions in the class of employment applied for.
- (8) That competitive examinations be practical in character and relate to those matters which fairly test the relative capacity and fitness of the persons examined. No applicant, however, is required to possess any scholastic education or training as a qualification to take an examination or to be appointed to any position.
- (9) That the Department of Public Instruction divide the State into districts for the purpose of conducting examinations and that candidates admitted to examinations be given a number so that when his paper is marked and graded, it will be impossible for the person passing upon the examination papers to ascertain his identity until his grade has been established.
- (10) That examination papers of candidates should be marked by a Committee designated by the Department of Public Instruction, with the approval of the Governor, consisting of school teachers in the Commonwealth.
- (11) That veterans with an honorable discharge from the forces of the United States receive an additional rating of 5% in addition to his rating on an examination, and that disabled veterans shall be given an additional 5% over and above the 5% referred to previously, or a total of 10% over and above his grade in an examination.
- (12) That selection of personnel from the examination lists shall consist of those who are citizens of the United States and legal residents of Pennsylvania for not less than one year before making application and in the district in which such appointee is to be employed for a period of not less than six months prior to such appointment.
- (13) That persons receiving the highest grade in the examination shall be first appointed and so on, and that the list of eligibles be valid until the next examination.
- (14) That if a list of eligibles exists for any position, another examination shall not be held for that position for a period of twelve months. If no list exists, an examination may be held at any time.

- (15) That no employe may become a candidate for or hold public office, nor may he be required to make financial contributions of a political nature.
- (16) That vacancies in positions in the competitive classes shall be filled by promotion from lower grades, if a person in the lower grade has served six months in a position under the Board.
- (17) That in the event it is not deemed practicable to fill a vacancy by promotion, it shall be filled from the list of eligibles next in line, provided that no such appointment may be made to a position having a higher rate of compensation than that paid to an employe who has been appointed from the same list within six months prior.
- (18) That employes may be dismissed for incompetency, inefficiency, any act incompatible with public service, or due to lack of work, although employes so removed may appeal to the Board for a hearing.
- (19) That any person appointed under the provisions of the Board's civil service system may be removed by the personal action of the Governor whenever he deems the same to be in the best interests of the public service.

b. Veterans' Preference

The above provisions relating to veterans' preference were strengthened by a 1939 Act of the General Assembly ⁽⁶⁾ which required that veterans be preferred for appointment and employment in any department of the State Government. In connection with the preferential appointment and employment of veterans as set forth in the above Act, the Attorney General of the Commonwealth has ruled that:

- (1) Eligibility lists, established by civil service examinations held prior to January 1, 1940, are insofar as making appointments to positions, subject to the Act of June 27, 1939; but the ten per centum (10%) credit is not to be added to the standing of a soldier who passed the examination prior to January 1, 1940.
- (2) Soldiers are not entitled to any statutory credit after passing a civil service examination other than the ten per centum (10%) stipulated in the Act.
- (3) Soldiers who have passed a civil service examination without the aid of the percentage credit are to be preferred over other eligibles, regardless of standing on list, as long as morally and physically fit.

- (4) Whenever a soldier has successfully passed a civil service examination he shall receive an added credit of ten per centum (10%) which, added to his passing grade, shall determine his standing on eligible list.
- (5) All departments, boards and commissions of the Commonwealth must regard the Act of June 27, 1939, as the law governing preferential treatment of veterans to public positions.

6. Bureau of Accounting and Service

The Bureau of Accounting and Service is under the direction of the Comptroller, who receives a salary of \$6,000 per year, and an Assistant Comptroller, who is paid \$4,200 per year.

The Bureau is divided into ten Divisions; namely, General Control Division, Stores Systems Records Division, Disbursements Division, Statistics Division, Field Accounting Division, Audits and Investigations Division, Procedure Division, Supplies Division, Communications and Files Division, and Duplicating Division, each Division being under the supervision of a division chief.

a. General Control Division

The General Control Division is responsible for the preparation of all journals and for the maintenance of the General Ledger. Budgetary control of all disbursements is effected through this Division. Purchase of liquor, current expenses and capital expenditures are controlled at the source, and such records as are necessary for this control are maintained.

Detailed budgets are prepared for each biennium, and reports covering the comparisons of actual expenses with the expenses budgeted are prepared monthly, and a rigid fiscal control exercised.

Records are maintained in which is recorded a complete history of costs and retail prices of every item which has ever been sold by the Board.

This Division also has supervision over the bonds and insurance carried by the Board on its employes and as indemnity on every phase of the business. Surety bonds are carried on certain administrative employes and on all store employes. Fire insurance is carried on merchandise stored in warehouses, and burglary and robbery insurance is carried on all stores; also automobile liability insurance on all automobiles and trucks used by the Board. Table XXIX-H shows the premiums paid by the Board during the fiscal year ended May 31, 1940.

TABLE XXIX-H

LIQUOR CONTROL BOARD
EXPENDITURES FOR INSURANCE PREMIUMS
FISCAL YEAR ENDING MAY 31, 1940

Type of Insurance	Annual Premium
Fire Insurance	\$ 7,720.58
Burglary and Robbery	15,136.59
Automobile Liability	4,508.54
Surety Bonds	35,558.90
Total	\$62,924.61

b. Stores Systems Records Division

The Stores Systems Records Division consists of four sections; namely, the Receipts Section, the Warehouse Records Section, the Control Section, and the Tabulating Section. The Division performs the function of maintaining records of store receipts, store responsibility, and warehouses, and the preparation of basic accounting and statistical reports. Typical forms made out by the Stores Systems Records Division include daily, weekly, semi-monthly, monthly, quarterly and annual regular reports, as well as many special reports, which are used as a basis in the direct-

ing of the affairs of the Board.

The Receipts Section audits daily and weekly sales reports, accounts for all cash receipts, and transmits all receipts to the Treasury Department, through the Department of Revenue.

The Warehouse Records Section records all merchandise received by the Board, accounts for all shipments of merchandise to stores from warehouses, sub-warehouses, and vendors, and maintains inventory records of each warehouse and sub-warehouse, reconciles its own records with those maintained by the warehouse companies.

The Control Section maintains inventory control accounts for each store in the system, which are reconciled weekly with the control accounts kept by each store.

This section also reconciles detailed inventory records with the General Ledger Control Account.

The Tabulating Section is engaged in the mechanical production of reports and records of various phases of the Board. Over one hundred (100) different reports are prepared weekly, and many more on a monthly and periodic basis.

c. Disbursements Division

The Disbursements Division has control of payments for stock liquor and special order liquor, and for supplies and expense, customs and excises. The Division also performs the accounting functions in connection with the above transactions, and handles all claims against persons selling to the Board.

This Division consists of three sections; namely, the Invoice and Requisition Section, the Supply and Expense Section, and the Special Liquor Order Section.

The Invoice and Requisition Section audits all invoices for stock liquor and maintains detailed accounts payable records. This Section prepares all requisitions for payment for stock liquor invoices and maintains records of them. This Section also maintains the record of accounts receivable, and all transactions involving customs and excise taxes.

The Supply and Expense Section audits and prepares payment requisitions for all expense invoices, including light, fuel, power, water, telephone, rents, supplies, transportation, etc. This Section also audits all personnel expense vouchers, transportation and hotel bills, and maintains an equipment ledger and supplies stock ledger.

The Special Liquor Order Section is responsible for all accounting in connection with the purchase of special liquor order merchandise.

d. Statistics Division

The Statistics Division prepares and releases to vendors, newspapers, advertising agencies, and other subscribers, various statistical reports covering sales, inventories, inventory turnover, and ratios.

A number of standard reports have been established and are available at a nominal charge. In addition to the regular statistical services, this Division prepares any special reports which may be called for by vendors or interested parties.

All special reports of a statistical nature for use internally are prepared by this Division.

The sale of statistical data to interested parties resulted in a gross return of \$47,098.60 to the Board for the fiscal period ended May 31, 1940.

e. Field Accounting Division

The Field Accounting Division is charged with the supervision of all accounting in the stores. Periodic audits covering all phases of the

store activities are made at regular intervals and special audits are made when and as occasion demands.

Three District Offices are maintained: one in Pittsburgh, one in Philadelphia, and one in Wilkes-Barre, Pennsylvania. Sixty-four field accountants are employed in making these audits and supervising the accounting in the individual stores, and in making periodic audits.

Two complete audits are made of each store each year.

f. Audits and Investigations Division

The Audits and Investigations Division conducts internal audits of the various functions, and makes any special investigations which may be required.

g. Procedure Division

The Procedure Division is charged with the responsibility for the preparation of all routine procedures covering all the operations of the Bureau of Accounts. All the procedures constitute what is known as the Manual of Instructions, copies of which are furnished to all employes requiring them.

All instructions to stores and central office personnel on subjects which are not carried in the regular Manual of Instructions are prepared by this Division.

h. Supplies and Communications and Files Divisions

The Supplies Division has charge of the purchasing, storage, and distribution of all supplies and office equipment of the Board, while the Communications and Files Division is responsible for the receipts and distribution of all incoming, and for the handling of all outgoing mail, and for telegraphic communications. It is also responsible for the maintaining of the Central Files.

i. Independent Audit by Auditor General

The Auditor General's Department, employing 40 auditors, checks receipts four times annually in the various stores, and audits currently payment requisitions issued, purchases made, and accounting transactions entered into by the Board.

D. PERSONNEL

The personnel of the Liquor Control Board consisted of 3477 employes on September 30, 1940. Table XXIX-J shows a summary of the Board's personnel strength by bureaus and divisions as of September 30, 1940, together with annual salaries.

TABLE XXIX-J

LIQUOR CONTROL BOARD
SUMMARY OF PERSONNEL EMPLOYED AND ANNUAL SALARIES PAID
SEPTEMBER 30, 1940

Bureau and Division	Number of Employes	Annual Salaries
<u>Executive Bureau</u>		
Board	10	\$ 43,940
Legal	17	48,620
Hearing Examiners	7	28,000
Public Relations	3	6,720
Total Executive	37	\$127,280
<u>State Stores Bureau</u>		
Bureau Staff	5	\$ 14,400
Purchasing	34	49,200
Testing Laboratory	5	9,060
Warehousing and Distribution	125	177,720
State Stores - Administrative	31	88,560
State Stores - Stores	2,316	3,203,340
Real Estate and Equipment	61	75,360
Total State Stores	2,577	\$3,617,640
<u>Licensing Bureau</u>		
Bureau Staff	5	\$ 11,000
Licensing	27	43,080
Service	102	125,040
Total Licensing	134	\$ 179,120

TABLE XXIX-J
(Continued)

Bureau and Division	Number of Employees	Annual Salaries
<u>Enforcement Bureau</u>		
Bureau Staff	14	\$ 25,760
Districts	279	476,820
Examining	36	74,400
Total Enforcement	329	\$ 576,980
<u>Personnel Bureau</u>		
Bureau Staff	5	\$ 11,280
Civil Service Control	8	10,440
Salary Payrolls	3	4,380
Total Personnel	16	\$ 26,100
<u>Accounting and Service Bureau</u>		
Bureau Staff	7	\$ 19,200
General Control	23	34,500
Stores System Records	130	157,560
Disbursements	77	97,440
Statistics	16	19,020
Field Accounting	73	139,440
Procedures	3	5,580
Supplies	20	25,560
Communications and Files	15	17,640
Duplicating	20	27,840
Total Accounting and Service	384	\$ 543,780
Grand Total	3,477	\$5,070,900

E. FINANCES

1. Income

State Liquor Tax laws, as enacted from time to time by the General Assembly, have placed the responsibility for making collections upon the Department of Revenue. The Liquor Control Board, however, has been charged with the responsibility for the collection of two temporary taxes; namely, the 4% excise tax upon delivery to the Board of distilled, rectified and

blended spirits, and the 10% emergency sales tax on liquor sold through the State Store system.

During the fiscal year ending May 31, 1939, the State collections from liquor and malt beverages totaled \$14,207,265.77. Table XXIX-K shows these collections by source.

TABLE XXIX-K

LIQUOR CONTROL BOARD
LIQUOR AND MALT BEVERAGE TAXES COLLECTED
FISCAL YEAR ENDED MAY 31, 1939

Source	Amount Collected
Emergency Sales Tax on Liquor	\$ 7,344,333.32
Malt Beverage Tax	6,843,170.36
Spiritous and Vinous Liquor Tax	19,762.09
Total	\$14,207,265.77

a. Emergency Sales Tax on Liquor

The Emergency Sales Tax on Liquor was imposed by the Legislature in the Special Session of 1936 for a limited period of time. (7) The Act was approved and became effective June 9, 1936, to continue until the first day of June, 1937. The Regular Session of 1937 reenacted and amended the said Act of 1936 continuing the tax until June 1, 1939. (8) The Regular Session of the Legislature in 1939 reenacted the same tax, to continue until June 1, 1941. (9) The tax is assessed at the rate of 10% of the net price of all liquors sold by the Pennsylvania Liquor Control Board. The tax is collected by the Board and paid into the State Treasury through the Department of Revenue.

In Table XXIX-L is set forth the annual transmittals from this tax for a period of three fiscal years.

TABLE XXIX-L

LIQUOR CONTROL BOARD
 RECEIPTS FROM EMERGENCY SALES TAX
 TRANSMITTED DURING 1937, 1938 and 1939

Fiscal Year Ending May 31	Amount Transmitted
1937	\$ 7,290,262.12
1938	7,803,385.62
1939	7,344,333.32
Total	\$22,437,981.06

b. Malt Beverage Tax

(10)

The Legislature, by Act approved May 5, 1933, imposed a tax payable by those defined as manufacturers and distributors, on alcoholic beverages sold and delivered within the State. The statute prescribed the method and manner of payment and collection of such tax, conferred powers and imposed duties on the Department of Revenue and those used, or engaged in the sale, retail or wholesale of alcoholic beverages and provided penalties for failure to affix to containers the stamps or crowns required by this Act. The Act fixed the tax at the rate of \$.005 per pint or sixteen ounces or fraction thereof. In Table XXIX-M is set forth the annual receipts from this tax for a period of six years.

TABLE XXIX-M

LIQUOR CONTROL BOARD
 ANNUAL RECEIPTS FROM MALT BEVERAGE TAX
 1934 TO 1939, INCLUSIVE

Fiscal Year Ending May 31	Amount Collected
1934	\$ 2,241,237.35
1935	6,072,110.08
1936	6,748,954.10
1937	7,406,610.36
1938	7,433,528.16
1939	6,843,170.36
Total	\$36,745,610.41

c. Spiritous and Vinous Liquor Tax

(11)

The Act of December 5, 1933 provides for the imposition of a tax payable by manufacturers and importers for the privilege of manufacturing distilled or rectified spirits or using distilled spirits, rectified spirits or using distilled spirits, rectified spirits or wines in this State. The tax is computed at the following rates:

- (1) On distilled spirits \$1.00 per proof gallon or wine gallon when below proof. Portion of tax on all fractional parts of such proof or wine gallon.
- (2) On rectified spirits \$.30 per proof gallon or wine gallon when below proof, in addition to the tax imposed on distilled spirits or wines from which these rectified spirits are produced.
- (3) On wines \$.005 per unit of proof per wine gallon and a proportionate tax on all fractional parts of such wine gallon.

The annual returns to the State from this tax, as indicated by Table XXIX-N, have followed a downward trend since its inception in 1934. This is due to the fact that the tax was originally levied on direct sales to persons in Pennsylvania. However, a later amendment (12) provided that such sales were to be exempted from the tax provisions of this law.

TABLE XXIX-N

LIQUOR CONTROL BOARD
SPIRITOUS AND VINOUS LIQUOR TAX COLLECTIONS
1934 TO 1939, INCLUSIVE

Fiscal Year Ending May 31	Amount Collected
1934	\$271,916.74
1935	32,789.77
1936	30,336.03
1937	27,360.73
1938	24,386.88
1939	19,762.09
Total	\$406,552.24

d. Floor Tax

The Spiritous and Vinous Floor Tax Law, imposing a floor tax on all alcohol usable for beverage purposes and on certain alcoholic liquors, in the Commonwealth of Pennsylvania between the effective date of the Act, November 22, 1933, and the date the Twenty-First Amendment to the Constitution of the United States was ratified. This law provided for a floor tax of \$2.00 per proof gallon and a proportionate tax on all fractional parts, on all stocks of liquor on hand on the effective date of the Act.

The tax was declared unconstitutional on the ground that it violated the uniformity tax provision of the Constitution of the Commonwealth of Pennsylvania. From the effective date of the Act to May 31, 1939, the Commonwealth of Pennsylvania collected \$7,018,345.26, under the provisions of the Law.

The persons paying this tax were reimbursed to a large extent for the payments made under what were known as Floor Tax Agreements. These agreements provided that persons selling to the Board could pass such tax on to the Board. The Board in turn passed the tax on to the consuming public as a part of their selling price. Refunds due on account of these payments, therefore, would cover only such taxes for which persons selling to the Board had not been reimbursed, some of which refunds have been made.

e. Application, Permit, Transfer and License Fees

All application, transfer, and permit fees are collected by the Liquor Control Board and constitute a part of the revenues used in carrying out its functions. During the fiscal year ending May 31, 1940, the Board collected \$1,399,512.81 from this source. On the other hand, funds collected by the Board from the issuance of liquor and beer licenses are returned to the political sub-divisions in which the licenses are granted.

In Table XXIX-0 is presented the trend of annual receipts from the above sources during the years 1934 to 1940, inclusive.

TABLE XXIX-0

LIQUOR CONTROL BOARD
ANNUAL RECEIPTS FROM APPLICATION, PERMIT AND TRANSFER FEES
AND LIQUOR LICENSES, 1934 TO 1940

Fiscal Year Ending May 31	Application, Permit and Transfer Fees	License Fees
1934	\$ 103,611.00	\$2,280,187.50
1935	183,199.00	3,762,550.00
1936	1,160,009.51	3,873,051.00
1937	1,121,039.09	4,679,883.00
1938	1,456,280.80	5,338,908.00
1939	1,378,144.74	5,696,825.00
1940	1,399,512.81	5,938,437.59

f. Liquor Sales

The gross receipts derived from the sale of liquor in the State Liquor Stores totaled \$78,154,700.37 during the fiscal year ended May 31, 1940. This produced a gross profit of \$22,748,396.95, or 29% of the gross receipts. This profit is made possible through the system of uniform percentage "mark up" over the purchase price of liquor sold by the Board. A major portion of the profit derived from liquor sales is transferred by the Board to the State's General Fund.

2. Expenditures

During the fiscal year ended May 31, 1940, the Board's expenditures chargeable against the aforementioned gross profit totaled \$7,541,011.86. (See Table XXIX-P, page 2944). Of this amount \$6,087,031.93 was expended for operation of the State Liquor Stores, and \$1,453,987.93 for merchandising and administrative purposes.

TABLE XXIX-P

LIQUOR CONTROL BOARD
COMPARATIVE STATEMENT OF PROFIT AND LOSS
COVERING THREE FISCAL YEARS

Item	Fiscal Year Ending May 31		
	1938	1939	1940
Sales	\$76,168,123.50	\$73,345,696.74	\$78,154,700.37
Less Cost of Sales	- 54,031,464.46	- 51,990,890.60	- 55,406,303.42
Gross Profit	22,136,659.04	21,354,806.14	22,748,396.95
Less Operating Expense..	- 6,448,218.63	- 6,333,540.24	- 6,087,031.93
Gross Operating Profit..	15,688,440.41	15,021,265.90	16,661,365.02
Less Merchandising and Administrative Expense	- 1,397,754.37	- 1,200,458.60	- 1,453,987.93
Merchandising Profit ...	14,290,686.04	13,820,807.30	15,207,377.09
Other Income	+ 340,784.07	+ 462,015.85	+ 715,859.83
Net Profit From Stores .	14,631,470.11	14,282,823.15	15,923,236.92
Income from Licensing and Enforcement	+ 380,768.56	+ 298,454.85	+ 425,088.88
Surplus Profit	+ 576,336.85	+ 725,691.73	+ 77,139.93
Net Revenue	\$15,588,575.52	\$15,306,969.73	\$16,425,465.73

3. Summary of Finances

The Board's Profit and Loss Statement for the fiscal year ending May 31, 1940, shows a net revenue (profit) of 21%, or \$16,425,465.73.

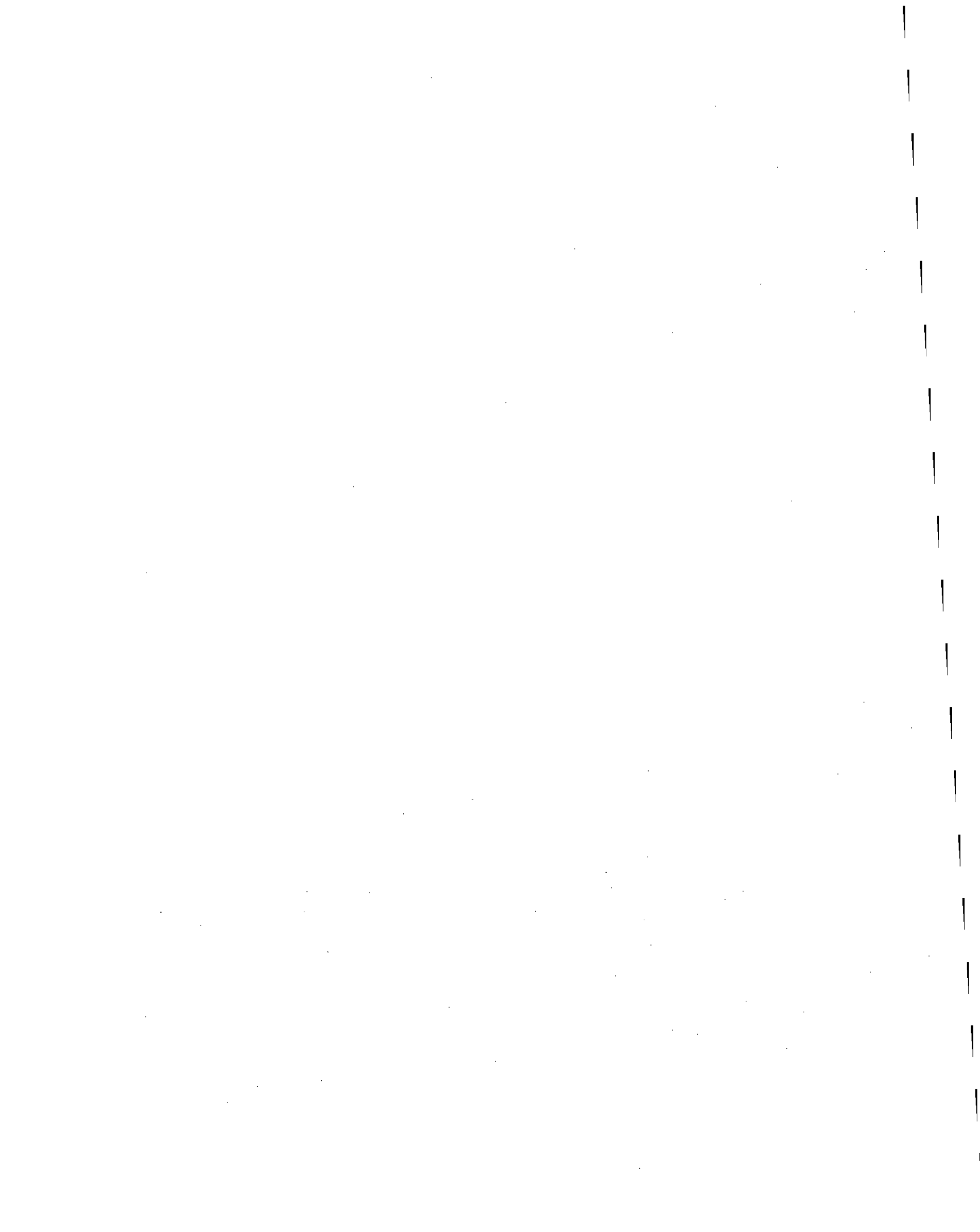
In Table XXIX-P is presented the condensed profit and loss statement for the past three fiscal years, June 1, 1937 to May 31, 1940. It shows the revenues derived from the yearly sale of liquor, less expenditures for the purchase of liquor, operation and State Stores and administrative purposes, plus income from licensing and enforcement. The item designated as "surplus profit" at the bottom of the Table represents accumulated revenues set aside to meet contingent losses which did not materialize and were, therefore, taken into the profits.

FOOTNOTES

- (1) 1933, Special Session, P.L. 13
- (2) 1937, P.L. 1762
- (3) 1937, P.L. 1827
- (4) 1937, P.L. 1811
- (5) 1939, P.L. 806
- (6) 1939, P.L. 27
- (7) 1936, Special Session, P.L. 13
- (8) 1937, P.L. 250
- (9) 1939, P.L. 46
- (10) 1933, P.L. 284
- (11) 1933, Special Session, P.L. 38
- (12) 1933, Special Session, P.L. 9

PART VI

SPECIAL ADMINISTRATIVE COMMISSIONS



CHAPTER XXX

THE GENERAL STATE AUTHORITY

The General State Authority was created by an Act of the Legislature approved by the Governor on June 28, 1935.

Membership in the Authority comprises the Governor, the State Treasurer, the Auditor General, the Secretary of Internal Affairs, the Secretary of Property and Supplies, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and their respective successors in office, and three citizens, one appointed by the Governor, one by the Speaker of the House of Representatives, and one by the President Pro Tempore of the Senate. Members receive no compensation for services as members, but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. Under the original Act, the Authority was to exist for a period of thirty-two years as a body corporate and politic. A later amendment, however, approved May 18, 1937, removed the life limitation and specified that the Authority was to have "perpetual" existence.

A. FUNCTION

Under constitutional limitations affecting the State's borrowing capacity, the Commonwealth could not avail itself of Public Works funds offered by the Federal Government. Creation of the General State Authority, as a body corporate and politic, appeared as a solution. It was anticipated that such an Authority, fortified by legislative action, would be in position to receive substantial grants, for construction purposes, from the Federal Government. Additional moneys would be raised by the Authority through the sale of its bonds. With this money the Authority would then

undertake a large scale building program designed to "construct, maintain, improve, and operate" public buildings for the use of the Commonwealth at the seat of the State Government, State arsenals, armories, and military reserves, State airports and landing fields, State sanatoria and hospitals, State normal schools, teachers' colleges, penal and correctional institutions, State highways and bridges, and miscellaneous other improvement projects, such as sewers for State institutions, lakes on State-owned land, swimming pools, low-head dams, etc.

Following the completion of projects such as those noted above, the Authority would be empowered to charge and collect rentals, etc. from the State or any political subdivision for the use of the facilities provided. Rentals charged would be in sufficient amounts to make possible the payment of the Authority's expenses, the retirement of bonds, and the payment of interest on same. Moneys for payment of rentals to the Authority by the State or by any political subdivision would be provided through appropriations for those specific purposes.

Soon after passage of the Act creating the General State Authority, constitutionality of its provisions was questioned and, following an appeal made by Joseph J. Kelly, Plaintiff, of the City of Philadelphia, the State Supreme Court on January 6, 1936, in a majority opinion, three justices dissenting, declared the Act unconstitutional. Included among the reasons cited in the opinion were:

1. Section 4 of Article IX of the Constitution provides: "No debt shall be created by or on behalf of the State, except to supply casual deficiencies of revenue, 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: Provided, however, that the General Assembly, irrespective of any debt, may authorize the State to issue bonds, to the amount of one hundred millions of dollars, for the purpose of improving and rebuilding the highways of the Commonwealth."

2. "It cannot be doubted that the purpose of the arrangement contemplated is the acquisition by purchase of a capital improvement or improvements, for which the State cannot now pay and payment for which is therefore to be made in annual installments extended over a period of thirty years."
3. "If the Authority defaults, the bond holders may, under the Act, compel it to enforce its agreement with the Commonwealth, and may take the property originally conveyed by the Commonwealth to the Authority in payment of their claims."
4. "Clearly, the Commonwealth is buying on credit and living beyond its means."
5. "The proposed leases", under the Act, "violate and transgress both the letter and the spirit of the Constitution."
6. "We have no doubt that a creation of indebtedness on the part of the Commonwealth in excess of the Constitutional limitation is contemplated."
7. "The attempt is to evade the constitutional restriction on debt, and, since the method proposed is illegal, it must be struck down."

In compliance with a request made by the Attorney General, a review was granted by the State Supreme Court and, on February 4, 1937, it reversed its ruling of January 6, 1936, and declared the Act, and the undertakings in pursuance of it, constitutional. Included among the reasons cited for their reversal of opinion were:

1. "A stipulation was filed exempting the land of the State or the Authority from execution. For this purpose a protective clause will be inserted in the loan agreement, lease and deed of trust - Section 24: In case a receiver for the Authority or the Project is appointed ... the power of such receiver shall be limited to operation and maintenance and he shall have no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character, belonging to the Authority, nor any land upon which the project is erected which belongs to and was made available by the Commonwealth."
2. "The facts show that the Commonwealth has ample resources to pay the annual obligations of rent which will be called for if the whole of the \$60,000,000 is used for the purposes mentioned in the Act."

3. "Many of the improvements include needed additions to State medical, surgical and mental hospitals, penal and correctional institutions."
4. "The construction of the sorely needed projects would result in a great saving to the State, and would decrease substantially the otherwise necessary appropriations for unemployment relief."
5. "The new leases will be 'straight' leases to the Commonwealth and at the end of the thirty year period, the title and ownership of the project and ground will be in the General State Authority. There is no provision for the reconveyance to the State."
6. "In considering the question of constitutionality, due regard must be had to the Commonwealth's position, the projects to be undertaken, the character of the contract, and the parties with whom it is made. To enforce a harsh, literal interpretation of the Constitution when considering the legality of the leases would violate all rules of interpretation."
7. "While it is the duty of the courts to uphold the Constitution, it is likewise their duty not to declare an Act unconstitutional unless it is imperatively necessary to do so."
8. Table submitted "shows conclusively that the present and future revenues of the State are and will be sufficient to take care of liquidating charges."
9. "What the State is undertaking is not the outright purchase of an improvement, but a lease of an improvement on the payment of a moderate annual rental. There is no purchasing on the credit of the future. No title under the leases or agreements passes to the Commonwealth; it remains with the Authority."
10. "If there is a default in the payments on the bonds, the trustee for the bondholders may assume control, operate the property and collect the revenues for the liquidation of the debt. When it is paid, the power of the trustee is at an end."
11. "The fact that the proposed plan might be termed an evasion of the Constitution would not condemn it unless such evasion was illegal. It is never an illegal evasion to accomplish a desired result, lawful in itself, by discovering a legal way to do it."
12. "There is nothing in the Act that imposes any liability on the State with respect to the bonds."

After the Act was finally declared constitutional by the Supreme Court, the Authority did engage in a \$65,000,000 building program, which was carried out in accordance with the provisions and powers granted to it by the Author-

ity Act. Up to October 31, 1940, Federal grants received amounted to \$11,308,661.57. The remainder of the money was raised through the sale of bonds to the State Employees' and State Teachers' Retirement Funds.

B. POWERS AND DUTIES

Wide powers are granted the Authority by the Act. Chief among these are:

1. To borrow money and issue negotiable notes and bonds as evidence of indebtedness and obligations.
2. To acquire by purchase or lease any property, real or personal, considered necessary to the accomplishment of the functions noted above.
3. To fix, charge, and collect rates and rentals for the use of facilities produced or provided through the instrumentalities of the Authority.
4. To borrow money and accept grants from, and to enter into contracts, leases or other transactions with any Federal agency.
5. To have the power of eminent domain.
6. To do all acts and things necessary or convenient to carry out the powers granted by the creating Act or any other Act.

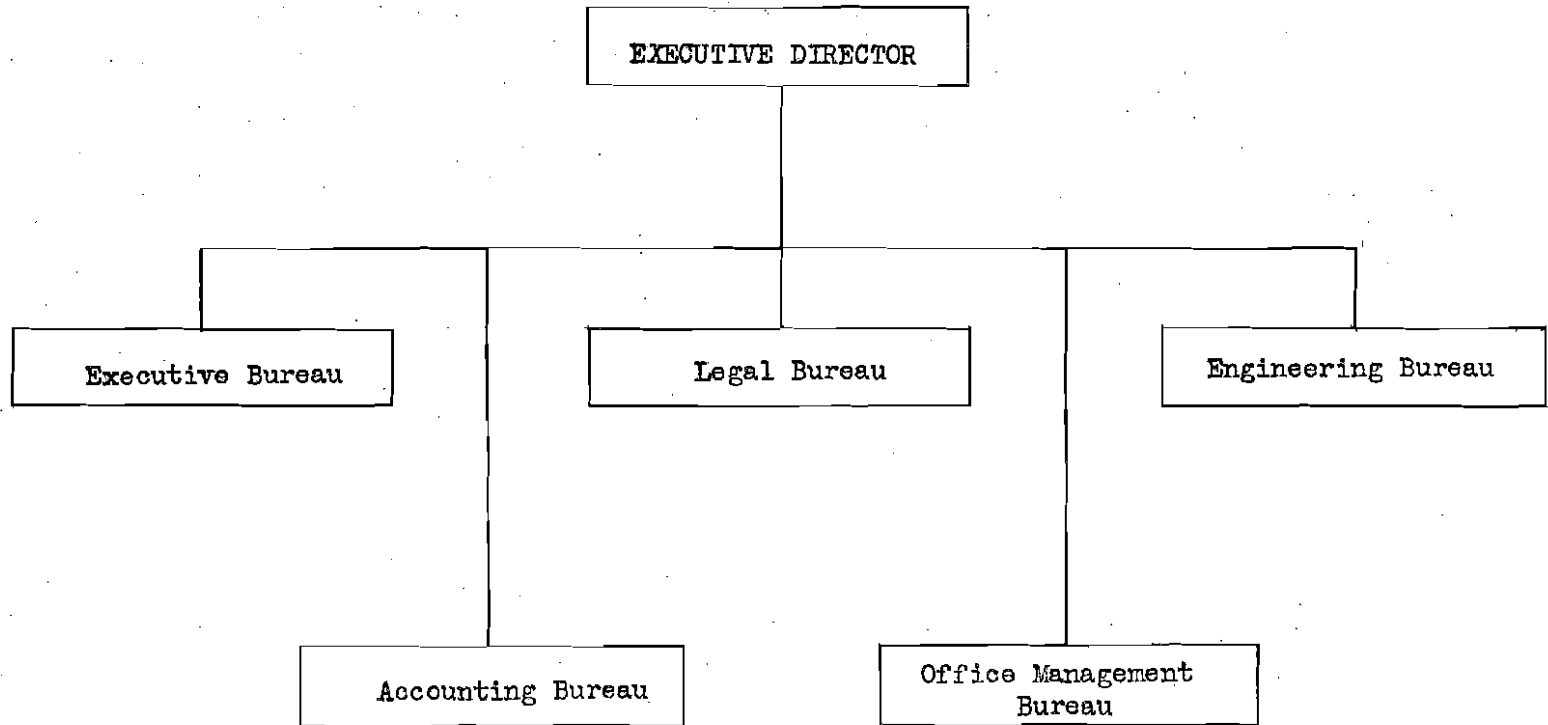
The following provision appears in the Act following the complete listing of the Authority's powers:

"Provided, however, that the Authority shall have no power at any time or in any manner to pledge the credit or taxing power of the Commonwealth or any of its cities, counties, or other political subdivisions, nor shall any of its obligations or debts be deemed to be obligations of the Commonwealth or of any of its cities, counties, or political subdivisions, nor shall the Commonwealth or any city, county, or political subdivision thereof be liable for the payment of principal or interest on such obligations."

C. ORGANIZATION AND OPERATIONS

The General State Authority functions administratively in accordance with the setup shown in Chart XXX-1.

CHART XIX-1
ORGANIZATION OF THE GENERAL STATE AUTHORITY



1. Building Program

Under the powers granted to it by the creating Act, the Authority undertook an extensive \$65,000,000 building program. The following tabulation of State institutions included in the program, showing allocations to each, indicates the varied nature of the undertaking:

TABLE XXX-A

STATE INSTITUTIONS INCLUDED IN THE PROGRAM
OF THE GENERAL STATE AUTHORITY
AND THEIR RESPECTIVE ALLOCATIONS

Institution	Allocation
Allentown State Hospital	\$1,387,925
Allentown Armory	129,000
Ashland State Hospital	83,300
Altoona Armory	96,400
Bloomsburg State Teachers' College	577,700
Blossburg State Hospital	140,874
California State Teachers' College	613,300
Canonsburg Armory	96,400
Cheyney Training School for Teachers	466,300
Clarion State Teachers' College	397,499
Clearfield Armory	97,000
Coaldale State Hospital	48,837
Connellsville State Hospital	79,625
Coraopolis Armory	116,400
Danville State Hospital	936,450
East Stroudsburg State Teachers' College	654,200
Edinboro State Teachers' College	741,900
Eastern State Penitentiary, Graterford	619,000
Elizabethtown Crippled Children's Hospital	600,000
Eastern State Penitentiary, Philadelphia	230,000
Farm Show Arena, Harrisburg	1,250,000
Finance Building, Harrisburg	7,095,000
Farview State Hospital	1,267,000
Gettysburg Armory	55,700
Harrisburg Armory Administration Building	121,000
Harrisburg Armory, Field Artillery	96,240
Harrisburg State Hospital	1,390,375
Hamburg Armory	72,250
Hamburg Sanatorium	630,000
Hazleton State Hospital	490,000
Huntingdon Armory	49,000
Huntingdon Industrial School (for incorrigible delinquents)	381,060

TABLE XXX-A
(Continued)

Institution	Allocation
Indiana State Teachers' College	\$ 735,582
Indiantown Gap Sewage Disposal	104,000
Industrial School for Boys, White Hill	2,756,250
Kutztown State Teachers' College	605,790
Lancaster Armory	72,250
Laurelton State Village	1,225,000
Lewisburg Armory	96,400
Lewistown Armory	96,400
Ligonier Armory	73,000
Lock Haven State Teachers' College	646,600
Locust Mountain State Hospital	96,225
Mansfield State Teachers' College	572,400
Maximum Security Prison (this project has been abandoned and the several contracts will be cancelled and claims arising out of such cancellations will be settled)	
Millersville State Teachers' College	669,000
Mt. Alto Sanatorium	4,765,000
Morganza Training School	283,000
Muncy Industrial Home for Women	380,000
Nanticoke State Hospital	67,375
New Tuberculosis Hospital in Western Penna. (near Butler)..	2,645,000
Norristown State Hospital	2,182,050
Pennhurst State School	1,418,000
Pennsylvania State College	5,000,000
Pennsylvania Historical Commission (Old Economy).....	37,100
Pennsbury House	217,300
Philadelphia Armory (Special Troop)	151,000
Philadelphia Armory (Field Artillery)	133,000
Philipsburg State Hospital	135,000
Phoenixville Armory	48,200
Western State Psychiatric Hospital, Pittsburgh	2,847,000
Polk State School	980,000
Scranton State Hospital	1,042,000
Scranton Oral School	424,000
Scotland Orphans' School	743,000
Selinsgrove State Colony	1,997,000
Shamokin State Hospital	47,228
Shippensburg State Teachers' College	675,220
Slippery Rock State Teachers' College	842,000
Sunbury Armory	96,400
Thaddeus Stevens Industrial School	159,000
Torrance State Hospital	1,939,906
Tunkhannock Armory	97,000
Warren State Hospital	1,730,700

TABLE XXX-A
(Continued)

Institution	Allocation
Waynesboro Armory	\$ 96,161
Williamsport Armory	48,200
Wernersville State Hospital	673,750
Western State Penitentiary, Pittsburgh	594,175
Rockview	253,000
West Chester State Teachers' College	780,000

2. Equipment Program

It was the original intention of the Authority to include fixed and portable equipment in its projects and such inclusion was, at first, approved by the Public Works Administration. The P.W.A., however, reversed its former position and specified that equipment could not be included. Since buildings must be equipped to make them usable, the Authority is now selling an additional \$8,500,000 worth of bonds to the two Retirement Boards referred to above, in order that necessary equipment may be purchased and installed and the buildings made ready for occupancy. In addition, grounds surrounding buildings are being properly graded and generally improved. This latter work, to a large extent, is being done by sponsoring W.P.A. projects.

The program of the Authority is now nearing completion. Buildings are occupied, or being prepared for occupancy, and rents are being collected by the Authority. Revenues are being used as per regulations set forth in the Act. Necessary protective insurance has been secured. The State is beginning to reap the benefits and advantages resulting from the building program's accomplishment.

Although the work done by the Authority for the Department of Public Instruction does not appreciably increase enrollment possibilities, many

modern facilities and fire-proof buildings have been provided. New armories have been built, or old armories improved, for the Department of Military Affairs. Buildings constructed at Pennsylvania State College have replaced antiquated structures, relieving serious congestion and menace to health and life. Enrollment capacity has been increased by 1500, and, most important of all in the opinion of the College authorities, facilities for research have been increased by approximately 40%. Helpful as the completion of the building program at State College has been, it is still contended that a physical plant adequate to the College's needs has not yet been provided. Because of limited capacity, admission is still being denied to many graduates of Pennsylvania's high schools. It appears that the program just completed at State College represents about one-third of the program originally submitted.

At many institutions throughout the State, the General State Authority has enlarged and modernized boiler-house and service facilities. Improvements in these directions, however, apparently fall far short of needs and requirements.

Erection of new buildings and improvement of old buildings at various institutions operated by the Department of Welfare, the Department of Health, and the Department of Public Instruction, has substantially increased the bed capacities at these institutions. The following table shows the number of additional beds provided at various institutions.

TABLE XXX-B

GENERAL STATE AUTHORITY
TOTAL ADDITIONAL BED CAPACITY PROVIDED FOR THE
DEPARTMENTS OF WELFARE, HEALTH, AND PUBLIC INSTRUCTION

Department and Institution	Additional Beds
DEPARTMENT OF WELFARE	
<u>Mental Hospitals</u>	
Allentown State Hospital	303
Danville State Hospital	334
Farview State Hospital	260
Harrisburg State Hospital	290
Norristown State Hospital	325
Torrance State Hospital	368
Warren State Hospital	300
Wernersville State Hospital	241
Western State Psychiatric Hospital	275
Total	2696
<u>Feeble-Minded and Epileptic</u>	
Laurelton State Village	221
Polk State School	320
Pennhurst State School	440
Selinsgrove State Colony for Epileptics	422
Total	1403
<u>Penal and Correctional</u>	
Pennsylvania Industrial School, White Hill	1100
Eastern State Penitentiary, Graterford	37
Eastern State Penitentiary, Philadelphia	--
Western State Penitentiary, Pittsburgh	37
Western State Penitentiary, Rockview	256
Pennsylvania Training School, Morganza	40
State Industrial Home for Women, Muncy	91
Pennsylvania Industrial School, Huntingdon	202
Total	1763
<u>Medical Hospitals</u>	
Ashland State Hospital	--
Blossburg State Hospital	--
Coaldale State Hospital	25
Connellsville State Hospital	--
Hazleton State Hospital	60
Locust Mountain State Hospital	--
Nanticoke State Hospital (Nurses' Home)	--
Philipsburg State Hospital	48
Scranton State Hospital (entirely new building)	72
Shamokin State Hospital	10
Total	215
Total, Department of Welfare	6077

TABLE XXX-B
(Continued)

Department and Institution	Additional Beds
<u>DEPARTMENT OF HEALTH</u>	
Mont Alto Sanatorium	900*
Butler - New Tuberculosis Hospital	550
Hamburg Sanatorium	200
Crippled Children's Hospital, Elizabethtown	160
Total, Department of Health	1810
<u>DEPARTMENT OF PUBLIC INSTRUCTION</u>	
Pennsylvania Soldiers' Orphan School, Scotland	135
Pennsylvania State Oral School for Deaf, Scranton	46
Thaddeus Stevens Industrial School	--
Total, Department of Public Instruction	181

* Includes 510 beds replaced.

The following table lists the additional cells provided for institutions operated by the Welfare Department:

TABLE XXX-C
GENERAL STATE AUTHORITY
TOTAL ADDITIONAL CELL CAPACITY
FOR THE WELFARE DEPARTMENT

Institution	Additional Cells
Pennsylvania Industrial School, Huntingdon	204
Pennsylvania Industrial School, White Hill	1390
State Industrial Home for Women, Muncy	95
Western State Penitentiary, Rockview	256
Total	1945

Amortization of all buildings and projects will be completed after some thirty years. With this completion of amortization, the work of the

Authority will have been accomplished. Logically, dissolution of the Authority should be the next step, but dissolution under the present law will be impossible because of the "perpetual existence" clause. Clear title to all properties will be, by law, in the name of the General State Authority. The Commonwealth does not automatically take title. If such a provision were part of the law, the Supreme Court has made it clear that it would, by virtue of such fact, consider it necessary to declare such a law unconstitutional. The fact that title to all properties will continue in the name of the Authority, after amortization, was one of the chief reasons given for declaring the Act constitutional. The present law does not state whether the Authority must, or need, continue renting or leasing its properties to the Commonwealth, ad infinitum, for "one dollar and other valuable considerations." Neither does it state that the Authority must, or need, sell, convey, transfer, or donate any or all of its properties to the Commonwealth, after amortization of buildings and projects is accomplished, or at any time. The fact that the present law does not specify what the legal aspects of the situation, with respect to the above, will be after thirty years, probably means that legislative action will be necessary at that time. Just what action it will be necessary for the Legislature to take thirty years hence will, of course, be best determinable at that time. In the meantime legal powers and duties of the Authority appear to be well defined, and so long as the Board consists of responsible State officials, the interest of the Commonwealth should never be in jeopardy.

D. PERSONNEL

The number of employes and salaries paid, as of June 1, 1940, are shown in the following table:

TABLE XXX-D

GENERAL STATE AUTHORITY
NUMBER OF EMPLOYEES AND SALARIES PAID
As of June 1, 1940

Bureau and Personnel Classification	Number of Employees	Total Salaries
<u>Executive Bureau</u>		
Executive Director.....	1	\$ 9,000
Technical Advisor	1	6,000
Secretary to Executive Director	1	3,600
Private Secretary	1	2,100
Secretary-Stenographer (\$1,680)	2	3,360
Chauffeur-Clerk	1	1,380
Total	7	\$25,440
<u>Legal Bureau</u>		
Chief Counsel	1	\$ 7,500
Assistant Chief Counsel	1	4,500
Legal Clerk	1	2,640
Assistant Counsel	1	1,860
Secretary to Law Clerk (\$1,680)	2	3,360
Stenographer	1	1,440
Typist	1	1,140
Typist	1	1,080
Total	9	\$23,520
<u>Engineering Bureau</u>		
Chief Engineer	1	\$ 7,000
Assistant Chief of Inspection	1	4,500
Engineer	1	3,600
Co-ordinator	1	3,000
Secretary (\$1,680)	2	3,360
Typist	1	1,380
Typist (\$1,200)	3	3,600
Total	10	\$26,440
<u>Accounting Bureau</u>		
Comptroller	1	\$ 5,000
Chief Auditor	1	3,600
Insurance Reviewer and Checker	1	3,600
Senior Accountant	1	3,000
Senior Accountant and Auditor	1	2,400
Senior Accountant (\$2,400)	2	4,800
Senior Personnel Bookkeeper	1	2,100
Junior Accountant and Auditor (\$2,100)	4	8,400
Purchasing Agent	1	2,100

TABLE XXX-D
(Continued)

Bureau and Personnel Classification	Number of Employees	Total Salaries
<u>Accounting Bureau (Continued)</u>		
Technical Clerk	1	\$1,920
Technical Clerk	1	1,860
Personnel Bookkeepers (\$1,800)	2	3,600
Payroll Checkers (\$1,800)	2	3,600
Secretary	1	1,680
Stenographers (\$1,440)	3	4,320
Bookkeeper-Typist	1	1,440
Stenographer	1	1,380
Personnel Clerk	1	1,380
Advance File Clerk	1	1,200
Typist-Accountant	1	1,200
Stenographer-Secretary (\$1,200)	2	2,400
Typist (\$1,200)	2	2,400
Messenger	1	1,080
Typist (\$1,080)	12	12,960
Total	45	\$77,400
<u>Office Management</u>		
Supervisor of Mails and Building Superin- tendent	1	\$ 3,000
Office Manager	1	2,500
File Supervisor	1	2,200
Receptionist-Typist	1	1,500
Clerk	1	1,380
Principal Clerk	1	1,380
Typist	1	1,380
Mimeograph Operator	1	1,200
Janitor	1	1,200
Messenger (\$1,080)	2	2,160
File Clerk (\$1,080)	2	2,160
Assistant Mail Clerk	1	1,080
Chauffeur-Clerk	1	1,080
Typist-Clerk	1	1,080
Elevator Operator	1	1,080
Janitor (\$1,080)	2	2,160
Watchman	1	1,080
Charwoman	1	1,080
	21	\$28,700
Grand Total	92	\$181,520

E. FINANCES

In carrying out its \$65,000,000 building program, the Authority re-

ceived from the Federal P.W.A. funds a grant equal to 10/65 of the approved cost of construction (limited in total, however, to \$10,000,000) and a further grant from the same source equal to 1-1/3 times the relief labor payrolls (also limited in total to \$10,000,000). Grants to October 31, 1940, however, totaled only \$11,308,661.57. The remainder of the money was obtained from the sale of bonds to the State Employees' and State Teachers' Retirement Funds. Interest rate on bonds is four percent. This rate is paid because the State guarantees four percent to the Retirement Funds. Since rentals paid the Authority come from State appropriations which, in turn, are used to retire the Authority's bonds, the relatively high four percent rate does not impose any additional burden on the State.

In addition to the above, the Authority has issued, and is now selling, \$8,500,000 worth of bonds in order to provide funds for equipment, grading, etc., as previously mentioned.

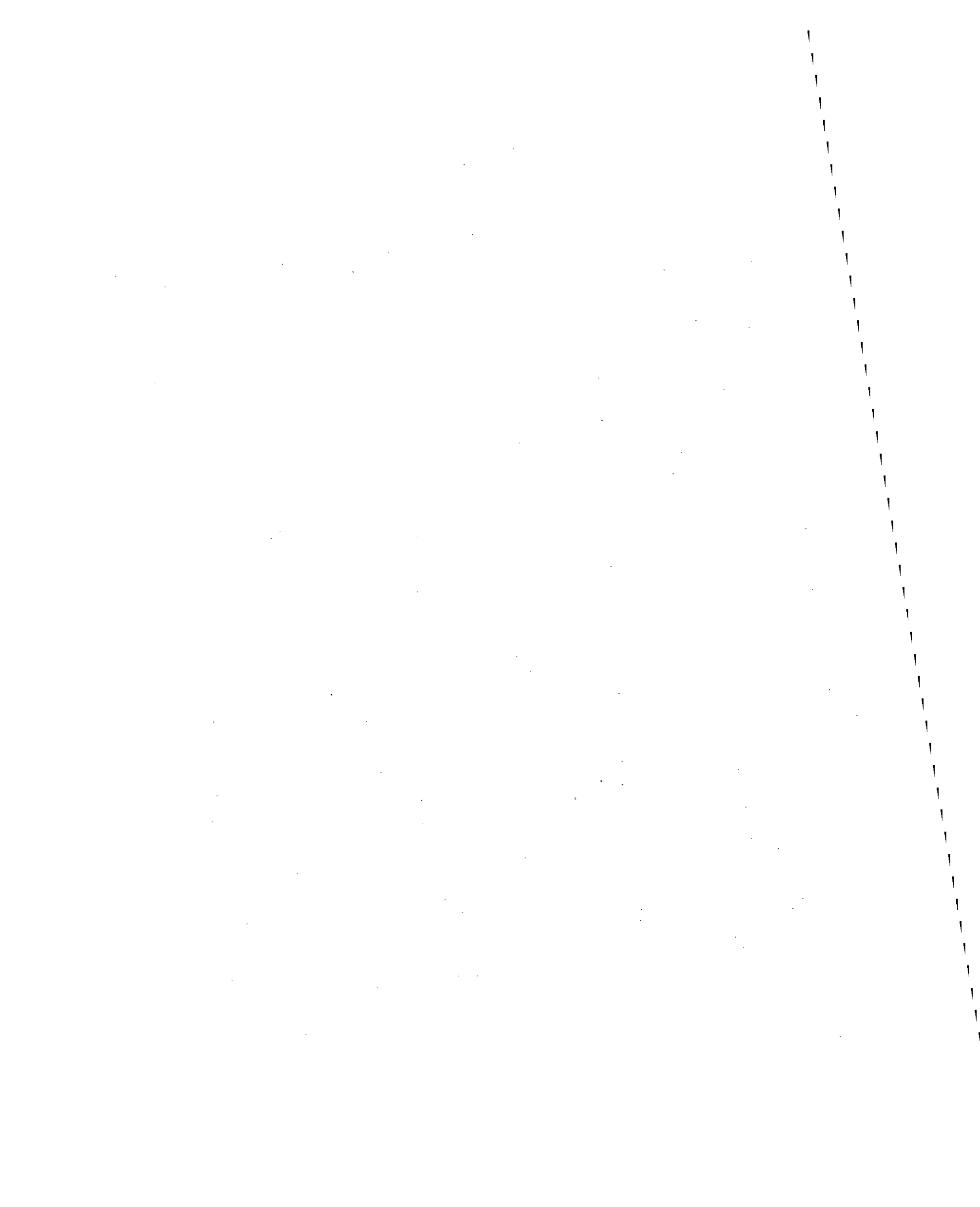
Since administrative expenses could not be paid out of moneys derived from P.W.A. grants or the sale of bonds, it has been necessary to rely on legislative appropriations. For the 1937-39 biennium, \$1,400,000 was appropriated, and \$750,000 was appropriated for the 1940-41 biennium. It is the opinion of present Authority executives that future administrative expenses may and should be paid out of revenues. If these fixed charges, therefore, are to be taken care of in this manner, it will be necessary to raise the present scale of rental and lease rates to a level sufficient to take care of the added burden.

The following cumulative statement shows receipts from various sources, expenditures, and balances as of October 31, 1940:

TABLE XXX-E

GENERAL STATE AUTHORITY
RECEIPTS AND EXPENDITURES
FEBRUARY 24, 1937 TO OCTOBER 31, 1940

Item	Building	Equipment	Appropriation	Total
<u>RECEIPTS</u>				
Sale of Bonds	\$52,970,000.00	\$1,000,000.00	\$ --	\$53,970,000.00
Outright Grants	8,104,484.73	--	--	8,104,484.73
Relief Labor Grants	3,204,176.84	--	--	3,204,176.84
Rent Income	4,170,021.60	--	--	4,170,021.60
Accrued Interest on Bonds Sold	445,370.44	--	--	445,370.44
Appropriations	--	--	1,596,516.00	1,596,516.00
Architects Assignments of Fees	--	--	67,681.77	67,681.77
Total	\$68,894,053.61	\$1,000,000.00	\$1,664,197.77	\$71,558,251.38
<u>EXPENDITURES</u>				
Buildings	\$57,992,267.44	\$ --	\$ 287,764.28	\$58,280,031.72
Fixed Equipment	--	179,778.20	--	179,778.20
Movable Equipment	--	400,301.44	--	400,301.44
Improvement of Grounds	--	232,451.70	--	232,451.70
Bonds Redeemed	5,597,000.00	--	--	5,597,000.00
Interest	3,912,768.35	--	--	3,912,768.35
Prepaid Insurance	196,348.73	--	--	196,348.73
Legal Expense	593.29	--	--	593.29
Maintenance	9,244.59	--	--	9,244.59
Fiscal Agent Fees	5,625.00	--	--	5,625.00
General Expenses	--	--	1,327,440.93	1,327,440.93
Total	\$67,713,847.40	\$812,531.34	\$1,615,205.21	\$70,141,583.95
Balance - Receipts Less Expenditures ...	\$ 1,180,206.21	\$187,468.66	\$ 48,992.56	\$ 1,416,667.43



CHAPTER XXXI

THE PENNSYLVANIA TURNPIKE COMMISSION

The Pennsylvania Turnpike Commission was created by an Act of the Legislature dated May 21, 1937. (P. L. 774) It consists of five members, including the Secretary of Highways, who is a member ex officio. The other four members are appointed by the Governor. Original membership appointments were for four, six, eight, and ten year terms respectively. Terms of successors in office are to be of ten years duration, except that any person appointed to fill a vacancy shall serve for the unexpired portion of the term only. Members receive \$5,000 per year compensation, plus necessary expenses incurred during performance of duty.

For more than a hundred years, the Pennsylvania Legislature has considered, from time to time, the possibility and feasibility of a more direct route from the east to the west through Pennsylvania's mountains. Beginning in 1837, a preliminary survey of possible routes was undertaken upon authorization by the Pennsylvania Legislature. Numerous other surveys were made later. The initial objective was the eventual building of a railroad which would follow the most favored route. Finally, the South Penn Railroad Company, using funds advanced by William H. Vanderbilt of the New York Central Railroad, and Andrew Carnegie of Pittsburgh, attempted actual construction. Opposition to the venture was injected by the Pennsylvania Railroad because of their paralleling but more northerly line. A vicious fight between the opposing interests ensued. In 1883, however, a definite route was decided upon and construction was started. Contracts for bridges and tunnels were let and grading of roadbeds undertaken. After the Alleghenies had been pierced by nine tunnels and some fifty miles of roadbed graded, J. P. Morgan, one-time associate of Vanderbilt, became a-

larmed at the prospect of a rate war, and forced Vanderbilt and his backers to sell out their interests. The Pennsylvania Railroad purchased the right of way. When a ruling of the United States Supreme Court prevented the "Pennsy" from becoming owner, a half interest was acquired by the Baltimore and Ohio Railroad, and the other half by the Southern Pennsylvania Railroad, then a subsidiary of the Cumberland Valley Railroad, which in turn was a subsidiary of the Pennsylvania Railroad. The ultimate resultant was complete abandonment of the entire original project and the South Penn Railroad became only a memory.

With the rapid rise in motor travel and the obvious advantages which a low grade route through the mountains would possess, attention was again directed, in 1937, to the old South Penn right of way. Following a survey of the possibilities by the Works Progress Administration, the Pennsylvania Legislature approved the construction of a 160 mile super-highway, under State sponsorship, from Middlesex, Cumberland County, to Irwin, Westmoreland County (Harrisburg to Pittsburgh). It was decided to follow roughly the old South Penn right of way and to utilize, to whatever extent found desirable, the grading and tunnelling previously done and abandoned. To carry through this ambitious project, the Legislature created the Pennsylvania Turnpike Commission.

The Commission is unique, from a legal point of view, in that it is declared to be an instrumentality of the Commonwealth and exercises its powers and duties as a governmental function, yet it is empowered to borrow money, issue bonds, etc., without being a corporate authority, and without the State Government being liable for its obligations.

A. FUNCTION

Since the Legislature created the Pennsylvania Turnpike Commission in order to delegate proper authority to an organized body whose responsibility it would be to construct a low grade super-highway between the cities of Harrisburg and Pittsburgh, the chief function of the Commission became the accomplishment of that objective by such means and in such manner as their judgment directed and their delegated authority permitted.

Not only was the Commission created for the purpose of constructing the contemplated highway, but its responsibility included operating and maintaining same, as well as arranging for its financing as a self-liquidating project. Naturally, financing became the first and most important problem.

After consideration of numerous plans and various negotiations, a total of \$70,050,000 was finally made available by the Federal Government. The Public Works Administration made an outright grant of \$29,250,000, and the Reconstruction Finance Corporation purchased \$40,800,000 of the Commission's bonds.

B. POWERS AND DUTIES

Legislative authority for carrying on the various phases of its work was given the Commission by the creating Act. Included among the powers and duties specifically mentioned in the Act are the following:

- a. "The Pennsylvania Turnpike Commission is authorized and empowered to construct, operate and maintain a turnpike at such location as shall be approved by the Department of Highways, from a point at or near Middlesex in Cumberland County to a point at or near Irwin in Westmoreland County, together with connecting tunnels and bridges."
- b. "To issue turnpike revenue bonds of the Commonwealth, payable solely from tolls, to pay the cost of construction ... such bonds to contain a statement on their face that the Commonwealth is

not obligated to pay the same or the interest thereon except from tolls, and that the faith and credit of the Commonwealth is not pledged to the payment of the principal or interest on such bonds."

- c. "The term 'cost of the turnpike' shall embrace the cost of constructing the turnpike and all connecting tunnels and bridges; the cost of all lands, properties, rights, easements, and franchises acquired which are considered necessary for such construction; the cost of all machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction; cost of traffic estimates and of engineering and legal expenses; plans, specifications, surveys, estimates of costs and of revenues; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; such other expenses as may be necessary or incident to the financing herein authorized; the condemnation of property necessary for construction and operation; placing of the turnpike in operation; and any obligation or expense ... incurred by the Department of Highways in connection with the construction of the turnpike," which cost "shall be reimbursed to the Department of Highways out of the proceeds of the turnpike revenue bonds."
- d. "The Commission shall make necessary rules and regulations for its own government and shall have power and authority to acquire, own, use, hire, lease, operate and dispose of personal property, real property and interests in real property, and to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers ... and to employ engineering, traffic, architectural and construction experts and inspectors, attorneys, and such other employes as may be necessary in its judgment, and fix their compensation."
- e. "All contracts and agreements relating to the construction of the turnpike and the connecting tunnels and bridges shall be approved by the Department of Highways ... and construction shall be under the supervision of the Department of Highways."
- f. "The Commission, with the approval of the Department of Highways, is authorized and empowered to acquire by purchase, whenever it shall deem such purpose expedient, such tunnels, whether wholly or partly constructed, rights of way, franchises, easements and other interests in lands, as it may deem necessary for the construction and operation of the turnpike."
- g. "Whenever a reasonable price cannot be agreed upon ... the Commission is authorized to acquire by condemnation any tunnel or tunnels ... and any lands, rights, easements, franchises and other property deemed necessary or convenient for the construction or efficient operation of the turnpike."

- h. "The turnpike when completed and opened to traffic shall be maintained and repaired by and under the control of the Commission through the Department of Highways of the Commonwealth, and all charges and costs of such maintenance and repairs actually expended by said Department of Highways shall be paid to it by the Commission upon certification thereof out of tolls. Such turnpike shall also be policed and operated by such force of police, toll-takers and other operating employes as the Commission may in its discretion employ."
- i. "The Commission is authorized to fix and to revise from time to time tolls for the use of the turnpike and the different parts or sections thereof, and to charge and collect the same, and to contract with any person, partnership, association or corporation desiring the use of any part thereof, including the right of way adjoining the paved portion, for placing thereon telephone, telegraph, electric light or power lines, gas stations, garages, stores, hotels, restaurants, and advertising signs, or for any other purpose, except for tracks for railroad or railway use, and to fix the terms, conditions, rents, and rates of charges for such use. Such tolls shall be so fixed and adjusted as to provide a fund at least sufficient with other revenues of the turnpike, if any, to pay (a) the cost of maintaining, repairing and operating the turnpike; and (b) the bonds and the interest thereon, and all sinking fund requirements, and other requirements provided by the resolution authorizing the issuance of the bonds or by the trust indenture as the same shall become due. Such tolls shall not be subject to supervision or regulation by any other State commission, board, bureau or agency."
- j. "The Commission is authorized to provide by resolution for the issuance of turnpike revenue refunding bonds of the Commonwealth for the purpose of refunding any turnpike revenue bonds issued under the provisions of the Act and then outstanding."

C. ORGANIZATION AND OPERATIONS

The functional organization of the Turnpike Commission changed rapidly as the work expanded and progressed. On June 1, 1940, there were three major divisions as follows:

1. Administration - including Auditing, Personnel, Legal and Right-of-Way, Publicity, Purchasing, Automotive Equipment, and Building Service.
2. Engineering - including Covered Construction (Roadway and Bridges), Drafting, Architectural, Traffic, Electrical, and Materials.
3. Tunnel Construction - including all operations in tunnels and tunnel approaches.

Since the Commission was without funds until such time as the bonds which it was authorized to issue were sold, some arrangement had to be made for financing the necessary preliminary work. Because of this fact the General Assembly directed and empowered the Department of Highways to pay for such preliminary engineering work as it saw fit to undertake. Under this authorization some \$600,000 were expended. It was specified that money so expended must be refunded to the Department of Highways from the proceeds of the sale of bonds. All of the \$600,000 referred to above has been repaid.

On October 10, 1938, the Commission received notice from the Federal Public Works Administration and the Reconstruction Finance Corporation that they had agreed to finance the project. Operations were started by the first contractor on October 27, 1938. The date set by the P.W.A. as the deadline for completion of the project was June 29, 1940. Later, because of unavoidable conditions beyond the control of the Commission, time extensions were granted. Finally, on October 1, 1940, the turnpike was declared to be ready to receive traffic and it was officially opened for public use at 12:01 A.M. of that day.

An idea of the size of the enormous task which the Pennsylvania Turnpike Commission undertook, and completed ready for traffic in 23 months actual construction time, may be gained from the following:

Referred to as "America's pioneer tunnel super-highway," the 160 mile Pennsylvania Turnpike is a modern four-lane concrete highway linking Harrisburg, the State capitol, with Pittsburgh, the great industrial city. Each traffic lane is 12 feet wide. Throughout its length, except in tunnels, the highway consists of two dual-lane roadways each 24 feet wide and sep-

arated by a 10 foot center parkway. The roadway section reduces to two traffic lanes in the tunnels. Built over a minimum 200 foot right-of-way, it is graded 78 feet wide, in the open, which provides a 10 foot shoulder on each side.

There are seven tunnels; six were partially bored, more than 50 years ago, by the South Penn Railroad, and the seventh is entirely new. The total length of all tunnels is approximately seven miles. All approved engineering devices have been utilized in tunnel constructions, which would assure safety, comfort and speed. Hugh fans installed in tunnel portal buildings provide continuous and adequate supplies of fresh air. The road is lighted at tunnel portals, in the tunnels, and at interchanges.

Construction of the tunnels has made possible the maintenance of low grades through the Appalachian Mountains. The maximum grade is three per cent, or three feet of rise in every 100 feet, while the maximum curvature is six degrees with a radius of 995 feet. Allowing for ample sight distance, curves are provided with super-elevation and spiral easement. The result is greater driving comfort and convenience for the motorist.

Since no other highway is permitted to cross the Turnpike at grade, it was necessary to build 160 overpasses and underpasses to carry roads over or under the Turnpike. Spanning of streams and rivers meant the building of 139 bridges ranging from six foot culverts to a 600 foot viaduct. Most of the structures are of reinforced concrete but structural steel also was used in a number of long spans. In addition to the terminals at Middlesex and Irwin, interchanges and ticket booths have been built at Carlisle, Blue Mountain, Willow Hill, Fort Littleton, Breezewood, Bedford, Somerset and Donegal. These points of entrance and exit serve the major north and

south routes. Direct traffic crossflow is avoided by means of looping ramps. Substantial fences will enclose the entire right-of-way between interchanges. All interchanges are so located that approaching traffic can look down on them and picture the layout. Deceleration and acceleration lanes, set parallel to and contiguous with the pavement for a distance of 1200 feet, are provided at each interchange. As a motorist enters the Turnpike at any point, he is given a ticket showing the time, place, and the various rates between interchanges. When he leaves the Turnpike he pays the rate indicated.

Vast quantities of materials, unexceeded in any highway project before, were used. For example, an average day's paving required 100 cars of cement, 18,000 tons of stone, 11,000 tons of sand, and 375 tons of steel. Aggregates for concrete were obtained from 35 quarries along the line. Thirty paving contractors, using about 50 complete outfits, operated simultaneously all along the Turnpike. Actual laying of paving averaged $3\frac{1}{2}$ miles of four-lane per day. Value of equipment used was estimated at \$25,000,000. Because of time limitations, it was necessary to work at unprecedented speeds. Never before was so great an amount of pavement laid in so short a period. Work involved was equivalent to paving 300 miles of ordinary highway. Concrete used was of a special dry nature designed to withstand heavy wear in all kinds of weather. All in all, approximately 26,000,000 cubic yards more than was involved in constructing the Feenoh Maginot line which, incidentally, took ten years to build.

Previous to opening the Turnpike for public use on October 1, 1940, a number of perplexing problems had to be solved or a definite policy determined with regard to same. Foremost among these were the following:

1. Toll Rates

Since the Turnpike Act specifies that the bonds issued by the Commission can only be amortized through application of the moneys derived from revenues, the question of toll rates became of the utmost importance. Then, too, operation and maintenance cost had to be considered. Obviously, rates should vary according to type and weight of vehicle. Traffic engineers were engaged to make a survey of the possibilities. Finally, based on the engineers' findings and estimates of traffic potentialities, vehicles were grouped into eleven classes, and a set rate was assigned to each class, ranging from \$1.00 for a motorcycle, for the entire distance, to \$10.00 for trucks with trailers weighing 39,000 to 62,000 pounds gross. Passenger cars, passenger cars with trailers, and light trucks (Class 2), weighing up to 7,000 pounds gross, pay \$1.50 for the entire distance. A special full length round trip fare for \$2.25 is in effect for passenger cars without trailers. Special round trip fares do not apply to any other classification. The Commission is empowered to increase or reduce fares, or make changes in classifications, at any time, should it decide that such changes are necessary or justified. A statement of revenues derived from tolls for the last quarter of 1940 is presented in Table C, page 3116.

2. Service Stations and Restaurants

Under the powers granted to it by the Turnpike Act, the Commission may maintain and operate gasoline stations, restaurants and even hotels along its right of way. Since these service features should be provided for the convenience of motorists, it was necessary to decide whether or not the Commission would undertake to provide them or arrange for same through granting of concessions. The latter plan was adopted.

Because fences line the highway on both sides, operation of privately owned service stations bordering the highway is not feasible. In addition to this fact, uncontrolled construction of service stations would result in the erection of a series of structures which would undoubtedly mar the architectural beauty of the highway itself. It was, therefore, decided to ask for competitive bids from oil companies for the privilege of operating gasoline service stations and restaurants exclusively. Four of the major gasoline companies submitted bids. After due consideration it was decided that the bid of the Standard Oil Company was the most favorable from the Commission's point of view, and the one which would result in the highest possible revenue return. A 25 year contract was entered into, therefore, with the Standard Oil Company, granting that company the exclusive right to erect and operate service stations and restaurants along the Turnpike right-of-way.

In line with the terms of the contract, the oil company has erected ten modern service stations, spaced approximately 15 miles apart. Spotting of stations follows a "staggered" arrangement, alternating sides of the highway, so that traffic in each direction may be serviced from the right at all times, and thus avoid cutting across traffic. The principal station, known as "Midway", is located near Bedford. It provides a dining room, barber shop, smoking lounge, recreation room, dormitory, showers, laundry and registration office, in addition to the standard gasoline station facilities. Ample parking space is provided on both sides of the Turnpike and a pedestrian tunnel permits safe passage from the north to the south side of the highway where the station is located.

Like the station at "Midway", all other stations also have ample

parking space and each station and surrounding area is flood lighted at night.

Although the ten stations were erected by the Standard Oil Company at a total cost of \$500,000, they are located on Turnpike property and belong to the Turnpike. If, for any reason, the 25 year lease is terminated before the expiration date, the Commission has agreed to pay for the buildings out of revenue from tolls after such revenue from tolls has retired the 30 year bonds. Price to be paid, in such an event, is to be \$500,000 less 4% for each year the stations were operated by the Standard Oil Company. If the lease runs its life of 25 years, the Commission, of course, will be relieved of all payment obligations.

The contract with the Standard Oil Company also provides for payments to the Commission per the following:

2 1/3	¢	for each gallon of gasoline sold
15	¢	for each gallon of oil sold
5	%	of gross merchandise sales
3	%	of gross food sales

Total revenues from these sales averaged approximately \$15,000 per month for the first three months of the Turnpike's operation.

3. Policing of the Turnpike

Policing of the Turnpike, and control of its traffic, required a determination of policy before the highway was opened to public use. What speed limit should be enforced and what policing authority, if any, should the regular Pennsylvania Motor Police exercise? These and other related questions became of prime importance because of the extraordinary conditions under which traffic would move, and also because the Turnpike was considered to be a sort of private road quite unlike the other roads of the State forming the State's highway system.

Insofar as the application of the Motor Code to the Turnpike was concerned, the Commission was advised in an opinion of the Attorney-General that the Motor Code did apply and that the Turnpike does fall within the definition of a public highway. It was finally agreed, after a conference with the Governor, that the Governor would approve an assignment to the Commission of a detail of Pennsylvania Motor Police to be known as "Pennsylvania Motor Police - Turnpike Division", under the provisions of the Act of June 29, 1937. It was also agreed that the compensation and expenses of such police would be paid by the Turnpike Commission out of its revenues. Since experience gained through actual operation would be the best basis for determining what regulatory measures were desirable, it was considered that the period from the opening date of the Turnpike to the next meeting of the Legislature should be regarded as an experimental period and that regulatory legislation, if any, recommended to the Legislature, should be based on the experience gained during this experimental period.

In order to increase the effectiveness of traffic control and policing activities, the Commission has contracted for the installation of a \$300,000 radio system throughout the Turnpike. Two-way communication with all police cars, stations, intersections, the Turnpike Central office in Harrisburg, and the Department of Motor Police in Harrisburg will be established. This cooperative arrangement between the offices and patrolling officers of the Turnpike and the Department of Motor Police will undoubtedly prove mutually beneficial.

Now that the Turnpike has been officially opened and traffic is flowing east and west, in even greater volume than the most optimistic prediction, little construction work remains outside of clearing up operations and beautification and landscaping of the right of way. Patrons generally are praising the highway and Pennsylvania is benefiting in a large measure from "in-

duced traffic" which it would not enjoy were it not for the facilities offered by the Turnpike and the acclaimed attractiveness of a journey throughout its length. As the nucleus of a proposed system of national highways for defense purposes, the new Turnpike exemplifies the possibilities in that direction.

The Turnpike is the greatest single highway project ever attempted in the history of the United States. Its early extension to Philadelphia and the Atlantic seaboard was approved by the Legislature during the 1940 Special Session. Act No. 11, approved May 16, 1940, and known as the "Pennsylvania Turnpike Philadelphia Extension Act", authorized the Turnpike Commission to construct a Turnpike from Middlesex, Cumberland County, to Philadelphia. Surveys are now being made preliminary to undertaking the new extension project. Procedures in general will undoubtedly follow those developed during the planning and construction of the original Turnpike. It is estimated that the extension to Philadelphia, a distance of approximately 100 miles, will cost between \$30,000,000 and \$40,000,000.

D. PERSONNEL

As construction progressed, the number of people employed by the Commission increased rapidly until October of 1939, when the total reached 1402. On January 1, 1939, there were 465 employes receiving a total monthly wage of \$64,014.54; on October 1, 1939, there were 1402 receiving a total monthly wage of \$204,222.96; and on January 1, 1940, there were 1,151 receiving a total monthly wage of \$172,904.76.

Because the work was highly specialized and technical in character, the Commission found it necessary to seek and request the loan of skilled men from large corporations. Among the latter who cooperated in large measure

were the United States Steel Corporations, the Jones and Laughlin Steel Corporation and the Pennsylvania Railroad.

For operation purposes, after all new construction, landscaping, etc. are completed, it is estimated that 61 motor policemen, 49 tunnel guards, and 50 toll collectors will be needed, in addition to whatever personnel will be required for maintenance of the highway itself.

In Table XXXI-A is presented a summary of the Commission's personnel and annual salaries paid as of June 1, 1940. Although the nature of the project was such that many employes worked less than a year at their particular assignments, salaries are shown on an annual basis for comparative purposes.

TABLE XXXI-A
PENNSYLVANIA TURNPIKE COMMISSION
SUMMARY OF BUREAU PERSONNEL AND ANNUAL SALARIES
JUNE 1, 1940

Bureau	Number of Employes	Total Annual Salaries
Administrative	176	\$ 362,400
Engineering	1,131	2,030,738
Tunnel Construction	10	22,900
Total	1,317	\$2,416,078

E. FINANCES

As of January 14, 1941, the revenues of the Turnpike Commission totaled \$64,681,088.76, comprising \$37,431,088.76 derived from bond sales and \$27,500,000 received from the Federal Public Works Administration. Against the above income, the Commission has expended \$62,550,735.54,

thus leaving an unexpended balance on the above date of \$2,130,353.22.

The expenditures of the Commission are set forth in Table XXXI-B.

TABLE XXXI-B

PENNSYLVANIA TURNPIKE COMMISSION EXPENDITURES
AS OF JANUARY 14, 1941

Purpose	Amount Expended
Preliminary Surveys	\$ 90,730.43
Land, Right-of-Way and Easements	2,786,120.37
Land Acquisition Costs	521,589.30
Construction Contracts	50,969,032.33
Renovation of Police Barracks	7,965.08
Maintenance Shops & Storage Bldgs. at Everett	1,415.97
Township Relocations & Restorations	116,618.50
Public Utility Relocation Costs	143,609.79
Testing of Materials	97,792.24
W.P.A. Landscape Project	16,510.62
Construction Power	2,939.90
Engineering	4,496,030.91
Reimbursable Expenses to Department of Highways ..	20,917.73
Legal, Administrative & Overhead	945,950.50
Interest	1,808,062.49
Purchase of Equipment - Office, Engineering, and Automotive	258,464.12
Publicity	48,119.71
P.W.A. Reimbursable Expenses	21,645.93
Operation of Automotive Equipment	113,351.42
Training of Employes, Maintaining & Equipping of Turnpike for operation	54,523.27
Construction of Equipment, Labor & Materials	29,344.93
Total	\$62,550,735.54

It is estimated that the annual cost of operating and maintaining the Turnpike will be approximately \$400,000. If revenues derived during the first quarter of the Turnpike's operation continue at the same level, the total revenue during the first year of operation will exceed \$2,400,000. Deducting \$400,000 for estimated operation and maintenance cost, the net

profit for the first year's operation will be in excess of \$2,000,000.

Profit from operations will, of course, be regularly applied against indebtedness.

Table XXXI-C sets forth a statement of traffic and revenue, by vehicle classification, during December 1940 and the first three months of operation. It evidences the extensive use already being made of the Turnpike's facilities.

TABLE XXXI-C

PENNSYLVANIA TURNPIKE COMMISSION
STATEMENT OF TRAFFIC AND REVENUE DERIVED FROM TOLLS
ACCORDING TO VEHICLE CLASSIFICATION
DECEMBER, 1940

Vehicle Classification By Number and Type	December, 1940		Cumulative Totals 10/1 to 12/31/40	
	Number of Vehicles	Revenue	Number of Vehicles	Revenue
(1) Motorcycle	33	\$ 10.70	527	\$ 223.55
(2) Passenger Automobile or Passenger Auto with Trailer	112,251	85,699.85	513,704	387,176.12
(2A) Light Truck, to 7,000 lbs..	1,704	936.85	5,801	3,099.15
(3) Medium Truck, 7,000 - 15,000 lbs.....	3,184	4,005.90	9,721	11,774.90
(4) Heavy Truck, 15,000 - 18,000 lbs.....	1,254	3,052.50	3,797	8,656.35
(5) Heavy Truck, 18,000 - 22,000 lbs.	953	2,589.60	3,056	8,364.80
(6) Heavy Truck, 22,000 - 26,000 lbs.	3,106	11,564.60	6,074	21,355.35
(7) Heavy Truck, or Tractor Truck with Semi-Trailer, 26,000 -330,000 lbs.	630	3,049.10	1,940	8,686.90
(8) Heavy Truck, or Tractor Truck with Semi-Trailer, 30,000 - 39,000 lbs.	6,605	40,115.80	17,722	108,685.20
(9) Truck and Full Trailer, 39,000 - 62,000 lbs.	2	11.25	59	379.90
(10) Bus, (Up to and including 12 passengers)	41	109.50	117	303.85
(11) Bus, (13 passengers and over)	765	1,069.00	2,292	3,342.65
Total	130,528	\$152,214.45	564,810	\$562,048.72

Complete schedules of official toll fares, effective between all interchanges for the eleven classes of vehicles, may be obtained from the Turnpike Commission office in Harrisburg, or from any of the interchange offices.

During the first quarter of operation the Commission derived \$46,263.02 under the provisions of its contract with the Standard Oil Company. In Table XXXI-D is shown the Commission's monthly revenues from the sale of gasoline.

TABLE XXXI-D

PENNSYLVANIA TURNPIKE COMMISSION
REVENUE FROM GASOLINE SALES

Month	Number Gallons	Per Gallon	Total
October	659,153	2.33¢	\$15,358.27
November	488,858	2.33¢	11,390.40
December	390,888	2.33¢	9,107.70
Total	1,538,899	2.33¢	\$35,856.37

In addition to the moneys for gasoline sales paid to the Commission by the Standard Oil Company, the State collected its regular tax of 4¢ per gallon, or a total of \$61,555.96 during the three month's period referred to in Table XXXI-D. Since a goodly portion of the traffic passing over the Turnpike can safely be classified as "induced" traffic (traffic which would not have entered Pennsylvania or traveled as far in Pennsylvania had it not been for the attraction of the Turnpike) a large share of the \$61,555.96 regular gas tax, referred to above, would not have been paid to the State. This tax money, derived from "induced" traffic, comes from out of the State. The Commonwealth, therefore, benefits to a substantial degree, in this additional manner, by virtue of the Turnpike's existence.

The Turnpike Commission's balance sheet, as of December 31, 1940, is presented in Table XXXI-E.

TABLE XXXI-E

THE PENNSYLVANIA TURNPIKE COMMISSION
 BALANCE SHEET FOR THE CONSTRUCTION FUND
 DECEMBER 31, 1940

Assets		Liabilities	
<u>CURRENT</u>		<u>CURRENT</u>	
<u>Cash</u>		<u>Accounts Payable</u>	
Construction Fund	\$ 5,091,139.31	Audited Vouchers ...	\$ 581,196.33
Right of Way Fund	1,242,208.00	Dept. of Highways ...	15,183.01
Adm. Revolving Fund	765.00	Dept. of Highways -	
Right of Way Revolv. Fund	2,546.45	Special Account ...	94.86
Document Deposit Account	259.50		\$ 596,474.20
	<u>\$ 6,336,918.26</u>		
<u>Accounts Receivable</u>		<u>Accrued</u>	
Miscellaneous	68.17	Bond Interest Payable	637,500.00
<u>Turnpike Costs</u>		Contract Retentions..	2,802,186.56
Preliminary Costs	90,730.43		3,439,686.56
Lands, Right of Way and		<u>Fixed</u>	
Easements	3,255,147.82	Turnpike 3 3/4% Rev-	
Construction Costs	51,240,366.32	enue Bonds Payable..	
Engineering Costs	3,837,038.81	Authorized Issue.....	40,800,000.00
Legal, Adm. & Overhead .	948,441.77		
Interest During Constr..	1,808,062.49	<u>Capital</u>	
Misc. Project Costs	523,052.35	Grants from United	
Bond Discount	3,368,911.24	States Government....	27,250,000.00
Landscape Costs	13,369.87		
	<u>65,085,121.10</u>		
Less: Miscellaneous In-			
come on Turnpike Costs	1,168.50		
	<u>65,083,952.60</u>		
<u>Deferred Costs</u>			
Prepaid Insurance	629.93		
Dept. of Highways -			
Suspense Account	656,903.25		
Adm. Revolving Fund -			
Suspense Account	235.00		
Right of Way Revolving			
Fund-Suspense Account..	7,453.55		
	<u>665,221.73</u>		
	<u>\$72,086,160.76</u>		
			<u>\$72,086,160.76</u>

CHAPTER XXXII

THE DELAWARE RIVER JOINT COMMISSION

The Delaware River Joint Commission is a public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey created by Act No. 200 of the Commonwealth of Pennsylvania, 1931, and Chapter No. 391, Laws of New Jersey, 1931. As a public corporate body, this Commission replaced the preceding Delaware River Bridge Joint Commission which built, operated and maintained the Philadelphia-Camden Bridge in behalf of the two States.

The Commission consists of sixteen members, eight resident voters of the Commonwealth of Pennsylvania, and eight resident voters of the State of New Jersey, who serve without compensation. (1)

Members from Pennsylvania consist of the Governor, Auditor General, State Treasurer, and the executive head of the City of Philadelphia, who are always members during their term of office. The other four members of the Commission from Pennsylvania are appointed by the Governor, each serving for a term of five years from the date of his appointment.

New Jersey members on the Commission are elected by the Legislature and serve for a term of five years. Should a vacancy occur in the New Jersey Commission membership, such vacancy is filled for the unexpired term by the Legislature, or if the Legislature is not in session when the vacancy occurs, such vacancy is filled by appointment of the Governor, and such appointee holds office until the Legislature convenes.

All commissioners continue to hold office after the expiration of their terms until their successors are appointed and qualified, but no period during which any commissioner shall hold over is deemed to be an extension

of his term of office for the purpose of computing the date on which his successor's term expires.

The commissioners have charge of the Commission's property and affairs, and, for the purpose of doing business, constitute a board, but no action of the commissioners is binding unless a majority of the Commission members from Pennsylvania and a majority of the Commission members from New Jersey vote in favor thereof.

A. FUNCTION

The Commission is charged with the operation and maintenance of the Delaware River Bridge, which was completed in 1926, and connects Philadelphia, Pennsylvania, and Camden, New Jersey. Construction of the high-speed rail transit line across the Bridge which was completed in 1936 was another duty of the Commission, as set forth in the laws of the two States. Other functions assigned to the Commission are:

1. Investigation of the necessity for additional means of communication between the Commonwealth of Pennsylvania in the vicinity of Philadelphia and the State of New Jersey opposite thereto, and between the ports of Philadelphia and Camden and the sea, and making such studies, surveys and estimates as may be necessary to determine the feasibility and cost of such additional means of communication, whether by bridge, tunnel, canal, or otherwise.
2. Cooperation with all other bodies interested or concerned with or affected by the promotion, development or use of the Delaware River.
3. The procurement from the Government of the United States of any consent which may be required to enable any project within its powers to be carried forward.
4. The promotion of increased commerce on the Delaware River, both freight and passenger, and, for this purpose, the publication of such literature and the adoption of such means as may be deemed appropriate.
5. To study and make recommendations to the proper authorities for the improvement of terminal, lighterage, wharfage, warehouse, and other facilities necessary for the promotion of commerce on the Delaware River.

6. Institution, through the Attorneys General of Pennsylvania and New Jersey, of or intervention in any litigation involving rates, preferences, rebates, or any other matters vital to the interest of the ports of the Delaware River.
7. Any other functions which may be of mutual benefit to the Commonwealth of Pennsylvania and the State of New Jersey, insofar as concerns the promotion and development of the ports of Philadelphia and of Camden, and the use by commercial vessels of their facilities.

B. POWERS AND DUTIES

In order to carry on its work, the Commission has been granted the
(4)
following powers and duties:

1. To have perpetual succession.
2. To sue and be sued.
3. To adopt and use an official seal.
4. To elect a chairman, vice-chairman, secretary and treasurer, and to adopt suitable by-laws for the management of its affairs. The secretary and treasurer need not be members of the Commission.
5. To appoint such other officers and such agents and employes as it may require for the performance of its duties and fix and determine their qualifications, duties and compensation.
6. To enter into contracts.
7. To acquire, own, hire, use, operate and dispose of personal property.
8. To acquire, own, use, lease, operate and dispose of real property and interests in real property, and to make improvements thereon.
9. To grant the use of, by franchise, lease or otherwise and to make charges for the use of any property or facility owned or controlled by it.
10. To borrow money upon its bonds or other obligations, either with or without security.
11. To exercise the right of eminent domain.
12. To determine the exact location, system and character of and all other matters in connection with any and all improvements or facilities which it may be authorized to own, construct, establish, effectuate, operate or control.

13. To exercise the powers, duties, authority and jurisdiction heretofore conferred and imposed upon the former Pennsylvania Commission and upon the former New Jersey Interstate Bridge Commission severally, or upon both of said Commissions jointly, by the Commonwealth of Pennsylvania or the State of New Jersey, or both of the said two States.
14. To exercise all other powers not inconsistent with the Constitutions of the two States or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments, and generally to exercise in connection with its property and affairs, and in connection with property within its control, and any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

C. ORGANIZATION AND OPERATIONS

Chart XXXII-1, page 3205, shows the functional organization of the Commission staff and includes the following: administrative, toll collection, policing, cleaning and maintenance.

The chief administrative officer is the General Manager, who also acts as Secretary of the Commission. He is appointed by the members of the Commission, and serves at their pleasure. Other administrative functions are those of legal counsel, the treasurer, the accountant, the chief clerk and stenographers.

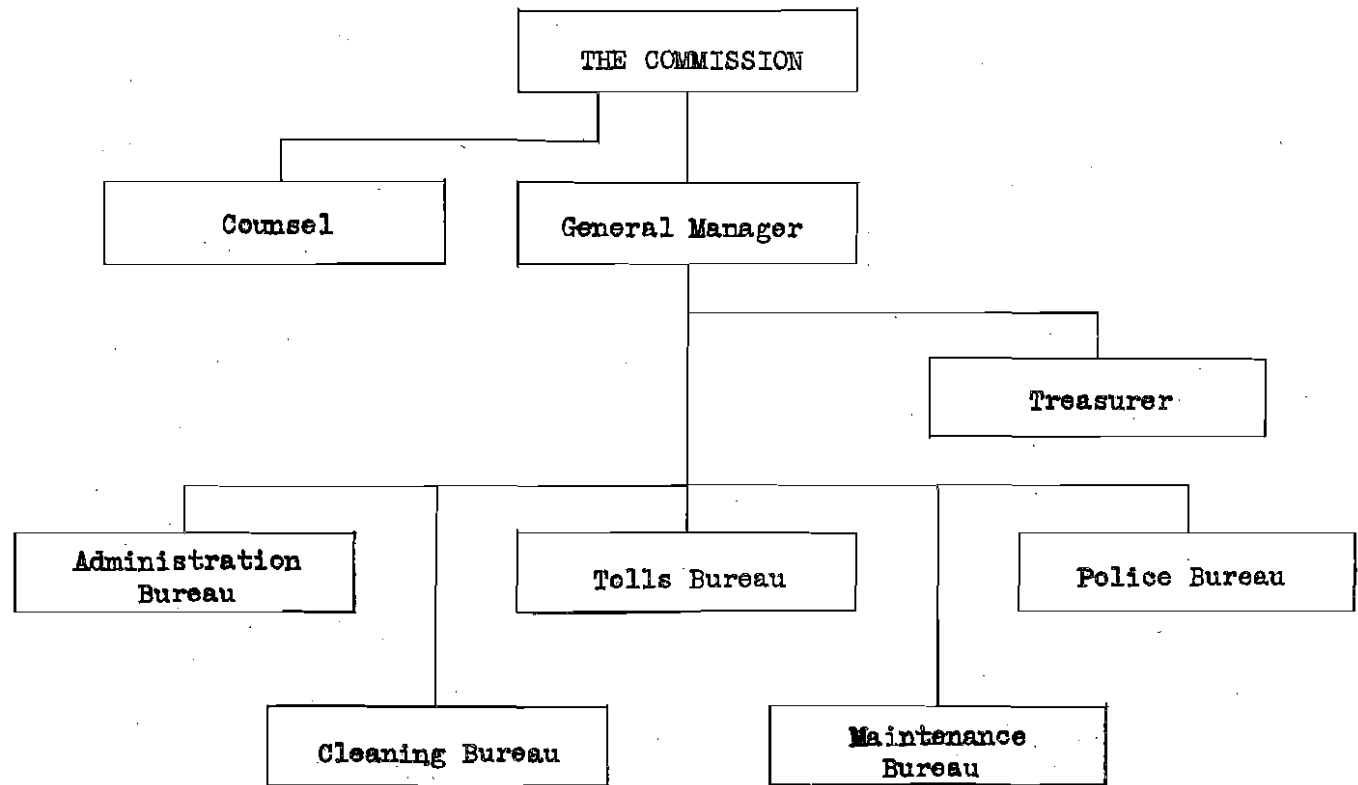
Toll collections on the Bridge are made by a staff consisting of a captain, chief teller, four lieutenants and 43 collectors.

Policing of the Bridge is conducted by a staff consisting of one captain, one lieutenant, three sergeants and 44 patrolmen. During 1939 one person was killed in an accident on the Bridge; 37 accidents were reported; 52 arrests were made; 4 persons committed suicide by leaping from the structure, and 459 disabled cars were removed by the police towing apparatus.

The cleaning work connected with the Bridge is performed by a foreman, assistant foreman and a staff of mechanics and helpers. Temporary employes

CHART XXXII-1

ORGANIZATION OF THE DELAWARE RIVER JOINT COMMISSION
OF PENNSYLVANIA AND NEW JERSEY



are engaged by this bureau to meet emergency situations, such as snow removal. The annual report of the Commission for 1939 points out that 358 extra men were engaged on January 14th and 303 extra men on January 19th to clear the Bridge of snow.

Maintenance work on the Bridge is performed by the Maintenance Bureau. This Bureau consists of a chief electrician and staff, an inspector engineer and an assistant, a foreman, assistant foreman, and a staff of mechanics. The Bridge and its appurtenances, such as the administration building, toll houses, the rail high-speed line and its facilities, are inspected regularly and maintained in first-class condition by this organization.

D. PERSONNEL

As of June 1, 1940, the Delaware River Joint Commission had 159 employes, with annual salary payments totaling \$407,967.08. The distribution of these employes and salary costs is shown in Table XXXII-A.

TABLE XXXII-A

DELAWARE RIVER JOINT COMMISSION
NUMBER OF EMPLOYES AND ANNUAL SALARIES, BY BUREAUS
JUNE 1, 1940

Bureau	Number of Employes	Annual Salaries
Administration	8	\$ 48,000
Police	49	119,400
Toll	49	118,300
Maintenance	30	77,200
Street Cleaning	23	45,067
Total	159	\$407,967

In reviewing the above table, it must be borne in mind that it only reflects the status of the payroll on June 1, 1940, and that additions and eliminations from the payroll can change the picture monthly. Attention

is also called to the fact that the rules of the Commission provide annual increases of \$100 a year in many positions during the first five years of service. This is illustrated in Table XXXII-B, which gives a detailed breakdown of the number of employes in each bureau, the personnel title, and the annual salary rate.

TABLE XXXII-B
 DELAWARE RIVER JOINT COMMISSION
 EMPLOYES BY BUREAU, PERSONNEL TITLE AND ANNUAL SALARY
 JUNE 1, 1940

Bureau and Personnel Title	Number of Employes	Annual Salaries
<u>Administrative Bureau</u>		
General Manager-Secretary	1	\$15,000
Counsel (\$7,500)	2	15,000
Treasurer	1	5,100
Chief Clerk	1	4,500
Accountant	1	3,800
Stenographers (\$2,300)	2	4,600
Total	8	\$48,000
<u>Police Bureau</u>		
Captain	1	\$ 4,200
Lieutenant	1	3,200
Sergeants (\$2,800)	3	8,400
Patrolmen: 1st year men (\$2,000)	3	6,000
2nd year men (\$2,100)	2	4,200
4th year men (\$2,300)	2	4,600
5th year men (\$2,400)	37	88,800
Total	49	\$119,400
<u>Toll Bureau</u>		
Captain	1	\$ 4,200
Chief Teller	1	3,200
Lieutenants (\$2,800)	4	11,200
Toll Collectors: 1st year men (\$2,000) ...	5	10,000
2nd year men (\$2,100) ...	1	2,100
3rd year men (\$2,200) ...	5	11,000
4th year men (\$2,300) ...	2	4,600
5th year men (\$2,400) ...	30	72,000
Total	49	\$118,300

TABLE XXXII-B
(Continued)

Bureau and Personnel Title	Number of Employees	Annual Salaries
<u>Maintenance Bureau</u>		
Engineer	1	\$ 4,200
Assistant Engineer	1	3,000
Foreman	1	3,800
Assistant Foreman	1	2,800
Chief Electrician	1	3,800
Electricians and Mechanics:		
4th year men (\$2,300)	4	9,200
5th year men (\$2,400)	21	50,400
Total	30	\$ 77,200
<u>Street Cleaning Bureau</u>		
Foreman	1	\$ 3,200
Assistant Foreman	1	2,400
Janitress	1	1,400
Mechanics: 1st year men (\$2,100)	1	2,100
2nd year men (\$2,200)	1	2,200
4th year men (\$2,300)	1	2,300
5th year men (\$2,400)	3	7,200
Helpers: 1st, 2nd, 3rd		
year men (\$1,565)	2	3,130
4th year men (\$1,665)	2	3,330
5th year men (\$1,765)	9	15,885
5th year men (\$1,922)	1	1,922
Total	23	\$ 45,067
Grand Total	159	\$407,967

E. FINANCES

The financial history of the Delaware River Bridge is summarized in the annual report of the Commission for 1939, from which the following is quoted:

"Briefly, the cost of the structure and land upon which it (the bridge) was built was \$37,085,100.71. After the project went into operation, the Commission built the rail transit line between Philadelphia and Camden, a

structure to house its maintenance forces and new toll buildings for a total charge against Commission funds of \$8,421,772.80. The total cost of physical improvements was therefore \$45,506,873.51. From the time of the original appropriations in 1919 by Pennsylvania, New Jersey and Philadelphia for the building of the bridge, interest was charged against all sums advanced to the Commission. This interest item was included in full in the reimbursements made to the States and the City in 1933 when the Commission sold its own bonds. Semi-annually since 1933, interest has been paid upon all outstanding bonds. In all, this interest amounted to \$20,665,427.04 as of December 31, 1939, and is frequently overlooked when matters pertaining to the Delaware River Bridge operation are discussed.

"Total expenses of operation and maintenance to the end of 1939 were \$6,311,477. All these costs must be added to determine the actual investment as of the close of the year. In brief, a total of \$72,483,777.55 was expended for construction and operation of the Bridge during the period 1926 to 1939, inclusive. On the other hand, the Commission has been collecting tolls since July 1, 1926. The total collected to date is \$40,914,776.82. Additional money was borrowed from the public through the issuance of bonds of \$38,120,000. Of this amount, \$1,066,000 has matured, making the present indebtedness \$37,054,000. The Commission is, therefore, credited at the end of this year with receipts and unpaid borrowed money of \$77,968,776.82, from which the total cost of \$72,483,777.55 may be deducted, leaving an excess of \$5,484,999.27 in the Commission's possession. This is represented by investments held in the Sinking and Surplus Funds amounting to \$4,768,820.97, cash of \$710,831.39 and prepaid insurance on the Bridge of \$5,346.91."

The current financial picture of the Delaware River Joint Commission is given in the balance sheet and income statement for 1939 as presented in Table XXXII-C.

TABLE XXXII-C

DELAWARE RIVER JOINT COMMISSION
BALANCE SHEET, DECEMBER 31, 1939

ASSETSCash in Banks

Operating Funds		\$ 700,831.39	
Operating Funds on Deposit with Fiscal Agent for bond interest coupons (per contra)		5,078.75	\$ 705,910.14
<u>Operating Funds on Hand</u>			
Toll Department			10,000.00
<u>Sinking and Surplus Funds:</u>	<u>Sinking</u>		<u>Surplus</u>
Cash in Banks	\$ 43,997.79	\$	43,997.79
Investments (at par) in D.R.J.C. 1940's (cost)....	75,000.00		75,000.00
U.S. Government obligations (Cost \$4,782,178)	730,000.00	3,885,000.00	4,615,000.00
Interest accrued on investments	7,709.90	27,113.28	34,823.18
Prepaid Insurance Premiums			5,346.91
Investments in Physical Property:			
Bridge		33,207,410.82	
High-Speed Transit Project		10,985,383.53	
Maintenance Building and Toll Houses		269,515.61	44,462,309.96
			\$49,952,387.98

LIABILITIES AND SURPLUSBonded Debt

4 $\frac{1}{2}$ % Serial Bonds maturing 1935/73:			
Authorized:			
(\$41,000,000 less \$2,880,000 cancelled)....		38,120,000.00	
Redeemed through Sinking Fund		1,066,000.00	
Balance Outstanding			\$37,054,000.00
Interest on Funded Debt:			
Accrued - not due		524,931.67	
Coupons - not presented (per contra)		5,078.75	530,010.42
Other Liabilities:			
Unpaid balance of land claim		800.00	
Payable to Commonwealth of Pennsylvania		9,137.38	9,937.38
Surplus:			
Non-Operating		2,832,326.34	
Operating: Balance of surplus accumulated in operations from 7/1/31 to 12/31/39		9,526,113.84	12,358,440.18
Total Surplus			\$49,952,387.98

1. Volume of Traffic

A measure of the volume of traffic using the Bridge is contained in Table XXXII-D, which shows the number of vehicles by types crossing the Bridge in 1939, and also from the opening of the Bridge to December 31, 1939:

TABLE XXXII-D

DELAWARE RIVER JOINT COMMISSION
CLASSIFICATION OF VEHICLES CROSSING DELAWARE RIVER BRIDGE
DURING 1939 AND FROM OPENING OF BRIDGE TO DECEMBER 31, 1939

Classification	1939		From Opening to December 31, 1939	
	Number	Percent of Total	Number	Percent of total
Automobiles and Light Trucks	12,021,179	89.85	129,497,788	87.14
Buses	917,042	6.85	15,168,352	10.20
Trucks, 2 to 5 tons .	274,183	2.04	2,634,425	1.77
Trucks, 5 to 10 tons .	95,227	0.71	707,812	0.47
Special Vehicles	47,720	0.35	210,092	0.14
Motorcycles	22,879	0.20	378,717	0.26
Horsedrawn, etc.	5	*	4,335	0.02
Total	13,378,235	100.00	148,601,521	100.00

* Less than one-half of one percent.

During 1939, the peak traffic months were July and August, when 1,452,952 and 1,425,646 vehicles crossed the Bridge, while the low volume months were January, February, and March, with 849,799, 822,749, and 972,969 crossings, respectively. More than 1,000,000 vehicles crossed the Bridge in nine out of the twelve months of 1939. A new all-time high for 24-hour traffic was made on Sunday, August 6, 1939, with the passage of 75,072 vehicles. Bridge officials report that with adequate approaches at both ends of the Bridge, it would be possible to accommodate as many as 100,000 vehicles in a 24-hour period.

penditures. Table XXXII-F presents a detailed statement of the Commission's financial operations for the calendar year 1939;

TABLE XXXII-F

DELAWARE RIVER JOINT COMMISSION
STATEMENT OF FINANCIAL OPERATIONS
FOR CALENDAR YEAR 1939

Item	Amount
RECEIPTS	
Tolls and Rentals	\$3,043,086.13
High-Speed Line Fares	108,251.21
Interest Received on Bank Balances	<u>3,921.71</u>
GROSS OPERATING INCOME	\$3,155,259.05
EXPENSES (Operating)	
Salaries	\$364,654.26
Equipment	7,969.82
Supplies	9,057.96
Repairs	45,438.01
Miscellaneous (including light and heat) ..	77,139.94
Insurance (All Risk, Income and Group)	<u>22,286.74</u>
	<u>526,546.73</u>
Interest on Bonds Accrued (1/1 to 12/31/39)	<u>\$2,628,712.32</u>
	<u>1,581,082.54</u>
NET OPERATING INCOME	\$1,047,629.78
Non-Operating Net Income	
Sinking Fund - less net premium paid of	\$ 7,593.76
Surplus Fund - less net premium paid of	<u>44,976.56</u>
	<u>20,229.44</u>
	<u>57,279.71</u>
NET INCOME	\$1,125,138.93

With the favorable earning rate of the Bridge well established, it is the hope of the Commission that their present bonds, bearing an interest rate of $4\frac{1}{2}\%$ can be refinanced at a considerably lower coupon rate. The present bonds are callable at \$105 on September 1, 1943. The Commission now has studies under way to determine at what interest rate the bonds can be

refunded, giving due consideration to the necessity for paying a premium on the bonds called in, the cost of the refinancing operation, and whether or not the refunding issue would be exempt from Federal taxation.

FOOTNOTES

- (1) 1931, P.L. 575, Article II, and
Chapter 391, Laws of New Jersey, 1931
- (2) 1931, P.L. 575, Article III
- (3) 1931, P.L. 575, Article I
- (4) 1931, P.L. 575, Article IV

