

OLDER AMERICANS IN RURAL AREAS

HEARINGS
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FIRST CONGRESS
SECOND SESSION

PART 10—WASHINGTON, D.C.

JUNE 2, 1970



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TUESDAY, JUNE 2, 1970

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C.

The committee met, pursuant to call, at 10:08 a.m., in room 3110, New Senate Office Building, Hon. Vance Hartke presiding.

Present: Senators Hartke and Muskie.

Also Present: David Affeldt, counsel; Val Halamandaris, professional staff member; John Guy Miller, minority staff director; Thomas Patton, minority professional staff member; Thomas Brunner, Senator Hartke's staff; Ann Nicholas, Senator Muskie's staff, and Mary Kopenski, clerk.

OPENING STATEMENT BY SENATOR VANCE HARTKE, PRESIDING

Senator HARTKE. The meeting will come to order.

I notice we have here this morning some of America's older young people before the committee on the questions of older Americans in rural areas.

At our previous hearings the rural elderly have told us about their unique and growing problems. We have also heard from experts in the field and from Government officials.

We have heard about the lack of employment opportunities in rural areas, a worsening retirement income crisis, inadequate or non-existent transportation, and other related problems.

Today our focus will be on housing and health care for the aged.

We know, already, from our hearing last Tuesday and earlier sessions that decent housing is an urgent need for the rural elderly.

Many live in dilapidated, drafty, and ramshackle homes that are cold in the winter and steaming hot in the summer. In many rural areas, running water, inside toilets, and screened windows—accessories that are taken for granted in urban areas—are the exception rather than the rule.

LEFT BEHIND UNDER HOUSING PROGRAMS

Yet, the rural elderly have been left far behind under our housing programs. Assistance from the Farmers Home Administration is grossly inadequate for their needs.

At the end of June 1969, the Farmers Home Administration low interest loan payment program aided only 13,837 older persons, al-

though there are more than 7 million older Americans living on farms and in small rural communities.

Last Tuesday we were told by a spokesman for the Farmers Home Administration that their loan program had a 17-percent increase in new housing starts.

However, 17 percent of an inadequate amount is still not very much. In fact, I often ask myself if the Government isn't really playing a cruel hoax on the aged.

Too often they are told about the availability of housing assistance. And too often they are tragically disappointed because the programs are shamefully underfunded.

About 20 years ago the Housing Act of 1949 authorized a rural housing program. Yet the grim statistics of 1970 reveal that about two-thirds of the Nation's substandard housing are in rural America—many of which are occupied by the aged.

Many of these substandard homes are structurally unsafe for human occupancy. Many more are completely beyond repair.

HEALTH CARE WOEFULLY INADEQUATE

Health care is also woefully inadequate, and the outlook is for little improvement. The pattern is all too clear and depressing; as the rural population shrinks, so does the availability of medical services.

Although approximately 30 percent of our population live in rural areas, only about 12 percent of our physicians, 18 percent of our nurses, and 14 percent of our pharmacies are located there.

Moreover, these existing shortages are expected to last for some time, since health personnel tend to specialize and to concentrate in urban areas.

Many rural communities are already without doctors, dentists, and hospitals. If the elderly need their services, they must go outside their localities and hospitals to receive them.

However, many are without suitable transportation, and consequently they literally become prisoners in their own homes. With these urgent questions in mind, the committee will seek answers to crucial and far-reaching questions:

For example:

1. Why have our housing and health problems bypassed the rural elderly?
2. Can mobile homes be used more extensively to provide decent, low-cost housing for rural inhabitants?
3. What can be done now to improve living conditions in rural America for older persons?

For you younger people who do not remember when we did not have social security the reference to the cruel hoax is the fact that when social security was first proposed in 1935 those who were opposed to it said it would be a cruel hoax on the older people of America.

How wrong they were.

Our first witness this morning is Dr. David Raphael, assistant director of the Rural Housing Alliance.

Those people that are with you, sir, will you please identify them for us for the record.

STATEMENT OF DAVID RAPHAEL, ASSISTANT DIRECTOR, RURAL HOUSING ALLIANCE; ACCOMPANIED BY GEORGE RUCKER, RESEARCH DIRECTOR; AND PHILIP BROWN, INFORMATION DIRECTOR

Mr. RAPHAEL. Certainly. On my left is Dr. George Rucker, Research Director of the Rural Housing Alliance, and on my right is Philip Brown, Information Director, also of the Rural Housing Alliance.

We are submitting a full printed statement. I would like to read briefly from it if I could.

Senator HARTKE. Yes. The entire statement will appear as though it were read in full and you may cover such parts of it as you feel are appropriate.

(The statement follows:)

Mr. Chairman and Members of the Committee:

I appreciate your request to appear before the Committee and present our observations on the housing problems of the aged in rural areas.

The hearings conducted by this Committee and chaired by Senator Hartke in rural areas last fall compiled the largest amount of evidence regarding the sorry state of the homes of elderly in rural areas ever recorded by any Congressional Committee.

Time and again witnesses described the incredibly bad housing conditions of the elderly, conditions known only to those who are sensitive to what can be seen on the back roads and in the "hollows" of rural America.

Unfortunately, though we have had special housing programs for senior citizens for many years, the public as a whole, and many people whose positions give them responsibility for serving the needs of the the rural elderly, are still not aware of these existing conditions.

There are elderly people in rural areas who have used up their life-time savings and are unable to maintain their mortgage payments, pay their ever-rising taxes or make essential repairs to their houses.

There are elderly people living in homes so poorly heated that during the winter, water left in a pitcher in the living room at night freezes before morning.

There are elderly forced to live in little corners allotted them in the already over-crowded homes of relatives.

There are widows in make-shift apartments in what was originally intended to be warehouse space in the second-stories of the buildings on the main streets of small towns.

There are old people living in shacks in the hills of Appalachia so far removed from a highway that it is virtually impossible for them to obtain even minimum medical care.

There are elderly living in shacks in Mississippi who can't leave the house during wet weather because they are unable to walk the planks that bridge their water filled yards.

Rats, roaches and flies are the constant companions of thousands upon thousands of our senior citizens.

When a registered nurse in Mississippi told this Committee that where she traveled "Roaches own the homes and just allow the people to stay there," she was telling the plain, if almost unbelievable, truth.

The national figures on the plight of rural elderly people so far as housing is concerned leave no question about the magnitude of the problem. The 1960 Census was the last time, as nearly as we can determine, when condition of housing for the aged was measured with a metropolitan/non-metropolitan breakdown. Looking now at those 1960 Census figures:

Non-metropolitan areas accounted for 60% of the substandard housing occupied by the nation's elderly. But for only 40% of the nation's elderly population.

In metropolitan areas, 13% of households headed by persons 65 or older was substandard. In non-metro areas it was 38%.

The nation counted 2 million substandard units in which the household head was elderly. Some 12 million were in non-metro areas. Two thirds of those were owner-occupied. But this is not a complete picture of housing need. We don't know how many elderly persons are crowded into households whose head is under 65 years of age; we don't know how many elderly pay excessive portions of their income for housing. But we do know that 70% of elderly non-metro renters had incomes below \$2000 and that 51% of elderly non-metro home-owners had incomes below \$2000. In short, there is no complete headcount of rural elderly housing need. But it probably approached two million in 1960.

To get some idea what might have happened since then, let's look at a few trends:

We know that since 1960, the non-metropolitan share of the nation's substandard housing has increased—from 62% in 1960 to 67% in 1968.

We know that a rising proportion of elderly rural persons are retiring from the farms to small towns. This move to small towns, by the way, underscores the need to expand FmHA lending authority. More on that later.

We know that while the proportion of elderly population below the poverty line has decreased slightly, the elderly now account for a larger proportion of total poor.

The housing needs of rural elderly are staggering. The statistics show it. This Committee has seen the evidence first hand.

Unfortunately the steps taken by the Government to remedy the situation are extremely limited.

INDIVIDUAL LOANS TO RURAL ELDERLY

The Senior Citizen Housing Act of 1962 provided a number of special programs for rural areas. One of these programs made the Farmers Home Administration loans available to senior citizens with provisions more lenient than those available to other rural residents.

For example, special provision was made whereby in addition to obtaining financing to build or repair a house, senior citizens could use co-signers when deficient in repayment ability, could borrow to finance the cost of building sites as well as dwellings, and could borrow to buy previously occupied housing.

During recent years these provisions have been extended to all age groups, but the Senior Citizens Housing Act set the pace.

As of December 31, 1969 approximately 13,600 senior citizen loans of this type had been made. The following table shows the number made each fiscal year:

Fiscal year:	Number
1963 -----	536
1964 -----	1,073
1965 -----	1,074
1966 -----	3,253
1967 -----	2,347
1968 -----	2,030
1969 -----	2,019
1970 (1st half) -----	1,240
Total -----	13,572

Why did the program peak in 1966?

We assume that several factors played a part. When the program first started it received a good bit of publicity, plus a good deal of impetus from within the Farmers Home organization. Then as the years rolled by other new programs came along and the spotlight shifted.

But it is our belief that the leveling off of the senior citizen housing program came about primarily because the programs of the Farmers Home Administration grew to be so large in relation to the more or less static size of the FmHA staff that the programs that required an extra amount of time on the part of the agency's personnel were pushed into the background.

For years the FmHA officials in their appropriation hearings have been telling of the growing spread between the size of their workload and the size of their staff. Latest figures based on the 1971 Budget show a projection for next year of an increase of 624 percent in loans to be made compared to the 1960

level. But the increase over the 1960 level in employees will only be 77 percent. Similar comparisons have been made each year since the mid-sixties.

These figures cover all FmHA programs. This is what they mean in terms of loans for the elderly :

In order to make senior citizen housing loans in any volume the county supervisor of the Farmers Home Administration has to locate the senior citizens, has to help them pick out a house plan, has to help them find a contractor, has to help them every step of the way. After the house is built the FmHA person in many cases has to help the elderly keep their insurance policies current.

These are all functions that the Farmers Home Administration is supposed to perform. The agency was established to provide supervision and assistance along with the credit. The combination of supervision and credit has for many years been the key to the agency's success, the reason it has been able to serve people who have been rejected by other credit agencies.

But at about the time that the senior citizen housing program got underway the overall housing program of the agency was greatly expanded. The county office staffs of the FmHA were swamped with younger families demanding housing loans. These families did not need special assistance. They had their plans. They had lined up a contractor. They were ready to go. Processing their applications left little time for the servicing of the more difficult senior citizen cases.

FMHA RENTAL HOUSING

Another of the programs for the rural elderly provided by the 1962 act made available to nonprofit corporations loans for the development of housing for senior citizens including related facilities such as cafeterias dining halls, community rooms or buildings, and recreation facilities.

This program was also assigned to the Farmers Home Administration. In later years it was broadened to include rental housing for low or moderate income rural families whatever their age.

One of the first projects to be built under this authority was the Golden Age project at Oak Grove, Missouri.

In Oak Grove there was a number of elderly widows living in makeshift apartments above the grocery and hardware stores on Main Street. The apartments were dismal places, space that had originally been built for warehousing.

To provide decent housing for their elderly people the businessmen of the town organized a nonprofit corporation, built a neat community of 20 apartments, all on the ground floor, all completely equipped with modern conveniences.

In recognition of the elderly citizens special needs each apartment was supplied with separate heating controls, no steps, and the hardwood floors were given a nonskid finish. Kitchen shelves were made easily accessible. Handrails were placed in the bathrooms. Fire-resistant walls separated the apartments.

A community building in the center of the complex has a 28 by 36 foot assembly room, a small kitchen and a laundry room with four washing machines and two dryers.

This is an ideal project. It has been expanded. It has served as a model for groups from all over the country interested in rural senior citizen housing projects. The cost of the first 20 units was \$108,000, the rentals are \$35 and \$40 a month.

Along with these nonprofit rental housing projects the 1962 Act also authorized Farmers Home to finance elderly rental housing projects built on a profit basis. In later years this authority was also expanded to include financing for low and moderate income families regardless of their age.

The nonprofit and the profit programs are similar in many respects. Both can be made for periods up to 50 years, limit on amount to be borrowed is \$300,000.

However on the profit-making projects the interest rate is set at 6¼ percent. Interest on loans to nonprofit corporations providing housing for lower income families can be reduced to an effective rate of 1 percent with interest credits. The tenants receive the benefit of the lower interest rate.

Non-profit loans are made only to groups. Profit making, loans are made to groups and individuals.

A survey of the elderly housing in FmHA rental projects in the fiscal years 1965-66-67 showed their average age to be 69. Fifteen percent were over 75.

All told, from fiscal 1963 when the program got underway, until December 31,

1969 approximately 3,000 rental units for senior citizens were financed by the Farmers Home Administration under the non-profit and profit making programs. The following table shows the number of senior citizen rental units financed each year :

Fiscal year :	Units
1963 -----	24
1964 -----	147
1965 -----	264
1966 -----	555
1967 -----	607
1968 -----	542
1969 -----	546
1970 (1st half) -----	270
Total -----	2,955

Why did the program reach its peak in fiscal 1967 and level off at around 550 units per year? Presumably for the same sort of reasons as we discussed earlier in regard to the individual senior citizen loans. It appears that most of the senior citizen rental housing is provided by organizations which operate on a non-profit basis with Board Members who volunteer their services. These Board Members have their regular work to perform, can only spend a portion of their time in volunteer service. Their projects proceed through the formative stages slowly, considerable help is required from the loan officials of FmHA.

Competing with these non-profit groups at the offices of FmHA are the individuals and profit making corporations who are building rental housing for all income ranges on a profit basis. These individuals and corporations are able to devote more time to their projects, move them along faster, require less help from the FmHA.

If the FmHA had the manpower it could spend more time with non-profit groups, help them get organized, get going. But this kind of FmHA manpower is simply not available.

As a result of these and other factors, in fiscal 1969 in both rental programs some 546 units were financed for senior citizens and about 1,500 for people who were not elderly.

FMHA HOME REPAIR PROGRAM

There is another FmHA program we would like to mention briefly. Its origin goes back to 1949 when the rural housing program, as such, was started. It was not labeled a senior citizen program, but it serves the elderly more than any other age group.

This is the Section 504 loan and grant program. In 1969 two thirds of the people served by this program were 60 or over.

Under this authority, a loan or a grant or a combination loan and grant up to \$1,500 in amount can be made to a homeowner to make emergency repairs to his house. This assistance is for those who cannot afford a really adequate home. It enables families who live in shacks to repair leaking roofs, replace broken window panes, repair broken steps, and may take similar steps to keep out the cold and the rain.

The loan program is funded at a modest level. For fiscal 1970, \$10 million is available; as of March 31, 1970, approximately \$3.5 million had been loaned; for fiscal 1971, \$10 million is requested in the budget. No grants have been available since 1964. Language in the fiscal 1965 Agriculture Appropriation bill shut off the grant program.

At the peak of activity of 1964, some 5,800 grants were made for a total of \$4.8 million. All told, 10,500 grants were made for \$8 million.

This type of assistance is badly needed.

HUD RENTAL PROGRAM

Turning now to the programs of the Department of Housing and Urban Development, we find that as of the end of 1969, about 10,500 units had been financed outside of metropolitan areas for senior citizens under the Section 202 program that provides 3 per cent loans for rental and coop housing for elderly, and the Section 207 and Section 231 programs that provide market-rate mortgages for

elderly housing. In non-metropolitan areas, in public housing projects especially designed for senior citizens, we estimate that by the end of 1969, approximately 24,000 units for senior citizens had been provided. Apparently, another 38,000 elderly families live in non-metropolitan public housing projects not designed for senior citizens.

This total of slightly more than 71,000 HUD-assisted units in non-metropolitan areas, when compared with FmHA's efforts, looks quite large. It should be remembered, though, that the public housing program, which accounts for 85 per cent of those units, dates back more than three decades. Moreover, it is our finding that the HUD-assisted units tend to be concentrated in the larger non-metropolitan towns. (Those larger than 10,000 in population probably account for between one third and one-half of the non-metropolitan units.) This is due to a variety of factors: Where the programs depend on local lenders, they are hampered by the credit-gap which is characteristic of rural and small town America; where they depend on local institutions—such as public housing authorities or nonprofit sponsors—adequate resources are frequently unavailable in the rural areas; and HUD is sorely lacking in any outreach capacity, with only 76 FHA Insuring Offices in the entire country, and these located exclusively in major cities.

Thus, with nearly half of the nation's elderly living in non-metropolitan areas, and with two thirds of those in substandard housing found there, it is grossly inadequate to deliver less than one fourth of the nation's assisted units for the elderly to those areas.

OEO PROGRAMS

The Office of Economic Opportunity has also made a contribution in the field of senior citizen housing by financing a number of experimental projects.

Best known of these experiments is the one in Eastern Kentucky that Mrs. Pat Gish from the Leslie, Knott, Letcher, and Perry Community Action Council and others described in the Committee's hearings last fall. In that area some 700 homes of elderly people have been repaired through a combination of programs that utilized the \$500 grants available from HEW, the small repair loans available from Farmers Home and several work-training programs.

In southwestern Virginia on a project financed with help from OEO elderly workmen form the major part of work force that is building housing panels and erecting the panels on housing sites to form completed homes.

Also in southwestern Virginia an OEO sponsored effort has fixed up 50 houses, most of them inhabited by senior citizens. The roofs are now tight, the walls insulated, the electrical wiring works, and in some cases, inside plumbing has been installed. Neighborhood Youth Corps boys supplied the labor, OEO funded the construction supervisors, FmHA credit was used for building materials.

Under an experimental project of the Pike-Bullock-Coffee County Organized Community Action Program in Alabama, 28 houses have been built for elderly families with OEO financed work training programs and FmHA financed materials.

The Arkansas Farmers Union with the aid of OEO funds has repaired a number of houses for elderly families using a combination of work-training programs and FmHA loans.

RECOMMENDATIONS

What more can be done than is being done? A start has been made, but considering the time that has elapsed since the passage of the Senior Citizen Housing Act of 1962, progress to date seems negligible.

We strongly support all of the recommendations of the National Housing Conference, which we understand have been submitted to the Committee. In addition, we have the following suggestions to offer, several of which are identical to those of NHC, but are included here for the purpose of amplification:

1. *We urge that FmHA provide the same notification of mortgage payments due and escrow accounts for taxes and insurance as are available to Federal Housing Administration borrowers.*

It is difficult enough for elderly people to scrape up funds for taxes and insurance. It is doubly difficult when they have to make these payments in one lump sum.

2. *We recommend legislation to improve the housing of persons receiving Old Age Assistance.* Specific needs in this area were set forth in the 1969 report by HEW to the Ways and Means and Finance Committees on "The Role of Public

Welfare in Housing." Included should be liberalization of the terms of Section 1119 of the Social Security Act to allow for larger home repair grants and a greater Federal share in the cost. Action to eliminate state restrictions on homeownership by those on OAA is also urged. The provision of larger housing allowances where they will make possible the shift of an elderly family from substandard to standard housing is an obvious need.

3. *We recommend that \$20 million be provided each year for Section 504 repair loans.*

4. *We strongly urge the reactivation of the Section 504 housing repair grant program and the funding of the program at \$25 million level per year.* We recognize that patching up the homes of the elderly is not the ideal solution to their problems. But until the days comes when there is a program that will provide decent housing for all, a grant repair program is desperately needed.

5. *We favor the extension of the rent supplement program to the rental housing financed by FmHA.* Currently, rent supplements are only available on HUD financed projects.

6. *We urge a substantial increase in the staff of the Farmers Home Administration.* It is our firm conviction that until the staff of that agency is greatly enlarged, all rural housing programs will limp along. The cold hard truth of the matter is that the Farmers Home Administration with its dedicated but limited staff is a rather weak housing delivery system.

The expanded administrative budget should be earmarked to beef up the national rural housing staff to the point where it would have the capacity of looking after a full-blown rural housing program.

Do the same at the state level.

And then at the county level, put in a new layer of housing expertise. This would include people who specialize in senior citizen housing, farm labor housing, self-help housing, cooperative housing, patch-up housing, plus all of the public housing and assisted private housing programs of HUD.

If the demand in the county office could not support this kind of staff, then the staff would be provided at a multi-county level. And this would be the case in many areas.

This would create a real rural housing agency, not a rural housing effort grafted onto a farm program. It would be much easier to pinpoint the manpower needs of such an operation. And in the case of senior citizen housing, the agency would acquire the type of staff needed to give special attention to the requirements of elderly rural people.

7. *We recommend that the limit on rental housing project loans be eliminated.* The limit started out at \$100,000, later was raised to \$300,000. The \$300,000 is too low. In many instances when a project is completed and occupied, there is a substantial number of elderly people still on the waiting list.

8. *We recommend that legislation be enacted to give States an incentive for providing low-income elderly people with real estate tax exemptions.* Real estate taxes are a heavy burden for many low-income elderly families. We would favor an approach which would provide comparable benefits to low-income renters, too.

9. *We recommend that HUD give more emphasis to public housing projects for senior citizens in rural areas.* One of the objectives of the HUD-USDA Task Force is to work out ways of developing countywide housing authorities that will place public housing units in small numbers in scattered locations with central management. This proposal apparently is still in the talking stage.

10. There is a wide-spread demand for senior citizen centers, buildings, where the elderly can meet for social and recreational purposes. These centers can be financed as a part of a FmHA rental housing project.

We recommend that legislation be enacted to finance the construction of these centers where there is no rental housing project. This construction would have to be heavily subsidized by the Government for these centers would fail in their purpose if low-income elderly people had to pay for their use. Perhaps local church groups, businessmen, and service clubs could match the Government funds.

11. There are many elderly people who cannot afford to pay even one per cent on a FmHA loan. *To serve these people, we recommend that legislation be enacted that would enable FmHA to make loans that would require principal and interest payments on as little as 50 percent of the principal.* The remainder of the loan would not bear interest and would not fall due until the first mortgage was paid off or when the property changed hands.

12. *We recommend the size of the community that can be served by FmHA be increased from 5,500 to 25,000.* There are many elderly in towns between these two sizes who need assistance and are not served by HUD programs.

13. *We recommend that the language in the Congressional reports on the 1968 Housing bill, which prevents FmHA from making a housing loan to a man living in town to build in the country unless he is a landowner or has a rural job, be rescinded.* This prevents an elderly person who has, for example, a job in a county seat from qualifying for a FmHA loan.

14. *We recommend that Title V of the Housing Act of 1949 be amended to eliminate the use of credit committees on housing loans.*

The committee system was stated years ago as a means of gaining community acceptance of FmHA credit. The program is accepted and the continuing use of the committee serves only to delay loan processing.

15. *We recommend that FmHA be provided research funds for elderly housing. Currently, the agency has no research funds of any type.*

16. Time and again, a wider use of mobile homes has been proposed as a means of housing elderly people in rural areas. This idea has many appealing features. Mobile homes are small in size. They can be located on the site where the elderly couple now live. Thousands of elderly people currently live in this type of structure.

While there is little doubt in our minds that mobile homes represent far more adequate shelter than many rural elderly poor now occupy, we are not convinced that they are an adequate permanent solution to the housing needs of the nation. While the initial purchase price of a mobile home may be considerably lower than many on-site constructed alternatives, the shorter life of the structure and consequently less favorable financing terms may significantly raise the monthly housing cost to the family.

We are nevertheless quite interested in the further development of the technology developed by the mobile home industry as this would expand options available to low-income people in rural communities—both the elderly and the non-elderly.

There is much that can be done to improve elderly housing in rural areas. We commend this Committee for the interest it has shown in this area of need.

Mr. RAPHAEL. We appreciate your request to appear before the committee and present our observations on housing problems of the aged in rural areas. The hearings conducted by this committee and chaired by Senator Hartke in rural areas last fall compiled the largest amount of evidence regarding the sorry state of the homes of elderly in rural areas ever recorded by any congressional committee.

Time and again witnesses described the incredibly bad housing conditions of the elderly, conditions known only to those who are sensitive to what can be seen on the back roads and in the hollows of rural America.

The national figures on the plight of rural elderly people so far as housing is concerned leave no question about the magnitude of the problem. The 1960 census was the last time, as nearly as we can determine, when the condition of housing for the aged was measured with a metropolitan and nonmetropolitan breakdown.

1960 CENSUS FIGURES

Nonmetropolitan areas accounted for 60 percent of the substandard housing occupied by the Nation's elderly, but for only 40 percent of the Nation's elderly population.

In metropolitan areas 13 percent of the households headed by persons 65 or older was substandard. In nonmetro areas it was 38 percent.

The Nation counted 2 million substandard units in which the household head was elderly.

Some 1 million were in nonmetro areas. Two-thirds of those were owner occupied. But this is not a complete picture of housing need. We don't know how many elderly persons are crowded into households whose head is under 65 years of age, we don't know how many elderly persons pay excessive portions of their income for housing.

In short, there is no complete headcount of rural elderly housing need. But it probably approached 2 million in 1960.

Unfortunately the steps taken by the Government to remedy the situation are extremely limited.

The Senior Citizens Housing Act of 1962, provided a number of special programs for rural areas. One of those programs made the Farmers Home Administration loans available to senior citizens with provisions more lenient than those available to other rural residents.

For example, special provision was made, whereby, in addition to obtaining financing to build or repair a house, senior citizens could use cosigners when deficient in repayment ability, could borrow to finance the cost of building sites as well as some dwellings, and could borrow to buy previously occupied housing.

SENIOR CITIZEN HOUSING ACT

During recent years these provisions have been extended to all age groups, but the Senior Citizen Housing Act set the pace.

As of December 31, 1969, approximately 13,600 senior citizen loans of this type had been made.

We are submitting a table of the loans made from 1963 through 1969, and it shows that the program peaked in 1966 and has declined thereafter.

(See table, p. 646.)

Why did the program peak in 1966? We assume that several factors played a part. When the program first started it received a good bit of publicity, plus a good deal of impetus from within the farmers home organization.

Then as the years rolled by other new programs came along and the spotlight shifted.

But it is our belief that the leveling off of the senior citizen housing program came about primarily because the programs of the Farmers Home Administration grew to be so large in relation to the more or less static size of the Farmers Home Administration staff that the programs that required an extra amount of time on the part of the agency's personnel were pushed into the background.

Another of the programs for the rural elderly provided by the 1962 act made available to nonprofit corporations loans for the development of housing for senior citizens including related facilities such as cafeterias, dining halls, community rooms or buildings, and recreation facilities.

This program was also assigned to the Farmers Home Administration. In later years it was broadened to include rental housing for low or moderate income rural families whatever their age.

Nonprofit loans are made only to groups. Profitmaking loans are made to groups and individuals.

A survey of the elderly housed in FmHA rental projects in the fiscal years 1965, 1966 and 1967 showed their average age to be 69.

Fifteen percent were over 75.

All told, from fiscal 1963, when the program got underway, until December 31, 1969, approximately 3,000 rental units for senior citizens were financed by the Farmers Home Administration under the non-profit and profitmaking programs.

We are submitting a table of these loans which similarly shows that in 1967, program reached its peak and leveled off ever since.

(See table, p. 648.)

Why did the program reach its peak in 1967, and level off at around 550 units per year? Presumably for the same sort of reasons as we discussed earlier in regard to the individual senior citizen loans.

It appears that most of the senior citizen rental housing is provided by organizations which operate on a nonprofit basis with board members who volunteer their services.

These board members, who have their regular work to perform, can spend a portion of their time in volunteer service. Their projects proceed through the formative stages slowly, but considerable help is required from the loan officials of Farmers Home Administration.

Competing with these nonprofit groups are the individuals and profitmaking corporations who are building rental housing for all income ranges on a profit basis.

These individuals and corporations are able to devote more time to their projects, move them along faster, and require less help from the Farmers Home Administration.

If the Farmers Home Administration had the manpower it could spend more time with nonprofit groups, help them get organized, get going. But this kind of Farmers Home Administration manpower is simply not available.

As a result of these and other factors in 1969 in both rental programs some 546 units were financed for senior citizens and about 1,500 for people who are not elderly.

SECTION 504 LOAN AND GRANT PROGRAM

There is another Farmers Home Administration program we would like to mention briefly. Its origin goes back to 1949 when the rural housing program, as such, was started. It was not labeled as a senior citizen program but it serves the elderly more than any other age group.

This is the section 504 loan and grant program. In 1969 two-thirds of the people served by this program were 60 or over.

Under this authority, a loan or a grant or a combination loan and grant up to \$1,500 in amount can be made to a homeowner to make emergency repairs to his house.

This assistance is for those who cannot afford a really adequate home. It enables families who live in shacks to repair leaking roofs, replace broken windows, repair broken steps, and take similar steps to keep out the cold and the rain.

The loan program is funded at a modest level. For fiscal 1970, \$10 million is available. No grants have been available since 1964. Language in the fiscal year 1965 Agriculture appropriation bill shut off the grant program.

At the peak of activity of 1964 some 5,800 grants were made for a total of \$4.8 million. All told, 10,500 grants were made for \$8 million.

Turning now to the programs of the Department of Housing and Urban Development, we find that as of the end of 1969, about 10,500 units had been financed outside of metropolitan areas for senior citizens under the section 202 program that provides 3-percent loans for rental and co-op housing for the elderly, and the section 207 and section 231 programs that provide market rate mortgages for elderly housing.

In nonmetropolitan areas, in public housing projects especially designed for senior citizens, we estimate that by the end of 1969, approximately 24,000 units for senior citizens had been provided. Apparently another 38,000 elderly families live in nonmetropolitan public housing projects not especially designed for senior citizens.

This total of slightly more than 71,000 HUD assisted units in nonmetropolitan areas, when compared with FmHA's efforts, look quite large. It should be remembered, though, that here the public housing program, which accounts for 85 percent of those units, dates back more than 3 decades.

Moreover, it is our finding that the HUD assisted units tend to be concentrated in the larger nonmetropolitan towns. This is due to a variety of factors. Where the programs depend on local lenders, they are hampered by the credit gap which is characteristic of rural and smalltown America; where they depend on local institutions—such as public housing authorities or nonprofit sponsors—adequate resources are frequently unavailable in the rural areas; and HUD is sorely lacking in any outreach capacity with only 76 FHA insuring offices in the entire country, and these located exclusively in major cities.

What more can be done then, than is being done? A start has been made but considering the time that has elapsed since the passage of the Senior Citizens Housing Act of 1962 progress to date seems minimal.

RECOMMENDATIONS

We strongly support all of the recommendations of the National Housing Conference, which we understand have been submitted to the committee.

In addition, we have the following suggestions to offer, several of which are identical to those of NHC, but are included here for the purpose of amplification.

I will comment on some of the major ones.

We recommend legislation to improve the housing of persons receiving old-age assistance. Specific needs in this area were set forth in the 1969 report by HEW to the Ways and Means and Finance Committees on the role of public welfare in housing.

Included should be liberalization of the terms of section 1119 of the Social Security Act to allow for larger home repair grants and a greater Federal share in the cost.

Action to eliminate State restrictions on homeownership by those on OAA is also urged. The provision of larger housing allowances where they will make possible the shift of an elderly family from substandard to standard housing is an obvious need.

We recommend that \$20 million be provided each year for section 504 repair loans.

We strongly urge the reactivation of the section 504 housing repair grant program and the funding of the program at \$25 million level per year.

We recognize that patching up the homes of the elderly is not the ideal solution to their problems.

But until the day comes when there is a program that will provide decent housing for all, a grant repair program is desperately needed.

We urge a substantial increase in the staff of the Farmers Home Administration. It is our firm conviction that until the staff of that agency is greatly enlarged, all rural housing programs will limp along.

The cold hard truth of the matter is that the Farmers Home Administration with its dedicated, but limited staff, is a rather weak housing delivery system.

The expanded administrative budget should be earmarked to beef up the national rural housing staff to the point where it would have the capacity of looking after a full blown rural housing program.

Do the same at the State level and county levels, and we recommend that legislation be enacted to give States an incentive for providing low income elderly people with real estate tax exemptions.

Real estate taxes are a heavy burden for many low-income elderly families. We would favor an approach which would provide comparable benefits to low-income renters.

Also, there are many elderly people who cannot afford to pay even 1 percent of a FmHA loan. To serve these people, we recommend that legislation be enacted that would enable FmHA to make loans that would require principal and interest payments on as little as 50 percent of the principal.

The remainder of the loan would not bear interest and would not fall due until the first mortgage was paid off or when the property changed hands.

MOBILE HOMES

Time and again, a wider use of mobile homes has been proposed as a means of housing elderly people in rural areas. This idea has many appealing features.

Mobile homes are small in size. They can be located on the site where the elderly couple now live. Thousands of elderly people currently live in this type of structure.

While there is little doubt in our minds that mobile homes represent far more adequate shelter than many rural elderly poor now occupy, we are not convinced that they are an adequate permanent solution to the housing needs of the Nation.

While even the initial purchase price of a mobile home may be considerably lower than many onsite constructed alternatives, the shorter life of the structure and consequently the less favorable financing terms may significantly raise the monthly housing cost to the family.

We are nevertheless quite interested in the further development of the technology developed by the mobile home industry as this would expand options available to low-income people in rural communities, both the elderly and the nonelderly.

There is much that can be done to improve elderly housing in rural areas. We commend this committee for the interest it has shown in this area of need.

Senator HARTKE. Thank you for a very fine statement. Let me ask you, do you really believe that the Farmers Home Administration has the capacity to adequately deal with the problems of the rural elderly?

Mr. RAPHAEL. I think we are convinced that given the present staff they have now and the wide variety of housing programs and farm programs that they administer that the staff is not capable of handling this problem.

We see the problem of housing for rural elderly in a very similar light as the problem of rural housing generally. Until a decent staff and decent rural housing policy is created very little can be done on the housing for the elderly.

The recommendations that we make of breaking out the Farmers Home Administration housing staff from its farm operating loan staff I think would go a long way to helping out with this problem. We recommend that a separate housing staff be created at the local and national levels.

Senator HARTKE. What do you think that the elderly would really prefer?

Would they rather have their own homes or rental units in the rural areas? In other words would they rather have assistance to renovate their own homes?

Mr. RAPHAEL. I don't think that any one particular program will solve the need. I know there are many rural elderly families who prefer to live on the land they have been living on for some years, who would want to own their own home rather than rent.

There are others who, because of their livelihood, would like to move to town and move into more or less urban areas and would be pleased to rent.

I think we need to talk in terms of both an adequate homeownership program and a rental program to meet their needs.

Senator HARTKE. Especially for those who are in poverty though homeownership is almost virtually an impossibility, isn't that true?

Mr. RAPHAEL. Well, I don't think that is actually true. Some of the subsidies that have been made available in recent years to the housing programs providing 1 percent interest for example to purchase their own home and some of the explorations of new technology to lower the cost of houses brought the cost of many units then into an area low-income families can afford.

SELF-HELP HOUSING

We have been working very actively with self-help housing as a device to lower the cost of housing to low-income families in rural areas and are convinced that by reducing the cost of the house, with the voluntary labor, and subsidized labor, you can bring the cost down.

Senator HARTKE. You have a project like that under OEO now, is that right?

Mr. RAPHAEL. Yes; we do. We are experimenting in Florida and in a community outside of Auburn, Ala., with a low-cost system in which we would hope to be able to provide housing at a materials cost of \$1,000 to \$5,000.

~~That combined with self-help or some other form of subsidy to cover the labor costs, would make housing available for no more than \$15 to \$20 a month.~~

Now Florida has a unique situation where they have a property tax exemption on the first \$5,000 assessed valuation of a house. This would mean that the family would not need to pay the size of local property taxes that exist in California, for example.

INCENTIVES FOR PROPERTY TAX RELIEF

Senator HARTKE. You make mention in your statement of incentives for a State. I think it is recommendation No. 8. You recommend that legislation be enacted to give States an incentive for providing low-income elderly people with real estate tax exemptions.

Can you amplify that for me?

Mr. RAPHAEL. Well, I am afraid not very thoroughly in that we don't have a specific program in mind. There might be a system of reimbursement to the States or local municipalities for the tax revenue lost.

This was mainly inserted to point the great need that we see of giving low-income home owners a break on local property taxes.

In many situations we run into a situation where taxes will equal the annual mortgage payment on a low-cost house. If we are going to be serious about delivering decent housing to low-income people, we need to take steps to reduce the costs and taxes are certainly one of them.

Senator HARTKE. I would be very interested if you could come up with a plan on that. I take it that you are not too enthused about mobile homes yet?

Mr. RAPHAEL. Well, as we tried to point out in the statement I believe that they offer a far better alternative than most families currently have for shelter. Our concern was mainly to the monthly housing costs that a family would have to bear.

The current financing mechanisms for the most part would keep the monthly cost on mobile homes at quite a high level since the unit would have to be financed over a shorter period than the 30-year financing now available in Farmers Home and some of the other programs.

In addition, our concern runs beyond any particular type of a structure to a variety of other problems that affect delivery of housing and that has to do with the aggregation of land and development of water and sewage problems and these problems we have regardless of the type of structure or technology used.

Senator HARTKE. Where do you put the emphasis on home ownership, low-cost rental? Certainly you could not I suppose on a mobile home. Where would you put the emphasis?

Mr. RAPHAEL. I think our experience particularly with self-housing is in the direction of homeownership. We have been most anxious to insure that homeownership is provided as an alternative to low-income families.

I think for many years, and particularly in the programs administered by the Department of Housing and Urban Development rental housing has been the only type of alternative provided for the poor.

We are most anxious to encourage homeownership alternatives and place greater emphasis I believe on that type of ownership.

INTEREST SUBSIDY PROGRAM

Senator HARTKE. What about this section 235, Home Ownership Plans? What is your experience with that in general?

Mr. RAPHAEL. Well, the Farmers Home Administration is authorized to operate 235 programs in rural areas.

Where they can determine the 235 mechanism won't work they are authorized to operate a similar program of their own. Generally the 235 program because it depends on local financing does not work very effectively in rural areas.

Consequently Farmers Home has been able to operate its own interest credit or interest subsidy program which has identical benefits and identical subsidies to the 235 programs and seems to be working far better.

The concept of the interest subsidy is fine. We have been able to reduce the interest of 1 percent where it is actually needed. I think the financing mechanism which 235 presents is just not workable in rural areas.

Senator HARTKE. The Farmers Home Administration has been accused of the fact that they have been hesitant to make loans because there their life expectancy is considerably shorter and therefore the opportunity for repayments is much more of a handicap to them.

Do you think this is fair?

Mr. RAPHAEL. No, I don't think it is completely fair and the law provides for a number of elderly housing programs. Phil, do you have any further evidence that this has been so?

Mr. BROWN. No, I don't think we have any information really bearing on that point.

Mr. RAPHAEL. I believe that our experience with Farmers Home local and county supervisors has been that generally in the whole area of low-income housing they have lacked experience and they have not been able to devote a great amount of their time in the last few years to that type of program.

We have found the same kind of reluctance with self-help programs for a number of years. The staffs have not been familiar with the programs.

Senator HARTKE. How much money would it take in your opinion to eliminate this problem?

Mr. RAPHAEL. Does the research director have an estimate on that?

Dr. RUCKER. I don't have a figure off the top of my head. I think one of the basic questions is whether you are going to subsidize the housing as we are now doing by and large—

Senator HARTKE. Let's say not what we are now doing but what we are not doing now. Let's make it honest. Let's be real honest with ourselves.

INTEREST SUBSIDIES MORE COSTLY

Dr. RUCKER. Our current mechanism is to subsidize the interest payments over a long period of time, which has a smaller budget impact on a year-to-year basis, given the way that we keep our books, and that is, I think, the reason we lean to this approach.

If you run the numbers out you find that it is actually costing the ~~taxpayers more to subsidize most of the~~ interest costs on a long term loan than it would to do the job more directly.

I think if we were willing to keep our books a little more honestly and recognize investments for investments and not worry about the fact that when you buy a mortgage the Budget Bureau decides that that is a total outlay that year rather than just an investment which is going to be largely reimbursed over the life of the unit, we could cut our costs.

What the figures would be in either event will, of course, depend upon how much we are willing to spend for housing.

Senator HARTKE. Who are you again?

Let me identify you.

Dr. RUCKER. George Rucker.

Senator HARTKE. That is who I thought you were. Now do you stand by your own report?

Dr. RUCKER. Which report?

Senator HARTKE. Rural Housing, this one here printed in a slightly abridged version in March 1970, right?

Dr. RUCKER. Yes, sir.

Senator HARTKE. How long do you expect to live?

Dr. RUCKER. Probably not long enough to see us eliminate all of the housing needs at the rate we are going.

Senator HARTKE. Well, I know you are not a woman so surely you are not afraid to tell your age.

Dr. RUCKER. 42, Senator.

Senator HARTKE. All right.

Let's give you a good 50-year life expectancy. That will take you to 92, right?

Dr. RUCKER. You are very generous.

Senator HARTKE. All right. At the present rate in your lifetime would we cover one-tenth of the —

Dr. RUCKER. We could.

Senator HARTKE. No, no, at the present rate.

Dr. RUCKER. Oh, at the present rate. One-tenth?

Now you are catching me up on figures that I don't remember.

Senator HARTKE. I am not going to trip you, don't worry. I might let you fall gently but I won't trip you.

Dr. RUCKER. You are going to give me 50 years. We might do a tenth, yes.

Senator HARTKE. About a tenth, right?

Dr. RUCKER. Yes.

Senator HARTKE. Don't you think that is rather sad?

Dr. RUCKER. Yes, I think it is extremely sad.

Senator HARTKE. Just feeling that at 42 you have now 23 years of this before you are going to be one of those characters. At the age level of 65, hopefully not before. But let me warn you about something. Most people who are poor and elderly now are poor for the first time when they are 65.

They are really poor, especially if they lose their husband and become a widow. They at least had a breadwinner until they were about 60 or 58. After 55 this would mean the woman's life—you are talking about equal opportunity, she has an opportunity to live longer and suffer more. So this presents a problem.

So according to this you say :

"The cost of such a program would not be an obstacle, given a commitment to it."

Let me say to you first I agree 100 percent.

"It has been estimated that the annual budgetary cost"—which does not go back into the investment concept, which I agree with you again.

Dr. RUCKER. Yes. I was leaning, as I recall, on the figures that the Kaiser Committee used.

Senator HARTKE (continuing).

* * * the official target of six million assisted starts in ten years would rise to a peak of \$2.8 billion to \$3.4 billion (depending on how much one allows for contingencies.) If the target is more than doubled to 13 million assisted starts, the peak annual budgetary costs would presumably rise to about \$7.5 billion. To put that in perspective one need only note that the cost of the rural housing program we have proposed would still be substantially below what we are currently spending just on bullets, bombs and other ammunition to be shot up in Vietnam.

How much better would it be to build houses for those people?

Dr. RUCKER. Clearly, I think it would be far better, Senator.

Senator HARTKE. The question of priority?

Dr. RUCKER. Yes, exactly.

Senator HARTKE. Is it not there?

Dr. RUCKER. That is right. That is why everyone who has studied the problems of housing and the Federal housing program has concluded that the lacking element is commitment.

Senator HARTKE. I don't know what else I can ask you. You are a good witness. Thank you.

Mr. RAPHAEL. Thank you.

Senator HARTKE. Thank you, gentlemen.

Now we will hear from Mr. John Martin, who is the managing director of Mobile Home Manufacturing Association.

STATEMENT OF JOHN M. MARTIN, MANAGING DIRECTOR, MOBILE HOMES MANUFACTURERS ASSOCIATION

Mr. MARTIN. Good morning, Senator Hartke.

Senator HARTKE. Good morning, sir.

Mr. MARTIN. My name is John M. Martin, and I am managing director of the Mobile Homes Manufacturers Association, 1800 North Kent Street, Arlington, Va. I am also appearing on behalf of the Trailer Coach Association, 3855 East LaPalma Avenue, Anaheim, Calif. Both associations support the further adaptation of elderly housing programs to include mobile homes as an important technique for aiding the rural housing needs for the aged.

I might point out, Senator, that the prepared testimony is short and I would like to continue reading it, if I may.

Senator HARTKE. You may.

Mr. MARTIN. I also have some other points to add at the end.

Senator HARTKE. We will be glad to hear them.

Mr. MARTIN. Figures compiled recently indicate that during 1969, mobile homes accounted for 94 percent of homes sold for \$15,000 or less; 79 percent of homes selling for under \$20,000; and 67 percent of homes selling for under \$25,000. We have become the dominant figure in lower cost housing.

We would like to recommend to the committee that any mobile ~~home considered for purchase for such housing by the Federal Government~~ be built to what we call A119.1, which is a national standard adopted by the American National Standards Institute. People serving on that committee which developed the standard represent various agencies of government, National Association of Home Builders, Underwriters Laboratories, American Gas Association, and other similar organizations. Compliance with A119.1 will give the consumer assurance of necessary qualities for health and safety.

ADVANTAGES OF MOBILE HOMES

I would like to talk to you today in terms of mobile homes meeting the severe shortage of housing for the aged. There are several advantages which mobile homes have over site-built units for this need. First, the price range of the mobile home is from \$4,000 to \$10,000 per unit, or an average of \$6,300 per unit in 1969. This, of course, is approximately one-third the average cost of building a conventional high-rise apartment dwelling.

In 1969, it cost approximately \$8.50 per square foot to build a mobile home.

Mobility is another important factor, due to the fact that often a surviving member of a family desires to move near friends or relatives. The mobile home could be moved without totally reorienting the elderly person's life.

Another important factor is that mobile homes can easily be moved in to replace dilapidated dwellings on the original homesite, particularly in rural areas. We found this true in urban areas, Senator, where people did not want to move from their environment. Most of the time older people would prefer to live in the same place that they have for the past several years, and mobile homes could be placed beside or upon the original site of their previous unit.

Mobile homes could also be easily adapted to the HUD programs 235 (interest subsidy program for purchase) or 236 (interest subsidy program for rental housing) and, therefore, adapt an existing program to elderly needs rather than creating new programs. We feel that programs do exist. It is a matter of tying the programs and the commodity together.

The mobile home also gives the couple privacy and a sense of personal ownership with low maintenance and a small amount of time involved in upkeep.

Another option is that the mobile home would allow the unit to be incorporated into a larger mobile home community and be placed either in one portion of the community or integrated with the other age groups living in the community. This flexibility is very important because of the varying life styles of people.

The mobile home can also include live-in nursing quarters for little additional cost, depending on space requirements.

FEATURES NECESSARY FOR ELDERLY

Adaptations usually considered important additions for elderly housing units can easily be applied to mobile homes. The school of home economics at the University of North Carolina at Greensboro,

recently planned and had constructed a model mobile home unit specifically designed for elderly housing. Included below are several features that they felt necessary in such living units:

1. Square tub and hand grips.
2. Dishwasher.
3. Garbage disposal.
4. Wall oven.
5. Counters in kitchen at two levels, none over 32 inches high.
6. Sliding doors in all interior space, if possible, or packet or accordion doors wide enough for wheelchairs.
7. Thermopane sliding glass doors in living and/or dining area.
8. Ramp entry.
9. Light-colored interiors for visual spaciousness.
10. Shelter over front door.
11. Convenient hooks and rings on undercarriage to attach anchor cables.
12. Provision for attaching underskirting to enclose space beneath the unit.

One important method of solving the elderly housing needs using mobile homes has already been successfully employed in Pinellas County, Fla. The local housing authority contracted to rent from a private developer a large mobile home park specifically designed for older persons. The mobile homes were included in the package.

The project was later enlarged and yet early this spring there were several hundred applicants trying to obtain entry. I would like to place a National League Journal article concerning the Pinellas County project into the record for your reference.

Senator HARTKE. This will be incorporated by reference.*

Mr. MARTIN. This project has already proven successful and hopefully many more projects of a similar nature will be built.

Our industry is anxious to work with this committee.

Two other publications for the Senator's information: One is the "Flash-Facts on Mobile Homes." It is just a quick briefing on facts affecting the industry, and also a publication that we have put out over the years called "A New Way of Life—Retirement in a Mobile Home."

Other points that I might just cover quickly, if I may, that have been raised at previous hearings by previous witnesses. One is the size of the mobile home and that is something that I think can be adjusted to accommodate the needs of the family. I think you will find that with a single unit that might be 12 feet wide and 50 or 60 feet long, a single person or a couple would find adequate housing.

If they had other requirements because of other family conditions, then they have what they call a double-wide home or a sectional home, which is 24 feet wide by 60 or 70, so you have far in excess of 1,000 square feet of living space.

LIFE EXPECTANCY OF MOBILE HOMES

One of the questions raised is what is the life expectancy of a mobile home. I think this is important for the committee to consider. One of the criteria to be used is some financing institutions are now providing

*Retained in committee files.

15-year financing. Since the advent of standards in early 1960, we looked at the life expectancy in excess of 20 years.

Financing is difficult but there have been several programs that have been developed, one to bring in the savings and loan associations to this field, also the FHA financing. There is legislation pending which would provide for Farmers Home Administration insurance of mobile home financing and another home having to do with the Veterans' Administration program.

While at the present time the discussion has primarily geared itself to returning Vietnam veterans, there are other provisions being considered by the committee that would open this housing benefit under the VA program to older veterans, which might be in the category that we are discussing, so the VA program is another possibility to consider.

The other avenue that could be considered is the use of the disaster housing. As Senator Hartke well knows, Senator Bayh has been holding the hearings on the Camille disaster and the Senator indicated the use of mobile homes on a purchase arrangement.

It has been our position before Senator Bayh's committee that mobile homes that were purchased by the Federal Government for a temporary relief during disaster could then be used for other types of housing needs, whether it be low-income elderly or whatever purpose might be needed in the disaster area.

So there are several programs in existence. There are some improvements that will have to be made and we would like to work with your committee, Senator, and provide whatever information we can.

DEPRECIATION OF MOBILE HOMES

SENATOR HARTKE. Generally speaking, there is the belief if a conventionally built home is properly cared for and maintained under at least the present escalation of the prices, it will appreciate in total dollar value—whether it does in actual fact may be open to question. But it will appreciate in value.

What happens to a mobile home properly cared for in the same circumstances? Does it depreciate more rapidly? Does it appreciate? What happens?

MR. MARTIN. The mobile home does depreciate. About the first 2 to 3 years of life in the mobile home primarily because of the taxation situation on mobile homes. There is a depreciation scheduled involved which automatically tends to depreciate the market and provide a resale problem. So there is a depreciation in the selling price.

We are finding in working with lower income groups and also in some of the older groups that their primary concern is the acquisition of housing and not the eventual resale. That is a situation where that is all they can afford, they want to get into something that provides the safety features that they need. So there is depreciation.

If they are buying it for resale later on, the first couple of years they will face that. Beyond that point it will stabilize itself and you won't find the same schedule.

SENATOR HARTKE. What happens here is frequently to create a new slum? What is that criticism? You have heard that.

MR. MARTIN. Yes, sir, every time we appear before a zoning board.

SENATOR HARTKE. That is a fair question.

Mr. MARTIN. That is right. We believe that home ownership is a very important part of it and we find that when people do own their own homes, that their interest in maintaining the home and also the area in which they are located has prevented the ghetto or the slum or whatever term might be applied to a situation where the housing is run down.

We have found that there are existing house trailer camps. I mean those are the old camps that we would like to get rid of. Also these are the ones on the highway. We have found that people buying mobile homes do a better job of maintaining it.

Senator HARTKE. What is the average length of the anticipated life of the mobile home?

Mr. MARTIN. Well, we look at right now a 20-year-plus life and this is only actuarial figures, and I use the term because it was developed by the insurance company. They came up with a figure of 15 years on a 12-foot wide. The 12-foot wide is only 11 or 12 years old, so I am not sure how they determine the life expectancy. The financing has gone as high as 15 years.

Last year that changed and we looked since the advent of standards in the late 1950's and early 1960's at 20 years as a properly maintained home.

ZONING RESTRICTIONS FORBIDDING MOBILE HOMES

Senator HARTKE. There is a recent article in the Machinist where it was pointed out even in rural areas many individuals have a great deal of difficulty in locating a place to locate a mobile home. For example, many towns have zoning restrictions which forbid mobile homes.

To what extent do these restrictions pose problems, especially for the elderly?

Mr. MARTIN. They pose a great deal of problems. We have found some areas that say you cannot locate a private home unless you have a minimum of 5 or 10 acres. In some cases this is not a problem because they are going to locate it on rural property that maybe belongs to the family, but you have other situations where the people have a conventional sized lot, quarter acre or fifth of an acre.

Zoning is a problem. We think that this is starting to change. We noticed it during 1969. The planning officials are starting to realize in many cases that they have an obligation to provide facilities for lower-income housing within the community and that they just cannot gear for \$25,000 homes. It is changing, but unfortunately too slowly.

Senator HARTKE. Do you think there is a tendency for increased utilization of mobile homes which would benefit the low-income elderly in the rural areas to be more beneficial to them because of the real lack of space in the metropolitan areas?

Mr. MARTIN. Yes. The suburban area or rural area, the farther out you go has been one of the best approaches for mobile home development and we think it can be handled either on an individual basis or in a community. The elderly mobile home communities have all the recreational facilities that are appropriate for the age group, they have many things going on that keep these people quite occupied.

But we think that the price of land is one significant part of it. ~~As you are moving out in the area, you find that your land costs are less, it is easier to develop such communities.~~

INSURED FINANCING OF MOBILE HOMES

Senator HARTKE. What has been your experience with the 1969 Housing Act which authorizes FHA to insure the financing of mobile homes? Do you think that is going to really provide a solution to the problem of decent low-cost housing for the poor?

Mr. MARTIN. I will be as honest and candid as I can. No. 1, the Housing Act and mobile home financing was a recognition to us that the mobile home was a housing unit—

Senator HARTKE. It came of age.

Mr. MARTIN. We came of age.

The other part of it, Senator, I think the cost of money being what it is, that the lending institutions are reluctant to move into an FHA program where they can—

Senator HARTKE. Do you blame them?

Mr. MARTIN. I am talking about the economics and that is their business, that is right. That is their business. That is what has caused their reluctance to move into these programs, so we are not going to see a great number of mobile homes insured under this program.

In fact, at this date, 1 month after the regulations have been out, there have been no applications submitted.

Senator HARTKE. None?

Mr. MARTIN. None to our knowledge.

Senator HARTKE. I think that is telling evidence of the failure of this high interest rate policy and the shortage of money policy which we are pursuing at the present time. It is a social disaster.

Mr. MARTIN. The economics there have greatly affected us, that is for sure.

Senator HARTKE. Do you know to what extent elderly people are being housed in mobile homes? Is that something which is beyond your—

Mr. MARTIN. No. We have been doing studies. I think I have 1968 included in these flash-facts. As an example, during 1969 we built 412,690 mobile homes.

Senator HARTKE. How many came from Indiana, do you have any idea?

Mr. MARTIN. About 20 percent, I would say, Senator.

Senator HARTKE. All right. It is a good State, right?

Mr. MARTIN. Yes, sir. In fact, the president of our association Arthur Derio is from Elkhart.

Senator HARTKE. I know. It is a good city, he is a good president.

Mr. MARTIN. 412,690 units in 1969 and just a year to a year and a half ago better than half of our market was to retired or elderly persons. Now we found during 1969 that this is fairly well split up, that now about half the market is the young married couples. We are getting the same percentage of young marrieds and the elderly people, but it has always been one of our primary markets for the industry.

~~Senator HARTKE. Really your heavy concentration is in the very young, isn't that correct?~~

Mr. MARTIN. Now. During 1969, that is about the time the change came about.

Senator HARTKE. In your statement you said that the average cost for a mobile home was about \$6,300. How many square feet would a unit like that have and how would this compare with the cost for conventionally built buildings?

Mr. MARTIN. We use the figure of \$8.50 per square foot. When we talk about a \$6,300 mobile home, it is probably about a 12 by 50 to 60-foot long unit, but this is completely furnished. This has the furniture and appliances, it is ready to move into it.

The \$6,300 figure is including the furnishings and does not include any transportation nor any setup costs that might be necessary.

Senator HARTKE. With the extreme shortage of housing which exists at the present time, and it is real extreme, isn't it time that the conflict between mobile homes and conventionally built homes be put aside and let's get down to the business of building housing units? I think there is enough room for both of them.

Mr. MARTIN. Yes, sir; there is. In fact, we have taken the position that the on-site developer has vacated a market under this \$25,000, so we are no longer competing with him because we are providing a commodity that he is not building any more and that we should be working together.

We thought it was developing that way because we have a participating building organization which is trying to acquaint each other with respective problems. A lot of home builders are now going to mobile home parks and we are providing education. Recent statements have been made to the contrary that building firms do not look at us as an ally.

We feel we are no longer competitors, that this situation has long passed.

Senator HARTKE. John?

Mr. MILLER. Senator Hartke asked a question and in your response you touched upon the matter that I had in mind.

You referred to the range of \$4,000 to \$10,000 for the mobile home and my specific question is: What accounts for the difference? Is this a matter of size, a matter of the basic mobility of the home, a matter of the furnishings, the appliances, its durability or is a lot of this in fancy items?

Mr. MARTIN. When you start with the basic mobile home that is built to the standard A119.1, you are starting at the same point. Other more expensive mobile homes may go in for thicker insulation beyond the standard required, it may have heavier studs or something of that nature, but they all start with that basic premise of the standard.

From there you go to the size factor. Going to parts of the Southeast there are a lot of units sold at \$4,000, from \$4,000 to \$5,000. You have a very basic furniture package. Maybe the range or the refrigerator or anything is not quite as nice as you might have in a more expensive unit.

So you are talking about quality of furnishings as one consideration and the size of the mobile home being the other.

Mr. MILLER. What would be the size for a \$4,000 home?

Mr. MARTIN. The biggest part of our market—in fact, our market really is a 12-foot-wide mobile home. We build very few 10 wide any longer and they are all in excess of 40 feet in length. We are going to double units, we are going to two-story units.

Of course, we are getting into something other than a wheeled home, but the modular concept, and these can be in varying sizes and shapes. You add another child, you add another unit.

Senator HARTKE. Thank you, sir.

Mr. MARTIN. Thank you, Senator.

Senator HARTKE. Dr. Ben N. Saltzman, former chairman of the Council on Rural Health of the American Medical Association.

Good morning, sir.

STATEMENT OF BEN N. SALTZMAN, FORMER CHAIRMAN, COUNCIL ON RURAL HEALTH OF THE AMERICAN MEDICAL ASSOCIATION

Dr. SALTZMAN. Good morning, Mr. Chairman.

If I may, I would like to read my statement. I prepared it some time ago.

Senator HARTKE. Yes, sir; you certainly may.

Dr. SALTZMAN. I am Dr. Ben N. Saltzman of Mountain Home, Ark., in the active practice of general medicine and past chairman of the Council on Rural Health of the American Medical Association. I have been in practice in this community for more than 24 years and have watched it change from a very rural area to a retirement area.

My patients at first were chiefly the elderly farm people who had remained behind while their children and grandchildren had moved away to more economically secure areas. Now my practice is primarily concerned with the health care of retired, elderly people who have moved in from the more cosmopolitan areas. Still, I am concerned with the health of a fairly good mixture of both the economically secure and the deprived rural elderly.

For many years as a member of the Council on Rural Health of the American Medical Association and for 3 years as its chairman, I have been confronted on a nationwide basis with the problems of rural people of all ages. However, the problems of the elderly in most instances seemed to be more acute. A study of these problems revealed that their nature was primarily sociologic rather than pathologic.

LONELINESS

All segments of the rural aged population, whether affluent or deprived, suffer from one chief malady; namely, loneliness. This loneliness, whether caused by the loss of children or grandchildren or by self-removal from the family environment, has affected most of the physical problems that have confronted me as a physician. This does not mean that the rural elderly do not have physiologic illnesses.

They have the same illnesses that affect all ages. However, the infirmities that aging usually produces make these illnesses more difficult to manage. The individual whose eyesight has failed, whose hearing has deteriorated, and whose joints and muscles will not carry him in an ambulatory manner finds it difficult to marshal the forces neces-

sary to recover from other illnesses such as those affecting the cardiovascular system and the respiratory system.

In my practice I see a considerable number of patients who have had cerebral vascular accidents, the "stroke" syndrome. These people are not necessarily bedfast, but do have some difficulty in walking or moving quickly or speaking fluently. I see several others who have had one or more myocardial infarctions, heart attacks. I see many patients affected with various degrees of emphysema, shortness of breath. There are many complaints of digestive disturbance which include symptoms attributable to the gall bladder system, the gastric system, the colon and the favorite syndrome of constipation.

However, I believe that the most frustrating complaint from the standpoint of the elderly patient is that he cannot find anyone to take care of his feet. These patients, because of poor vision, cannot see well enough to cut their toenails. They develop nail hooks, corns, calluses and plantar warts which give them no end of pain and discomfort and in many cases make life unbearable.

MORE DIFFICULT TO OBTAIN NECESSARY CARE

In this sketchy manner I have outlined some of the health problems of the rural elderly. Now, these problems are little different from those of the elderly urban population. There is one chief difference however. These people find it more difficult to obtain the necessary care for their ailments.

The physicians are available to serve them. Health nurses are available to act as liaison between the patient and the physician, but it is becoming more and more difficult for the elderly patient to make his way to the physician's office or to the outpatient hospital clinic.

Therein lies the rub. Most of my elderly patients complain that they cannot get the transportation to take them to the physician's office. I truly believe that 60 percent of my elderly patients would be happier if someone could bring them to my clinic.

Some people complain that it costs them as much as \$15 to \$20 to be transported to the office by cab. They state that my office fee of \$5 is just a drop in the bucket as far as their expenses are concerned.

Then I hear another cry repeated over and over again. Drug costs are too high. After I write my prescription, the financial problems begin. I would say that in my own community more than 50 percent of the prescriptions written by physicians are sent away to larger cities to be filled by cutrate drugstores.

It is simply a matter of economics. Even the more affluent retired person finds that he cannot afford to support the local drugstores, though he realizes they have comparatively higher operating expenses than the larger distant concerns. I am certain in my own mind that the continual complaint of the high cost of medical care is chiefly related to the high cost of drugs.

So far this talk seems to deal more with economics, the economics of transportation and the economics of drug costs. There are other very important aspects of the health problems of the rural aged. I have earlier mentioned the loneliness that exists in the elderly, whether they are married, single, or widowed.

Another aspect of the problem is that these people find themselves with nothing to do. Many have taken the stand that retirement means complete removal from any occupational endeavor.

At the other end of the spectrum is the retired individual who will often undertake a type of work around the house to which he is not physically accustomed. Very often I am called upon to treat a heart attack brought on by lifting large loads of wood to be carried to the home fireplace. Rocks abound in rural areas and very few of my retirees are physically capable of moving boulders by themselves. They attempt to do this to create beautiful lawns. Then having completed these lawns, these individuals proceed to mow them, usually in temperatures not suited to either mad dogs or Englishmen.

HEALTH EDUCATION

We thus come to the problem of health education. Most of our elderly patients have had very little health education throughout their lifetimes. These people have been busy in their businesses, their jobs, their professions and have not been exposed to what I feel is rural health education. They have gotten their information from television commercials and from newspaper quotations, but have had very little formal training in what good health really is.

These people have now found themselves with a great deal of leisure time. I feel that if this time could be programed into health education as well as occupational usefulness, many problems that confront us would be alleviated.

I have noted with interest the new OEO projects that provide some form of remunerative work for individuals of this type. I speak of the Green Thumb and Green Light projects. In our area there is an Ozarks opportunities project which teaches skills and markets products. I know of many successful results of these activities which have produced better health, both physical and mental.

I am in complete sympathy with what is being attempted. I feel that more useful jobs should be found for the elderly, whether deprived or in better financial circumstances. I would like to see a continuation of these individuals in the occupations in which they have been trained. They are most happy doing the work to which they have become accustomed over the years and in which they feel that they can do a better job.

Forced retirement is almost as cruel in my mind as leaving the elderly citizen in the woods to die, as was the custom of our early Americans. We know that muscles fail with disuse. It is my firm conviction that brain cells also fail with disuse.

Over the years I have enjoyed my practice which has been chiefly with the elderly population. These people, when they first come to me are mentally and physically alert and wonderful people to know. In many cases I have established lasting friendships. Frequently these friendships have lasted a great deal longer than I would have believed possible because of the age of the patients.

I have found that my recommendation that they find something to do has paid off in many instances. I have channeled some individuals into civic activities, others into church work, others into work in

nursing homes and with retarded children. Whenever these individuals have found something to do they have retained their physical and mental faculties. However, those who have given up any effort to keep up with the mainstream of life have deteriorated rapidly.

Rest homes have served as a means of keeping the body alive. However, they have not necessarily served in keeping the mind alive and so we learn that individuals confined to nursing homes and rest homes, generally speaking, deteriorate and die sooner. There are some nursing homes with active recreational and occupational programs that are far different. Those nursing homes that have program activities that are not puerile have been quite successful in keeping their inhabitants alive for many years.

I have learned from my fellow physicians that those elderly people who can go into apartment house complexes seem to live forever because these people maintain all the aspects of normal daily living. Their minds and their bodies stay alive and alert.

RECOMMENDATIONS

Now having covered these various problems that confront us in rural areas, I would like to enumerate some of the things that I feel can be done. First, a program to assuage loneliness. These people who have nothing to do should be encouraged and, in fact, made to go out and visit with others more physically incapacitated. We need people to help people, and the aged can really help themselves and others. I know that the programs that employ the elderly to work with handicapped children have been quite successful. Why not a similar program to help the infirm aged?

Next I would like to see an extension of home health care. In my own community we have an excellent home health service carried on by our State health department. I feel that it can be expanded with the help of the physicians practicing in our State. I know that home health services need to be provided over the entire country.

We haven't begun to make a dent in the possibilities that exist for home health care, and this is particularly true in the rural areas. This will require dedicated people. But these people can be taken from the small communities in which they reside. They can often do a more professional job than the professionals.

Some system of licensing of home health aides who are not of the college level is necessary. I know that any competent physician can train the aides to do the necessary work in the home.

I would like to see an expansion of recreational programs and work programs to make use of the elderly in all walks of life.

I would like to see high priority given to transportation for the rural aged. Whether it be community, State, or federally controlled is not important. Wheels have become important in our lives and when these people are forced to give up their driver's licenses, their lives collapse.

I think that it is very important that something be done to bring down the cost of drugs. I don't want to incur the wrath of the pharmaceutical profession, but I do believe that drug costs can be lowered. The pharmaceutical industry is doing a marvelous job of policing

itself in the manufacture of its products and in the ethics of the distribution of these products. But I feel that it can also serve our country better by bringing down the cost of drugs.

My mention of the care of the feet may bring a humorous response, but seriously it is a very important problem for our elderly citizens. Perhaps we can produce more podiatrists or failing this, perhaps we can train health aides to do the simple tasks necessary to provide better foot care. Our physicians do not have the time to cut toenails, remove calluses and corns. And yet we find ourselves doing this very thing. There must be a better solution.

Finally, I want to make a plea for better health education. This can be accomplished through the use of our news media, which include newspapers, periodicals, magazines, radio and television. Television has become a most important influence in our lives, particularly as it affects the elderly. Some way must be devised to program good health information to these people.

CASA

In our area, the CASA mobile health screening project, sponsored jointly by the OEO and the Farmers Union has served to make elderly rural people aware of their health problems and has caused many to seek the help of their physicians. This, too, is a worthwhile educational tool. However, I think that it would be more effective if the active cooperation of county medical societies and individual physicians was intensively sought.

It is my feeling that comprehensive planning for health should include planning for the health of the rural aged population. This can be done for the health of the rural aged population. This can be done on the local level and should involve these consumers in the planning. A. B. Alcott once said, "While one finds company in himself and his pursuits, he cannot feel old, no matter what his years may be."

Most of our elderly citizens have retained their intelligence. Let's give them an opportunity to continue to use it.

Senator HARTKE. A very fine statement, Doctor. Let me ask you a question concerning drugs. We have this problem at the present time concerning what should be done with the drugs. I am a member of the Finance Committee and the social security bill is going to be in front of us very shortly.

COVERAGE OF PRESCRIPTION DRUGS

There is a question about the whole cost of Medicaid and Medicare. Do you think that prescription drugs should be included in Medicaid and Medicare?

Dr. SALTZMAN. I feel that they can be partly financed by Medicaid and Medicare, but I feel that just leaving it completely wide open would just cause a backlog of prescriptions that would practically bankrupt the country.

Senator HARTKE. Would that not really indict the medical profession when you say that? You mean the doctors could not resist prescribing?

Dr. SALTZMAN. Doctors are forced to prescribe. The patient expects to get something, you can just not lay on hands and expect them to be satisfied. They want some kind of prescription. Of course, we could give them the old aspirin formulas, but this is not honest in our own profession. We don't feel right about that, but people demand things from their physicians and whether we like it or not, we comply. We cannot help ourselves.

Senator HARTKE. That is a rather peculiar way of putting it.

Dr. SALTZMAN. It is, I agree with you, and yet we cannot help ourselves because people expect us to do that. We have been doing it for centuries and the public has asked for it for centuries.

Senator HARTKE. All right. I am not going to be too critical of that. I have to admit that I am not persuaded by that type of philosophy.

Dr. SALTZMAN. I don't blame you, none of us like it.

Senator HARTKE. I would hate to feel that merely because I was a person and went to a doctor and said, "Give me some medicine," the doctor would comply, knowing full well that I don't need it, and that it would do no good.

Dr. SALTZMAN. You know the practice of medicine is considered to be an art rather than a science in spite of all the wonderful things that have happened lately and the reason for this is that the patient feels that the physician knows just what to give him. The patient wants something when he goes to the physician, reassurance and help. There is no question about it.

In many cases that is all that is necessary, but in most cases a patient does expect the prescription of some type.

Senator HARTKE. What about for out of the hospital prescription drugs, you don't think that should be covered?

Dr. SALTZMAN. Out of hospital prescription drugs, did you say?

Senator HARTKE. Yes.

Dr. SALTZMAN. That is the main problem, yes, sir.

HEARING AIDS, EYEGLASSES, DENTURES

Senator HARTKE. Let me ask you this. What about an item which I have been concerned with and that is the fact I find that one of the necessities is for hearing aids, eyeglasses, and dentures. Now you mentioned feet, but what about covering those items?

Dr. SALTZMAN. The hearing aid question is a very difficult one. Today those people who are benefited by hearing aids usually can obtain surgery, which will do them much more good. Those people who are not benefited by hearing aids will not be benefited by anything as far as hearing is concerned, and they are such expensive apparatuses I would hate to think that we would be asked to produce those for the public.

Eyeglasses are another problem. Most people seem to be able to get their eyeglasses through other sources.

Senator HARTKE. You mean in the dime store?

Dr. SALTZMAN. Well, actually unless the individual does need a prescription item where he has marked differences in vision in both eyes, actually the purpose of eyeglasses is simply to magnify print and that is about all you accomplish with eyeglasses.

I would not be against the furnishing of eyeglasses if that were necessary, but they are available through many organizations at the present time.

Senator HARTKE. Dentures?

Dr. SALTZMAN. Dentures are important. They are another expensive item, but I do feel that most people could get along considerably better with dentures.

Senator HARTKE. Doctor, I know this is a common American habit, but we cannot afford these things. Isn't that sort of sad in a country which is as rich as ours, but we say you cannot afford the expense?

Is it really expensive to provide decent health care for the people? I mean what is more important to a man other than his life and his health? Is his pocketbook more important to him? Isn't that one of the problems we have in our society?

We think the pocketbook is more important to us rather than the health or the welfare of our neighbor.

Dr. SALTZMAN. This is a form of thinking that exists among people. You know as well as I do that we can talk about preventive care until the cows come home and yet people don't obtain medical care until it becomes a crisis. It is the way people think.

They resent the fact that illness exists, they resent the fact that they have to pay for illness and it just is the way we are. That is all there is to it.

Senator HARTKE. You mean it is a whole lot easier to put those things aside?

Dr. SALTZMAN. It is, it is. I do it myself. I am a physician, yet I won't go see a doctor until I have to.

Senator HARTKE. Well, all right.

Senator Muskie has arrived. Senator Muskie, do you have any questions?

Senator MUSKIE. No. I am sorry I missed Dr. Saltzman's testimony.

Senator HARTKE. Very good testimony. Thank you, Doctor.

Senator MUSKIE. Welcome, Dr. Leach. I appreciate your being here. I will have some questions after he has testified.

I wonder if I might interrupt here, Mr. Chairman. I know that you have the full schedule of witnesses and I have a statement that I would like to put in the record at this point.

Senator HARTKE. It will be included in the record.

Senator MUSKIE. This does cover the problem as we see it in Maine. I think it might be useful as a preface to Dr. Leach's testimony.

Senator HARTKE. Thank you.

(The statement referred to follows:)

STATEMENT OF SENATOR EDMUND S. MUSKIE

Mr. Chairman, this hearing today is timely and appropriate because the 7 million older Americans in rural areas have too often been overlooked or ignored. They are probably among our most "Forgotten Americans."

They are forgotten because their retirement income needs are not met by Social Security or Old Age Assistance.

Their nutritional needs, although aided by the Food Stamp and Commodities Distribution Programs, are largely unmet because of gaps in these programs and woefully inadequate funding. In fact, our 20 million older Americans probably constitute the most uniformly malnourished segment of our population.

The depths and extremes of this "Hunger Crisis" are most acute among the elderly in rural areas.

Many are hungry or malnourished simply because they are too poor to buy enough food.

In far too many instances, they are confronted with the choice of buying food or necessary prescription drugs to maintain their health. And, too often, both needs suffer irreparably.

When food assistance programs are available, other problems present formidable obstacles.

Lack of adequate transportation can impose an almost impossible barrier for those who must travel great distances to receive free food at distribution points.

Of the 118,000 senior citizens in Maine, for example, only 40,000 have drivers licenses, leaving almost 80,000 with no immediate access to transportation.

Failing health can make it difficult to walk to the local welfare office to apply for food stamps or stand in long lines to receive food stamps in banks. It may also be impossible for senior citizens to walk to market to purchase food or carry heavy packages to their homes.

Fortunately, some steps are being taken to ease the nutrition crisis of the senior citizens in rural areas of America.

One such undertaking is the Senior Service Corps Nutrition Aide Program which will be described in detail this morning by Dr. Roger Leach. Outstanding accomplishments have been achieved by this program.

For example, one nutrition aide located an elderly man who had been living on potatoes, apples and beans for an entire winter. After several calls, the malnourished older man agreed to apply for donated commodities. He is now gainfully employed after being jobless for several years.

In another senior service corps program in Maine, aides have been assigned to community action agencies in nine "Hunger Counties" designated by the Citizen Board of Inquiry into Hunger and Malnutrition. They have worked as helpers in surplus food certification and distribution, resulting in the certification of 38,000 persons for surplus foods in areas which previously had no program. In Presque Isle, Maine, alone 5½ tons of badly needed surplus foods were distributed in one month.

Other outstanding senior citizen projects in Maine are currently being funded under Titles III and V of the Older Americans Act. Grants to 21 community organizations have resulted in 80 community centers for senior citizens in both urban and rural areas.

The community centers have helped senior citizens find new careers as well as meaningful volunteer opportunities.

The Senior Feeding Program in the Waterville Center provides balanced meals for about 300 people once a day, five days a week. In Portland, two senior centers provide meals along with other services to older persons.

We need to expand such nutrition programs to rural areas where they are so badly needed.

The problems of senior citizens in Maine are symptomatic of those besetting the elderly throughout the United States. They have been

forgotten in the past, and they will continue to be overlooked in the future unless major policy changes are made now.

In the area of nutrition, we must ask pressing questions:

Why do so many senior citizens lack adequate food? And how many are slowly starving that we have not yet discovered?

What is the realistic expenditure to ensure that each senior citizen has a nutritious diet?

How can we make our present food assistance programs more responsive to need?

In the wealthiest nation in the world, with a gross national product approaching \$1 trillion, it is unconscionable to delay in finding the answers.

Senator HARTKE. Dr. Leach, field program coordinator, Cooperative Extension Service, University of Maine.

Good morning, sir.

**STATEMENT OF ROGER S. LEACH, FIELD PROGRAM COORDINATOR,
COOPERATIVE EXTENSION SERVICE, UNIVERSITY OF MAINE**

Dr. LEACH. I am going to describe a project that we are very enthusiastic about in Maine. It is a project designed to employ senior citizens in work directly with the low-income people of our State. It is called the senior service nutrition aide program.

We start with these people where they are. We don't identify one problem and try to work on that problem. I think that will come out as I read the statement.

Maine is known to both residents and nonresidents as "Vacationland." Few people realize that Maine is the northernmost State in Appalachia and approximately 23 percent of its nearly 1 million people live on incomes that fit the poverty guidelines. Currently approximately 75,000 people are participating in the donated commodities or food stamp programs.

The Maine Cooperative Extension Service initiated a nutrition aide program in November 1968 as part of a nationwide effort in nutrition education. This initial effort has now been expanded to include 12 of our 16 counties in one of these three separately funded nutrition aide projects: (1) the expanded nutrition education program, funded from the U.S. Department of Agriculture, (2) the volunteer nutrition aide program, supported by a grant from title I of the Higher Education Act, and (3) the Senior Corps nutrition aide project, contracted with the State Office of Economic Opportunity and funded through the National Council on Aging.

The expanded nutrition education program, administered by the Federal Extension Service, provides supporting materials for both professional staff and aides in all of our nutrition education projects, as well as direct funding for the employment, training, and supervision of 50 to 60 nutrition aides.

The volunteer nutrition aide program, mobilizing volunteers for personal and community growth, is a 1- or 2-year demonstration project (depending on availability of funds) with an objective of recruiting, training, and supporting 150 volunteers over a 2-year period. This project is based on these assumptions that: (1) there are

people in every community who have time and a need to do something useful for others, (2) communities should be given encouragement to solve their own problems, and (3) we cannot obtain sufficient funding to employ enough aides to work with all low-income families.

NUTRITION AIDE PROJECT

The Senior Service Corps nutrition aide project, of which I am going to speak, was funded in January of 1970. Thirty half-time aides were employed by the end of February. All were 55 years of age or older and met the OEO poverty guidelines.

The basic approach for all of our projects has been the same. Before aides are employed in any county, local, and State level extension staff members meet with representatives from all agencies working with low-income families in the area. These would include Outreach workers, child and family services, public health nurses, Maine Employment Security Commission, Diocesan Bureau of Human Relations, Farmers Home Administration, and others.

An attempt is made to reach an understanding whereby all agencies feel that this aide program will complement their individual activities. If such an agreement cannot be reached, we will not initiate a program in that county. With our limited resources, we cannot afford to waste energy competing with other agencies. The most desirable arrangement seems to be an interagency committee on recruiting, training, supervision, and evaluation for the aide program.

Direct supervision is provided by extension professional staff. The local professional staff also conducts the training of the aides with assistance from the State nutrition specialist. Initial orientation and training of 1 or 2 weeks is followed by weekly half day sessions throughout the duration of the project.

We feel this training is extremely important. It is also very important to provide counseling for these older people, helping them to deal with the problems that they see as they work in the field.

Now training includes such things as: (1) Getting acquainted with each other; (2) Getting acquainted with the job ahead; (3) Learning to be a helper; (4) How to prepare meals using simple, low-cost recipes; (5) How to plan and prepare well-balanced meals; (6) How to shop for food; (7) How to store food; (8) The value and use of food stamp and donated food programs; (9) An understanding of basic nutrition, and (10) How to become better managers of all resources.

Although this project has been in operation for only a few months, it is obvious that it has become extremely meaningful to the recipients, the aides, and the communities. The meaning is captured in these reports from our field staff and aides, and I think they tell it much better than I can and I am going to quote directly from the staff reports.

BENEFITS FOR PROGRAM RECIPIENTS

Zelma reported that the selectmen said there were visible changes in the recipients of donated foods in his community. He meant that the recipients coming into the food distribution center have a new facial expression. "They look pleased; they know that they will no

longer be looked down on like dogs, but, in fact, are viewed as ladies." ~~This change has come about because of the nutrition aides. The recipients know that when they go to their monthly food distribution, they will have friends there, the nutrition aides.~~

Lucille has been visiting older people in her area and realizes that she cannot visit them often enough, so she has asked a number of neighbors if they might consider visiting these people. Lucille is excited about the fact that several of the neighbors are visiting the older people and that it is truly beneficial, to both the older adult and the visitor. It is sort of a neighbor-to-neighbor approach.

Mary, in her contacts with people receiving donated foods, learned that some people were not using corn syrup and she has suggested a modification of the corn syrup using a maple flavoring extract so that it tastes just like maple syrup. Mary also reported that one of the persons she provided with this corn syrup recipe has passed it on to a coparticipant of donated foods. This helpful information is being recycled among the recipients. In addition, Doris, another nutrition aide, picked this information up from Mary and is passing it around to her recipients.

Mary reported that a woman receiving donated commodities said to her, "Officials look down on me, but you made we feel welcome and treated me like a person."

Dorothy, one of four of York County's nutrition aides who attended a week's training in certification of people to receive donated foods, said that the selectmen in two communities let her certify people with whom she comes in contact. Her work is good in the eyes of the selectmen.

MEANING TO SENIOR CITIZEN AIDES

The next statements will convey the program's meaning to senior citizen aides themselves.

May reported that the nutrition aide program, to her, was like a breath of spring. She feels a new spirit and is living now. She feels better and looks forward to the next day. Stated simply, she said, "I feel needed."

Laurette says, because of her work as a nutrition aide, she does not have time to think about herself and her problems—there are just too many other people to help. The nutrition aide program has been good for her morale.

Mary says, "I look forward to Fridays when all the nutrition aides and staff get together. I really can't wait for Fridays." She likes the fellowship, the relationships, and the schooling. She feels treated like a person with value.

Elin, a young 74-year-old nutrition aide, reported with a smile on her face, "Conrad, I may have wrinkles on the outside, but I don't have a one on the inside." She looked just like a young girl, full of life and radiance.

I think the success of any program cannot be measured by statistics. Each situation is different and I think this next quotation from Mara, another one of our nutrition aides, summarized the program from the vantage point of someone who is very deeply involved. For me, she

has captured the human relationships essential for the success of any program. She said:

We find such situations as a young widow so numbed by grief that even her impending motherhood cannot give her a will to live—or a very elderly man who has lived all alone all winter on nothing but potatoes, because he thought there was no one he could ask for help, no one who cared. We may hear of a family of 11 children, all under working age, whose home burned with all its possessions.

We may find elderly people too feeble or crippled to get out to do errands, or too apathetic through loneliness to even prepare their own meals. We have found people who cannot eat properly because they need dentures, or cannot see without glasses they cannot afford—people imprisoned through lack of a crutch or wheelchair.

We hear of sudden illness, accident, job loss, discouragement, defeat. These things are our job. Not to buy a crutch, or cook a meal, but to help people regain their own initiative and restore their pride by helping them to help themselves.

Our role is to stimulate their interest, to provide information, to lead and guide the needy into the situations where their own effort will again sustain them. Whether the need is financial or physical, intellectual or spiritual, we must train ourselves to observe, in every circumstance, the loophole through which each individual may escape his predicament with his pride and his personal integrity intact.

Then speaking for the older adults, she said:

This program also offers employment to older adults. I think one of the basic precepts on which this program was founded is to restore to the aging their birthright of participation. In any age group, pride in accomplishment is more than a reward. It is a spur to further accomplishment.

We hope we will see this program expanded from our small group to embrace every senior citizen who dares to hope his usefulness and productivity cannot be finished.

The Elder Statesman's role in service to his country is well recognized. The Elder Citizen, too, has invaluable contributions to make to society through his accumulation of knowledge and experience.

A unifying force such as this program can offer these older citizens many more rewarding years of service, from which our entire culture may reap incalculable benefits.

Senator HARTKE. Senator Muskie?

Senator MUSKIE. Thank you, Dr. Leach, for your excellent statement.

How long has this program been carried on?

Dr. LEACH. The Senior Service Corps nutrition aide program was funded in January 1970 and it started in February. We have been working on another nutrition aide program since 1968, but I was referring specifically to the fact these reports all came from a project which started in February.

Senator MUSKIE. How many counties does the program cover?

Dr. LEACH. York County, Androscoggin County, and northern Aroostook.

Senator MUSKIE. Rather distributed in the areas of the State?

Dr. LEACH. Yes.

Senator MUSKIE. How many low-income families are you now assisting with the program?

Dr. LEACH. At last report we were working directly with 431, I believe, but that was about a month ago.

Senator MUSKIE. The latest figure I have is that you are working with about 830.

Dr. LEACH. That may be correct. I think that may be what has happened within the last month. The project has been expanding quite rapidly and I don't have the latest figure.

REASONS FOR NOT USING FOOD ASSISTANCE PROGRAMS

Senator MUSKIE. The statement which you put in the record indicated that older citizens do not use the food stamp and commodity distribution programs. I wonder if you would touch upon those reasons, why so many of our older citizens do not now use the available programs.

Dr. LEACH. I think one of the main reasons is that we are dealing with two different types of people. I think someone made the statement we are dealing with the poor who have grown old and the old who have grown poor.

Now the old who have grown poor just don't think in terms of taking what they call welfare. They are too proud. It takes someone to go out and establish a relationship, become a friend and then take them by the hand and say, "It is all right, this is a program that is for you," then take them in and get them certified.

I think this type of an approach is the only way we are going to reach these types of people.

Senator MUSKIE. Do you think it has the most value with respect to the second group; that is, the older poor?

Dr. LEACH. No; I think it is of equal value to the poor who have grown old. I think they are somewhat more receptive to a program of this type. Their experiences have conditioned them, that they have always got to go ask for something in order to reap the benefits.

ACCESSIBILITY PROBLEMS

Senator MUSKIE. Is the accessibility of these programs a limiting factor?

Dr. LEACH. You mean location?

Senator MUSKIE. Yes.

Dr. LEACH. I think very definitely. We found some people who would like to have been certified, but the roads were impassable or they could not get out to the certification center. It does take transportation. We feel in all of our nutrition aide programs that one very valuable element is to build a bridge between the low-income and higher-income people in the community and to try to involve them in providing things like transportation. We find very frequently that the average citizen in our community does not understand the problems of the elderly, the problems of the poor. Building an organization to provide things like transportation is a very good way to get them acquainted with the problems. And, after all, the higher income people are the ones that are going to have quite an influence on what happens in the way of programs for the future.

Senator MUSKIE. Have all Maine communities not been receptive to these programs? What is the situation now, more receptive? Is the absence of the program in the community or the county a limiting factor?

Dr. LEACH. I have been directly involved with many communities, including my own. I live in Orono and the first statement that was made there was there were no poor in Orono. The first year there were over 300 receiving donated foods. I think this kind of thing is pathetic.

People don't really understand, they don't know the situation. I think that one of the major problems is one of education so that we can build this bridge, as I indicated before, between the haves and the have-nots, so that they understand the situation and do something about it.

Senator MUSKIE. In other words, you are saying that a lot of people in terms of their poverty, whether that came to them in old age or is something that they have lived with all their lives, are not visible to their community.

Dr. LEACH. Absolutely right.

Senator MUSKIE. Is this because of reticence or insensitivity on the part of the community? What is the reason?

Dr. LEACH. I think we have to consciously bring people together, it won't happen automatically. We drive by these homes and we don't realize that somebody lives there or we live in a town and these low-income children come to school, but we don't realize their situation. Maybe its insensitivity, blindness, or just lack of awareness.

Senator MUSKIE. So that even in a State with small communities like Maine there is a lack of communication.

Dr. LEACH. Very definitely.

Senator MUSKIE. I think our largest city now is what, 68,000, but even with this kind of a situation we have that problem.

Do you find that most rural persons eligible for food assistance programs would prefer food stamps or commodity distribution programs or is there any distinction?

Dr. LEACH. I really can't answer that question. Since they have not had the opportunity, they really don't know what the choices are. I think some of them have said they would rather have the food stamp program. Of course for us the donated food does provide a link where we can get in and at least share recipes, and helping them use it. It provides some way of establishing of that relationship which is very important if we are going to work with these people.

Senator MUSKIE. The dietary help you mentioned the 10 points involved in the training: how to prepare meals, for example, using simple low-cost recipes. This would seem to me to be a valuable service to provide. Have you had any reactions to that yet? Do all the people in these programs receive that assistance?

Dr. LEACH. There again it varies with the individual so much. For some it is very helpful, for others we have not reached to the point where we can work on dietary habits. It takes quite a while to establish a relationship where you can even suggest that they might need to improve their diets. This project has been of such short duration that we really have not gotten too far into the nutritional aspects of the program.

The needs are there and over time we will be able to deal with them.

Senator MUSKIE. This next question I have probably is not answerable in light of the short experience, but I would like to put it any way.

Those elderly that you contacted in your program, what percentage have nutritional deficiencies?

—Dr. LEACH. I anticipated that question, but I cannot really answer it. We have no data available.

Senator MUSKIE. Did you have any impression that there are a sizable number who have nutritional deficiencies?

Dr. LEACH. Yes, there are and it is awfully hard to put your finger on the real problem. Sometimes these people—as one of the aides mentioned—are quite apathetic and they don't eat well and then because they don't get a proper diet they feel more apathetic. It is a kind of a cycle and you cannot put your finger on any one thing, and say that is it, that is the problem. But I think very definitely a high percentage of our elderly people do not have an adequate diet and, therefore, they cannot feel well.

Senator MUSKIE. I suppose that you have a special problem with the aged individual who lives by himself who lacks incentives to prepare his own meals.

Dr. LEACH. Yes.

Senator MUSKIE. Is that in your program?

Dr. LEACH. Well, just visiting with some of these older people provides an incentive for them. The aides may try to encourage them to try a new recipe or just check with them and say, "What did you have for breakfast this morning?"

Once they establish a relationship with them, this works. You don't do that on the first visit.

Senator MUSKIE. In the summertime I have speeches to prepare, so I can imagine what it is like.

MEAL SERVICES FOR HOUSING PROGRAMS

One final question: Again you may not have the experience yet to answer, but I will ask it. At the White House Conference on Food Nutrition and Health last December, one of the major recommendations was that all housing programs for the elderly, regardless of the method of financing or sponsorship, include meal services with proper nutrition.

What would be your reaction to that?

Dr. LEACH. That is quite a blanket statement to respond to.

Senator MUSKIE. Yes, it is.

Dr. LEACH. I think it is a very desirable thing. I am sure that for many people this would be very valuable. I also feel that for those people who have the ability we don't want to take away from them the opportunity to be creative in preparing their own meals. This is a creative thing, especially for women. Preparing the meals gives something for them to look forward to. It keeps their minds active.

I don't think you can make an overall statement.

Senator MUSKIE. What I was driving at in the question is that your kind of program, your kind of service of the housing programs, thus meets their additional need.

Dr. LEACH. Yes. One other thing that has been suggested is that the school lunch programs the facilities be used to provide a meal a day for some of our senior citizens. I think they are doing this in some areas now.

Senator MUSKIE. I would like to congratulate you, Dr. Leach, on this program. Our people in Maine are not very communicative by nature and I suspect that that has resulted in the neglect of a lot of the problems in the State with which we ought to deal.

I want to congratulate you.

Dr. LEACH. Thank you, sir.

I want to add one more thing. When you were asking me questions about communication and why people didn't understand the problems of the low income, I think that I would only be fair in saying that we have a very strong feeling in Maine that anyone who really has any ambition will get out on his own. He won't need help from anyone.

It is very uncomfortable confronting people on this issue, but they do have to be confronted. I am convinced of that. And they have to be shown that these low-income people out here really are not lazy, that really there are problems, and that there are reasons why they are the way they are.

Senator MUSKIE. Thank you.

Senator HARTKE. Don't you think that is really true, though, of most places in the Nation? We always say it about Indiana.

Dr. LEACH. I think it's true in every State. When I was in Pennsylvania they used to talk about the stubborn Dutchmen.

Senator HARTKE. I happen to be German and Dutchman is not supposed to be "Deutschmann."

Dr. LEACH. I think this is true. Every State thinks it is unique in its attitude. Some are just more conservative than others.

Senator HARTKE. You are funded to the Department of Agriculture and through the HEW and the committee on the National Council on Aging. Can you give me a breakdown on each one of those funding operations?

Dr. LEACH. Well, there are three separate projects. I referred to these three separate projects just as a background.

U.S. Department of Agriculture funding is for an on-going nutrition program, so it is administered through the Department's Extension Service.

Senator HARTKE. How much is allocated to that?

Dr. LEACH. I think that is \$30 million.

Senator HARTKE. \$30 million in Maine?

Dr. LEACH. No.

Senator HARTKE. Pretty good.

Dr. LEACH. I think we have \$202,000.

Senator HARTKE. How much?

Dr. LEACH. \$202,000.

Senator HARTKE. \$202,000, but that is not allocated specifically for the elderly, right?

Dr. LEACH. No.

Senator HARTKE. I mean you don't have a breakdown of how much is in this specific program.

Dr. LEACH. Nothing in that program specifically for the elderly.

Senator HARTKE. In other words, that is a part of an expanded service of the Extension Service, is that what you are talking about?

Dr. LEACH. Yes. We work with all low-income families.

Senator HARTKE. Do you have additional personnel assigned as a

result of that through the Department of Agriculture's Extension Service?

Dr. LEACH. Yes. We employ these nutrition aides. Is this what you are referring to?

Senator HARTKE. What I am trying to find out is how much you are spending. Could you supply that for the record for us?

Dr. LEACH. I can. I don't have it here.

Senator HARTKE. All right.

(Subsequent to the hearing, the following was supplied:)

Expanded nutrition education program (USDA funding)-----	\$202, 513
Senior Service Corps nutrition aide program (National Council on Aging funding)-----	33, 300
Volunteer aide program (title I, HEA funding)-----	24, 150

RESISTANCE TO FOOD ASSISTANCE PROGRAMS

Senator HARTKE. I gathered from what Senator Muskie said that there is some resistance to this program in Maine. Is that a fair interpretation?

Dr. LEACH. Very definitely.

Senator HARTKE. Why?

Dr. LEACH. I think many—

Senator HARTKE. I gather you are committed to it.

Dr. LEACH. Very definitely.

Senator HARTKE. So we come from a place where you are committed to a program and you say there is resistance to this in Maine. Is it because of the fact the local community is asked to bear part of the burden of the cost? Is that part of it or are they?

Dr. LEACH. Yes, they are.

Senator HARTKE. How much?

Dr. LEACH. I think right now it is approximately 50 to 60 cents per person that they pay.

Senator HARTKE. Per—

Dr. LEACH. Per recipient, per person receiving donated food.

Senator HARTKE. Per day or per month?

Dr. LEACH. Per month.

Senator HARTKE. 50 to 60 cents per month?

Dr. LEACH. Right. That covers the cost of handling, transportation, and distribution.

Senator HARTKE. That is an intolerable burden, isn't it?

Dr. LEACH. I think it indicates that there is something more behind it than just the cost.

Senator MUSKIE. I think it is not the cost, but rather the resistance to this kind of program that you mentioned earlier, it is funded in your State, too, Senator.

Dr. LEACH. Another welfare program, another handout.

Senator MUSKIE. It is misunderstood.

Dr. LEACH. Yes.

Senator HARTKE. Whose fault is that?

Dr. LEACH. It is ours, every one of us.

Senator HARTKE. That is pretty broad. I mean I don't think it is my fault. Now if you want to tell the truth, I refuse to be blamed.

I will start there. We have to go farther. I refuse to go in that category.

Dr. LEACH. I think you are to blame if you go out and people make comments about the program and you are not willing to challenge them. I think every one of us that understands the program and is committed to the program needs to be willing to answer questions, to confront people who say it is a Federal handout. It is this type of thing we are all responsible for.

Senator HARTKE. All right. Thank you.

Senator MUSKIE. I think you find in rural communities— and I am reasonably sure this is true in Senator Hartke's State of Indiana as well as ours—that there is resistance to programs related to welfare—housing, for example.

I remember when I first came to the Senate—Senator Hartke and I came here at the same time—one of the first pieces of legislation that we acted on was the housing legislation in January, our first month in the Senate. As a member of the Banking and Currency Committee and member of the Subcommittee on Housing, this was my first legislative responsibility.

I supported the housing bill. Well, we did not have up to that point really any housing programs in Maine and I was severely criticized by the newspapers for supporting the legislation. This was a welfare program and Muskie is down there and already he has become, you know, an irresponsible spender.

Now those same newspapers, after 10 or 11 years of exposure to the problem and of the relevance of these programs to it, support the efforts that I make and that others make to develop housing, because housing is very much a problem in Maine. And it is now a visible problem—and it has been a problem right along.

So Maine cities now see the importance of programs, model cities programs and all the rest. It has taken 10 or 11 years to achieve that focus.

I agree with that. It is so easy in my State at least— I will speak only for myself—to be a little cautious about supporting these programs too publicly or too vigorously, because of the built-in resistance to them among our people. I find that when we speak to our people, let our hair down and discuss this, that they respond very favorably.

But the average Maine citizen in a small town in his day-to-day life is not exposed to the problem. He does not see the people who have the problem, and he is likely to be conservative in his approach.

Senator HARTKE. Thank you, Dr. Leach.

Dr. LEACH. Thank you.

Senator HARTKE. John W. Scott from the National Grange.

**STATEMENT OF JOHN W. SCOTT, MASTER, NATIONAL GRANGE;
ACCOMPANIED BY JOE QUIN, LEGISLATIVE STAFF**

Mr. SCOTT. Senator Hartke, Senator Muskie, my name is John W. Scott, master of the National Grange.

I have with me at the table this morning a member of our legislative staff, Mr. Joe Quin.

The Grange, which is a 103-year-old, rural-urban, family fraternity of over 600,000 members, has over 7,000 local granges in communities

scattered over most of the Nation. While many of its members are farmers, a substantial number are residents of towns and smaller municipalities of rural America.

In general, however, although all are interested in matters of national welfare, the Grange is particularly concerned about the problems of the rural segment of the Nation. I am therefore, most pleased to have been accorded the opportunity today of expressing Grange views regarding the plight of "Older Americans in Rural Areas."

The delegate body of the National Grange in its annual sessions has consistently supported action to improve the lot of aging Americans, with particular emphasis on the greater problems in rural areas. Please permit me to quote from statements adopted at these sessions in November of 1959 and 1960, which I have selected because the action was taken approximately 10 years ago, and the statements are particularly apt today.

In 1959 we said :

Concern for the American family and home is manifest in Grange policies and the interrelated problems of health and welfare of our senior citizens are rightly a matter for serious consideration. It is a well-established fact that the tremendous progress made in combat disease and in improving living standards have greatly increased life expectancy, and senior citizens of age 65 and over are comprising a greater percentage of our population each year.

A major portion of these citizens are dependent upon annuities, retirement payments, and other limited sources of income, and are increasingly affected adversely by inflationary trends. Resolved, that the Grange cooperate with other organizations or agencies of Government in considering problems of our senior citizens and be constantly alert to oppose any program which would degrade the individual dignity of these citizens who have contributed to the present well-being of our country and are entitled to our respect and consideration.

In 1960 the Grange paid particular attention to the rural area in the following resolution :

Whereas, there is being proposed and planned a White House Conference on Aging to be held January 9 through 13, 1961,

Therefore, be it resolved, that a sufficient number of Grange representatives should be included to have a Grange member on each committee or subcommittee that deals with rural people and those concerned with agricultural industry.

Year after year, the Grange has given consideration to the needs of the aged and has taken action in this field, for example in connection with an increase in social security benefits. Earlier this year we filed a statement with the House Committee on Ways and Means regarding amendments to the Social Security Act, quoting the following resolution adopted in the last annual session of the Grange :

Whereas Social Security benefits currently lag far behind the cost of living, and

Whereas allowable earnings, now limited to \$1680 per year, do not raise the total income of many Social Security beneficiaries to even a poverty level, and

Whereas Social Security taxes, both on employer and employee, have been increased : Therefore, be it

Resolved, That the National Grange urge Congress to: (1) Increase Social Security benefits, (2) change the period by which benefits are computed to the three highest years of earnings, (3) raise allowable earnings to \$3,000 per year.

A member of the national office staff of the Grange, and that is Mr. Quin, represents the Grange in the National Council on Aging and within the last several months attended 3-day meetings of his organization and of the Senior Citizens Institute, participating in their work-

shops and giving particular but not exclusive attention to the problems of the rural aged.

His study of the situation tends to confirm the view that appears to underlie past action of the National Grange, that the problems of the rural aged and particularly the rural aged poor are not significantly different in kind from that of their counterparts in metropolitan and metropolitan suburban areas, but that the problems and needs in the rural areas are greater in degree and impact.

A significantly larger proportion of those living on farms are 65 or over than is the case for the nonfarm population (Administration on Aging, Useful Facts No. 33, March 11, 1968). Also, though we have not found figures on the matter, the Grange is aware that the same is true of the nonfarm rural population in comparison to the urban population (those in communities of over 2,500 persons).

To complete the picture, let me repeat certain conclusions in your committee's fact sheet "Older Americans in Rural Areas," dated September 5, 1969. The average age of those over 65 in rural areas tends to be higher than that for those over 65 living in urban areas. Also, except for homeownership, those in rural areas have fewer assets than do the urban aged. More people over 65 in rural areas own homes than in the inner city, but the greatest proportion of homeowners over 65 live in the city suburbs.

RURAL AGED IN POORER HEALTH

Rural aged seem to be in poorer health and thus more in need of medical care, although this conclusion is obscured by the fact that they see a doctor less frequently, undoubtedly because of transportation and income problems.

The importance of availability of services is emphasized by the circumstance that aged in nonfarm rural areas have the highest number of hospital stays, although the farm aged also go to the hospital more often than the urban aged. The aged in farm areas have more days of restricted activity because of health reasons than those in rural nonfarm areas and each has many more such days than those in urban areas.

These facts present a pretty good picture of the older American in rural areas, although further details could be added. It is particularly true of rural areas that many of the homes are substandard, in plumbing, heating, and in other ways, and not suitable for acceptable living conditions for the aged.

Also, the rural aged, because of the life they have led in connection with agriculture, tend to be of an independent turn of mind, not inclined to look to public authorities for help, particularly for any aid identified as public welfare.

Many more detailed problems affecting the rural aged could be pointed out, and possible solutions explored. The Grange does not feel that it has greater expertise in the area of programs for the aging than the professional who spends full time in this area. However, it appears quite clear that a number of possible attacks on the problem should be considered.

INCREASED INCOME PROPOSALS

The most logical answer, in our judgment, is to increase the income of the aged. To a large extent, increased income would take care of transportation for medical and dental care, taxes on and necessary repairs to owned homes, essential recreation activities and other needs.

One approach toward increased income would be to relieve the elderly of the burden of various taxes now bearing so hard on them; for example, the present income tax exemptions for the aged could be increased and eligibility lowered to age 62.

Another approach would be to aid many of the elderly, and incidentally the Nation, by using their experience and skills in gainful employment. A considerable opportunity exists to increase the activities of these senior citizens in various welfare programs for the poor and handicapped of all ages, such as the food and nutrition education programs of the U.S. Department of Agriculture.

Increasing retained income for the aged would preserve valued and valuable independence. We should avoid welfare programs wherever possible. The present programs are outrageously complicated, expensive and unsuccessful. A shift to increased income for the elderly would not only be preferable, but might well be less expensive to the Nation.

If this approach is not feasible, and in those cases where increased income is not a complete answer, the prime concern would appear to be the matter of transportation. We must devise a way or ways to get available services, especially health care, to the rural aged, or to get these aged to the places where such services can be furnished.

Adequate diagnostic and hospital facilities are not only important for enabling rural people to secure modern medical services, but they are vital prerequisites for attracting and holding physicians, dentists, nurses and other health personnel in rural areas and assuring them of stable incomes. Rural America has only one-half as many physicians and one-third as many dentists in proportion to population as does urban America.

FARMING 3RD MOST DANGEROUS OCCUPATION

Accidental deaths are startlingly high in rural areas. Farming is rated as the third most dangerous occupation, exceeded only by mining and construction. Accidental deaths on the rural highways are likewise unusually high. These high rates are undoubtedly due in part to greater delay in receiving medical attention and to inadequate emergency room equipment and hospital facilities in many rural communities. Small towns and rural communities need financial help in securing such facilities.

Other important and needed areas of improvement affecting the rural aged are those of information regarding available benefits and greater ease in meeting requirements for such benefits. For example, many aged poor do not have sufficient knowledge about food stamps or are not able to make the trips necessary to be certified for aid.

These last remarks are illustrative of the difficulties of a piecemeal approach to the problem of the aged and particularly the rural aged poor. No money is available for dental care, eyeglasses, hearing aids, et cetera. Nursing and convalescent care tend to be available only in urban areas. Little or no attention is given to the needs of the aged to maintain contacts with the rest of humanity. To a great degree they are left to vegetate and to live with their infirmities in whatever hovel they can arrange to occupy. Our senior citizens deserve better.

If, for whatever reason, the rural aged cannot be maintained in independent dignity, we must arrange to get necessary help to them, by mobile facilities or other means. This point brings up one we have heretofore given scant attention to—the necessity of adequate housing for many rural aged poor. If adequate conventional housing cannot be provided because of its cost, we should consider the possibility of less expensive answers, such as mobile homes.

I believe this is enough consideration at this time of specific problems. To sum up, assuming the National Grange may speak for rural America, rural America does not ask for preferential treatment. It does ask for treatment of the general problem of the aging that effectively deals with the particular impact of the general situation upon the unique circumstances of rural America.

Those facets of the overall problem that particularly affect rural America must not be lost sight of or downgraded in consideration of remedial legislation, but must have preference in order to deal fairly and efficiently with the urgent and difficult problem of rural areas.

The rural problem is a matter of degree of effort rather than difference in treatment. Looking at the "bright" side of the situation, you do not have to search for different answers for rural areas so much as you have to make sure that rural areas receive equal consideration with the urban areas.

Most important though is the need for the establishment of proper priorities.

Senator HARTKE, we thank you for this opportunity to present our views.

Senator HARTKE. Thank you, Mr. Scott.

You mentioned the fact about providing opportunities for additional work employment of elderly people. With the technological advances that we have at the present time and the decreasing number of opportunities that are presented in the rural areas, just how would you suggest we accomplish that purpose?

Mr. SCOTT. I think, Senator, that there have been many efforts on a small scale by private concerns where special programs of work have been created. There is the opportunity if the person is farm related for gardening projects. There are areas where small craft-type developments have been established and old folks, many of them skilled in some of these crafts, have had an opportunity to work.

It is an opportunity they enjoy, appreciate, and if marketing can be arranged, it would provide an income as well.

OLDER AMERICA COMMUNITY SERVICE EMPLOYMENT ACT

~~SENATOR HARTKE.~~ Are you familiar with the bill which provides for increased community service opportunities for rural Americans or older Americans? I think the bill number is S. 3604. It is called the Older American Community Employment Service Act.

Mr. SCOTT. I would like to ask Mr. Quin to remark on that, if I might.

Mr. QUIN. I am only generally familiar with that.

Senator HARTKE. I think that you probably would be interested in supporting it. I would hope that you would give it every consideration.

Senator Muskie?

Mr. QUIN. I was going to say that I am aware that in a number of different ways there are increasing efforts to make employment available to older persons. For instance, the previous witness spoke of this and Master Scott also spoke about the food and nutrition education program of the U.S. Department of Agriculture.

They are endeavoring to make use of the experience and skills of some of the aged in that program and pay them for the time they spend there in helping the poorer of all ages in preparation of the proper food, matters of that nature.

Senator MUSKIE. Mr. Scott, thank you for your testimony. I would like to ask one or two questions relating to one paragraph on the bottom of page 4, which I think states the philosophy of the Grange pretty well.

You say:

Increasing retained income for the aged would preserve valued and valuable independence. We should avoid welfare programs wherever possible. The present programs are outrageously complicated, expensive and unsuccessful. A shift to increased income for the elderly would not only be preferable, but might well be less expensive to the Nation.

TAX EXEMPTION APPROACH

Now two directions in which you seem to suggest we move for the purpose of increasing the income would be (1) to increase tax exemptions or other tax protections to the elderly, and (2) to develop programs for improving employment opportunities.

Now, with respect to the first, it applies only to the extent that the elderly have taxable incomes. That approach does not solve the problem of the elderly poor, does it?

Mr. SCOTT. That is right, it would not. But it does affect many, Senator Muskie, who do have some income or property and because of that being classified as just a regular American until they are 65 and then have only the double \$600 exemption out of what is a very meager income before spending dollars for taxes, which puts them in a category of needing help that they might not need, had that help been in the tax relief grant.

Senator MUSKIE. Do you have any statistical information that would be helpful to the committee in identifying all the elderly or, in a given age bracket, identifying those to whom additional tax relief would provide meaningful additional income to meet some of their needs?

Mr. SCOTT. I do not. I don't know whether Mr. Quin can provide this or not.

Mr. QUIN. We don't have them here. It would be a matter of just getting them from another spot where I know they are available. For instance, the Council on Aging has done a good deal of research in this field and they have publications. Also your committee is aware that the fact sheet that you furnished the Grange makes reference to a number of those surveys of the Administration on Aging.

I recall in looking those over that there are figures in there regarding the income at various ages and various sections of the country.

Senator MUSKIE. Let me give you an impression and ask you to respond to it. My impression is that additional tax relief would not provide the overall protection for additions to income in terms of the very real problems of the elderly.

Is that an incorrect impression? Is it one that you share?

Mr. SCOTT. I think, Senator Muskie, that it is not an incorrect impression perhaps for the great bulk of the elderly poor, but I think it would help with a considerable segment of them. Of course, we in the Grange think that the opportunity to earn more before they must lose social security benefits is also an area which can be very helpful.

We do have a lot of folks in rural America who, because of the way they have lived their lives, are handy in many things. They can paint a house for you, they can fix something, they can do most anything but they really can't supplement their income that much because not very long before they reach the poverty level, they lose their social security payments that they have earned in the past.

As long as 10 years ago the Grange advocated raising the amount to \$2,000 and of course now our goal and policy, as I stated, is \$3,000. Also where a married couple is involved, the amount they are collectively allowed to earn should be allowed to be earned by either member or both together. One member cannot earn the entire amount under today's legislation—each of them can only just do a very little bit before they start to lose income from social security.

Senator MUSKIE. Would you consider that to be the social security reform that would be most beneficial to the rural elderly?

Mr. SCOTT. I think it will be very helpful, Senator.

Senator MUSKIE. And others that you regard as of equal significance?

Mr. SCOTT. I think that we place a great deal of importance in the Grange on the opportunity for a person's social security benefits to be based on their three highest years of earning. This would be a significant contribution to the aging.

Many times in the latter years of their working life, because of health, because of the kind of work they have done in the past, they are not able to carry on in their last year and they must work for much less while during their life work history they have paid in at a higher rate.

We think this change would be very significant.

Senator MUSKIE. Thank you very much, Mr. Scott.

Senator HARTKE. Thank you very much, sir.

That concludes our hearing this morning. The hearing is adjourned. (Whereupon, at 12:15 p.m. the committee adjourned, to reconvene at the call of the Chair.)