

RETIREMENT INCOME OF THE AGING

HEARINGS
BEFORE THE
SUBCOMMITTEE ON RETIREMENT INCOME
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
EIGHTY-SEVENTH CONGRESS
FIRST SESSION

Part 7.—Hannibal, Mo.

DECEMBER 13, 1961

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NOTE.—Ten hearings on retirement income were held and they are identified as follows:

- Part 1.—Washington, D.C.
- Part 2.—St. Petersburg, Fla.
- Part 3 and 4.—Port Charlotte and Sarasota, Fla.
- Part 5.—Springfield, Mass.
- Part 6.—St. Joseph, Mo.
- Part 7.—Hannibal, Mo.
- Part 8.—Cape Girardeau, Mo.
- Part 9.—Daytona Beach, Fla.
- Part 10.—Fort Lauderdale, Fla.

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RETIREMENT INCOME OF THE AGING

WEDNESDAY, DECEMBER 13, 1961

U.S. SENATE,
SUBCOMMITTEE ON RETIREMENT INCOME
SPECIAL COMMITTEE ON AGING,
Hannibal, Mo.

The subcommittee met at 10 a.m., in the Mark Twain Hotel, Senator Edward V. Long presiding.

Committee staff members present: Daniel Miles, administrative assistant to Senator Long; Dr. Frank Atelsek, research director; Miss Dorothy McCamman, expert on social security; and John Guy Miller, minority counsel.

Senator LONG. The committee will come to order.

It is a pleasure for me to welcome all of you here this morning to a hearing of this Committee on Aging. I am particularly happy that the hearing is held in Hannibal in northeast Missouri in my home part of our State. I am particularly delighted about that.

This is one of 30 hearings that are being held throughout the United States by this committee. I conducted a hearing similar to this in Minneapolis last week. We have had meetings so far in St. Louis and Kansas City and in St. Joseph on Monday and Springfield yesterday. We are here today and go to Cape Girardeau Friday.

One of the reasons that we have brought these hearings to Missouri is that we felt that there was a difference, perhaps, in the problems of the aging in the midwest section of our country from those we would find in some of the industrial sections of the eastern or western seaboard. We are finding there are some different problems, and for that reason, I was very glad to schedule hearings in some of the smaller cities in the midwest section of our country, and particularly here in Missouri where we could get to the grassroots of the serious problem of our aging citizens.

As I have indicated too at some of the hearings before, and as you know, there are 503,000 citizens in Missouri past the age of 65 years. There are roughly 16 million citizens in the United States past 65 years of age, and it is anticipated that by the year 2000 there will be 35 million or 36 million citizens of that age. So you can see the size of the problem and the importance of it and the seriousness with which it will increase as the years go on.

This is an official hearing of the U.S. Senate. Everything said here will be taken down by our official reporter. The record of testimony and discussion will be studied by members of the committee and the staff, and will form the basis for reports to the Congress next year.

I would like to say too that this is not a legislative committee. That is, no bills are referred to this committee by the Senate. This Special Committee on Aging is a research and factfinding committee. It was formed last February by Senate Resolution 33, which charged us with the responsibility for gathering information on the problems faced by our older citizens in this country and making reports and recommendations to the Congress for alleviating some of those problems.

To do this job, the committee has done background research in the problems of aging. During the last session of Congress we held hearings in Washington to learn what Federal agencies could tell us about these problems and what Federal programs are now doing about them.

Now we have gone out to the country where these problems and the people who have them are to be found. We are holding more than 30 hearings, as I indicated a moment ago, in various parts of the country from the time of the adjournment of Congress last fall until we convene next January. We are learning about these problems in larger cities, in smaller towns, in rural areas, and gathering details on various aspects of the problems, such as housing, nursing home care, and retirement income maintenance.

I am glad to have the opportunity, as I indicated a moment ago, to bring these studies here to the midwestern part of our Nation, and even more so to this particular part of my State, so close to my own home, and to see so many of my friends here who have come to help us in this task.

This morning we will hear from witnesses on the subject of retirement income. Our speakers are people whose work brings them in contact with our older citizens and the problems they have in maintaining themselves in dignity and independence after retirement, and gives them some special knowledge of these problems.

Then, this afternoon we will have our town hall meeting for the senior citizens where we hope to hear from the real experts on this problem, the older citizens themselves, who will speak about these problems as they actually affect the individual. I have indicated in statements before that truly these senior citizens are the real experts on aging. No one knows more about them, no one has thought more about them, no one has studied them more. I am confident that there is a great reservoir of experience and talent with our senior citizens as to what these problems are and how they can be acted upon, and it will be of great benefit to the committee, certainly, to avail ourselves of that experience and ability which our senior citizens have.

I hope that out of that experience, they will show us the way to assure that retired people have the kind of life for which they have worked throughout their productive years.

We are happy and delighted that all of you are here this morning. These roads are treacherous, and apparently the further south you go, the worse they are. From Bowling Green down to my home at Brookhill they are the slickest roads I have ever driven. During the past 15 years I have driven over a lot of slick ones from Bowling Green to Jefferson City, but these this morning and last night are the worst.

This morning we have Mr. Dennis R. Davidson, the city counselor representing the city of Hannibal and Mayor Clyde G. Toalsen.

Mr. Davidson, will you come forward, please, sir.

STATEMENT OF DENNIS R. DAVIDSON, CITY COUNSELOR, REPRESENTING HANNIBAL, AND MAYOR CLYDE G. TOALSON

Mr. DAVIDSON. Senator Long, members of the committee, ladies and gentlemen, this is the first welcoming speech I think I ever had the pleasure of giving sitting down, but it is definitely an honor and a privilege to have your committee here this morning.

Senator LONG. We try to make all our old folks comfortable, Mr. Davidson.

Mr. DAVIDSON. Well, in answer to that, Senator, I noticed on the front page of the Hannibal Courier-Post last evening that this was a committee for the aging of the U.S. Senate, and I didn't think that that was right. I see no evidence here this morning to indicate that there are any aging Members of the U.S. Senate here, so I am very happy that you corrected things and not included you and me in that class.

Senator LONG. Thank you, sir.

Mr. DAVIDSON. But, seriously, we think it is very much of an honor and a privilege to have this committee here. We think it is a definite step in the right direction that the committee has chosen cities and communities of this size to consider the problems in this regard. We know that the committee will not be here for any lengthy stay, but whatever facilities the city has to offer or can offer toward this committee during its stay here, we sincerely want them to use every available facility that we might have.

We again welcome the committee here, and we would like to have them back in an official or an unofficial capacity at any time. If there is anything further that we of the city can do for this committee at this time or at any time in the future, would you please let us know? We will be very happy to do so. Again, sir, it is a very nice and a very great honor to have you and your committee here.

Thank you, sir.

Senator LONG. Thank you, Mr. Davidson. We are certainly delighted that we can be here in Hannibal and northeast Missouri, and I will be grateful if you will take our personal greetings to Mayor Toalson and to your other city officials.

Mrs. Marian Pilcher, Marion County welfare director.

May I suggest to you witnesses this morning—I believe that all of them or practically all of them have filed written statements with us—these statements will be made a part of the permanent record and will be printed in the proceedings and will be carefully studied by the staff and the committee.

For that reason, since we recess at 12 noon today, we have an hour and 45 minutes, and it will greatly expedite our proceedings if our witnesses don't read their statements to us in their entirety as we have them here before us, and as I say, they will be in the record and be studied.

We would like for our witnesses to briefly touch the high points of them so that we can discuss them with the witness if it is desirable, but it will save time if you don't read your statement in its entirety to us as we do have it in the record.

You may proceed, Mrs. Pilcher.

STATEMENT OF MRS. MARY PILCHER, MARION COUNTY WELFARE DIRECTOR

Mrs. PILCHER. This is a study of reasons for opening the old-age assistance cases in Marion County including retirement income and other data January 1960 through September 1961. The old-age assistance caseload in Marion County is currently 1,089 recipients. There is an average of approximately nine applications per month. The case records of 170 persons were studied to determine the principal reason for application, the average age, the medical expense, if any, the living arrangements and types and sources of income other than old-age assistance.

The old-age assistance caseload has gradually decreased in Marion County. For example, in 1951 the caseload was 1,393 cases, as compared to 1961 with a caseload of 1,089.

In tabulating the reasons for applications, we have used the principal reason given by the client when he came in to make his request. We have grouped these reasons into six divisions. It will be noted that illness and medical expense lead the list. Some of the reasons will overlap to a certain extent. For example, some who attained technical eligibility were transferred from some other program to old-age assistance when they reached age 65 and had originally applied because of disability.

Our findings in this study show that the reasons for applications were: Illness or medical expense, 63 persons or 37 percent; attained technical eligibility, 37 persons or 21.8 percent; depletion of savings, 32 persons, 18.8 percent; loss of employment, 18, and 10.6 percent; increased need without change in income, 11 persons, 6.5 percent; absence of wage earner, 9 persons, 5.3 percent.

The average age for the period covered, January 1960 through September 1961, was 73.2 years, 64 percent being female and 36 percent male.

In reviewing living arrangements, it was found that 28 percent lived in their own homes; 21.8 percent lived in nursing homes and boarding homes; 38 percent in rented shelter; and 11.2 percent had shelter supplied by relatives; 31.7 percent were found to own their real property; 50.7 percent, no real property, but some other types of property; and 17.6 percent, no property whatsoever.

A higher proportion of applicants received social security benefits than any other type—53.5 percent received some type of social security benefits; 6.5 percent received veterans benefits; 5 percent, other types of retirement; and 8 percent were working part time. Thirteen persons received income from other sources. Some of these persons received cash donations from relatives, interest on a small savings or rent from rooms, insurance benefits, and so forth. Even though these persons had other sources of income, their needs were not met, so they were eligible to receive old-age assistance.

The average retirement pay was \$37.90 per person per month. VA pensions averaged \$74.93; wages, \$30.26.

In 66 cases there was a budget deficit. In other words, the maximum old-age assistance grant plus other income still did not meet the total needs of the individuals. The average deficit unmet was \$35.30.

Medical expense and ability to meet it was reviewed in 170 cases. It was found that 105 persons, or 61.7 percent, had some medical expense. The medical expense ranged from a small amount for medicine to large expenditures for doctor and hospital services.

The average cost per person for current medical care was \$22.71 per month. This included physicians and services, medication, dentures, eyeglasses, and some hospital services. Thirty of these cases received some payment from the State vendor payment, which is the State's way of paying some on hospital bills. However, this did not make the total bills, so there was left a balance due of \$3,702.

The highest grant for these persons was \$100 per month for the completely bedfast, with the maximum of \$65 per month for ambulatory persons. Eleven persons received \$100 per month; 86 persons were eligible for \$65. Only one of these cases was eligible for county medical care. Since the total budget for county care, for hospital care is \$5,500, and the total for medicine is \$3,000 per year, county help is limited, for the most part, to those recipients of assistance whose only income is \$65.

Some actual cases showing typical circumstances surrounding the financial deterioration of retired persons and leading to their dependence on welfare programs are as follows:

Mrs. A, who had been receiving general relief due to her extended illness, applied for old-age assistance when she reached the age of 65. She had been going to a hospital at least once a month. She had been receiving social security benefits since March of 1959, but still had not been able to meet her expenses and medical care costs. Three admissions to the hospital met the eligibility requirements for payment through the State vendor plan in the amount of \$240. However, currently, Mrs. A owes a local hospital \$8,691. This is the amount due after deeding her property worth \$2,000 to the hospital. Her current monthly medical expense is \$67.58. She owes her physician approximately \$1,500. Her only income is the social security payments in the amount of \$73.95 and her old-age assistance in the amount of \$65.

Mrs. C applied for old-age assistance in May of 1960. She had used most of her money, she had kept boarders, and then she and Mr. C had lived on social security payments. But because of medical expense, they had used most of their savings. Mr. C died in 1959. Mrs. C stated that her medical expense was high, and it was difficult for her to manage without spending her savings. She had only \$143 left. She had no life insurance. She owned one-half interest in a piece of property. She had a small amount of furniture.

Her total expense, including \$14 a month for medical care, was \$86.06; after deducting the OAB in the amount of \$33, Mrs. C had a deficit of \$53 and was entitled to this amount of old age assistance.

Mr. D stated she was no longer able to work. Her husband died in 1958. They had used all their savings for hospital and doctor bills, and now she could not meet her needs on \$77.60 of social security.

Her total expenses were \$108.29 a month. She needed a grant of \$31 old age assistance to meet the deficit.

Recent applicants have more income than applicants who applied for assistance prior to the change in the social security law which extended coverage. The old age recipient whose income is only \$65

is having an even more difficult time meeting his needs than the more recent applicants.

Senator LONG. Thank you so much for your statement which was very much in detail and so vividly illustrated by the case histories. I don't believe that our committee has had a report that thorough and of that type before. There are two or three questions that I would like to ask you, if I may, to clear this just a little.

On page 1 you indicate from the years 1951 to 1961, the past 10 or 11 years, that you show a gradual decrease in the number of people receiving old age pensions or State benefits. Is that caused by some of them coming under the social security system?

Mrs. PILCHER. It is due to the receipt of social security benefits; yes.

Senator LONG. Then, can you give us a percentage that they carry to the aged population of your county?

Mrs. PILCHER. The percentage of old age recipients to the population?

Senator LONG. Yes.

Mrs. PILCHER. I haven't figured the percentage. The population of Marion County is about 30,000, I believe, and the total receiving now is 1,089.

Senator LONG. How does this compare to the aged population?

Mrs. PILCHER. I believe about 16 percent of the population in Marion County is over 65.

Senator LONG. What part of that 16 percent, say, in 1961, is this 1,089?

Mrs. PILCHER. I haven't figured that up, I don't know what that percentage is.

Senator LONG. I notice that the cases that were opened, the old age assistance opened in Marion County, there were 170 altogether, and 37 percent of them were opened because of illness or medical expense?

Mrs. PILCHER. That's right.

Senator LONG. You show another 18.8 percent was opened for depreciation of savings. It is possible that some of that 18 percent opened because of depreciation of savings because their savings were depleted from medical and hospitalization care?

Mrs. PILCHER. Well, I don't believe so. I think we tried to count all for that reason under the other percent.

Senator LONG. What would be the cause of the exhausting of their savings?

Mrs. PILCHER. Oh, they might have been paying their regular living expenses on their savings and had not applied for assistance until they had to.

Senator LONG. You think that none of that 18 percent were placed on the old age assistance rolls because their savings had been depleted as a result of illness?

Mrs. PILCHER. I think not.

Senator LONG. You counted those in the 37 percent?

Mrs. PILCHER. Yes.

Senator LONG. With regard to that same table on page 4, I believe it is, of your report, you indicate that only 1 of the 170 cases was eligible to receive county medical care under the eligibility requirements as set out by the county health office. What are those requirements?

Mrs. PILCHER. Well, generally that they have no relatives or any resources to meet their hospital bill, and they have no other income other than their old age assistance, their budget shows a deficit, an unmet need.

Senator LONG. Is that the reason only one—

Mrs. PILCHER (interrupting). That is the general requirement. I think we helped on a hospital bill on 1 of these in this 170.

Senator LONG. What happens to these people who need hospitalization and medical care that are under the old age assistance program and don't come under that county assistance?

Mrs. PILCHER. Well, one of two things: They do not receive medical care, or they do not pay their hospital bill or their doctor.

Senator LONG. Do you have people in this county who are over 65 that need medical care and are not receiving it?

Mrs. PILCHER. Well, yes, I think there are some.

Senator LONG. But have they made application to your office, or what would be the reason that they would not be receiving proper medical care?

Mrs. PILCHER. We haven't been able to approve all those applying for county medical care because we didn't have enough funds to pay.

Senator LONG. The county carries that load?

Mrs. PILCHER. Yes.

Senator LONG. And they would be on old age assistance?

Mrs. PILCHER. Yes.

Senator LONG. And the \$65 is your limit?

Mrs. PILCHER. On old age assistance, that's the maximum.

Senator LONG. Unless they are bedfast?

Mrs. PILCHER. That's right.

Senator LONG. And those receiving medical care would not be bedfast but would be in the \$65-a-month group?

Mrs. PILCHER. They might be under either group. We get requests from nursing homes to pay for medicine for persons in the homes.

Senator LONG. And you would be paying them the full \$100?

Mrs. PILCHER. We would still be paying the \$100, which has to go for the room and board, but then they need medicine; they have no money to pay for medicine.

Senator LONG. Are any of those drawing social security benefits?

Mrs. PILCHER. Some of them are; some of them are not.

Senator LONG. Do you know what percentage would be drawing social security?

Mrs. PILCHER. Of the group received \$100?

Senator LONG. Yes.

Mr. PILCHER. No, I haven't figured that.

Senator LONG. Do you know what percentage of the group that is receiving old age assistance here altogether?

Mrs. PILCHER. I beg your pardon?

Senator LONG. What percentage of your group of people on old-age assistance here are receiving social security benefits in addition to your supplement?

Mrs. PILCHER. Of the total caseload?

Senator LONG. Yes.

Mrs. PILCHER. I am sorry, I don't have that figure.

Senator LONG. Mrs. Pilcher, thank you so much. Your statement has been very helpful, and we are very grateful to you.
(The prepared statement of Mrs. Pilcher follows:)

PREPARED STATEMENT OF MRS. MARY PILCHER

The old-age assistance caseload in Marion County is currently 1,089 recipients. There is an average of approximately nine applications per month. The case records of 170 persons were studied to determine the principal reason for the application, the average age, the medical expense, if any, the living arrangements, and types and sources of income other than old-age assistance. The old-age assistance caseload has gradually decreased in Marion County due, it appears, to the receipt of social security benefits or other pensions. The table below shows this gradual decrease:

OAA trends in Marion County during the period October 1951–October 1961

Year:	Number	Year:	Number
1951.....	1, 393	1957.....	1, 227
1952.....	1, 363	1958.....	1, 211
1953.....	1, 358	1959.....	1, 206
1954.....	1, 338	1960.....	1, 146
1955.....	1, 297	1961.....	1, 089
1956.....	1, 268		

In tabulating the reasons for applications, we have used the principal reason given by the client when he came in to make his request. We have grouped these reasons into six divisions. It will be noted that illness and medical expense leads the list. Some of the reasons will overlap to a certain extent. For example, some who attained technical eligibility; that is, they were transferred at age 65 from permanent and total disability assistance to old-age assistance, or who attained residence in the State, filed their original application because of disability. Below is a table showing findings regarding reasons for applications.

Reason for opening OAA cases in Marion County, January 1960–September 1961

Reason	Number	Percent
Total.....	170	100.0
Illness or medical expense.....	63	37.0
Attained technical eligibility.....	37	21.8
Depletion of savings.....	32	18.8
Loss of employment.....	18	10.6
Increased need without change in income.....	11	6.5
Absence of wage earner.....	9	5.3

Dividing the reasons for eligibility in a somewhat different way and into eight different divisions, the Bureau of Statistics, Missouri Division of Welfare, gives the following table on 106 applications:

Reason for opening OAA cases in Marion County during 1960–61 fiscal year (July 1960–June 1961)

Reason	Number	Percent
Total.....	106	100.0
Depletion of savings or other assets.....	29	27.4
Attained technical eligibility.....	28	26.4
Illness or disablement of applicant or others in household.....	23	21.7
Other change in economic circumstances.....	13	12.3
Layoff or discharge of applicant or other person in household.....	5	4.7
Placement in nursing home from mental hospital.....	4	3.8
Loss of wage earner by death or absence.....	2	1.9
Loss or decrease in contributions from relatives.....	2	1.9

The average age of applicants for the period studied, January 1960 through September 1961, was found to be 73.2 years, 108 (64 percent) being female, with 62 (36 percent) male. In a review of living arrangements, it was found that 49 persons (28.8 percent) lived in their own homes; 37 persons (21.8 percent) lived in nursing homes or on a room-and-board basis; 65 persons (38.2 percent) lived in rented shelter; 19 persons (11.2 percent) had shelter supplied (in most cases by relatives); 31.7 percent of the applicants were found to own real property; 50.7 percent owned no real property, but had other types of property; 17.6 percent owned no kind of property whatsoever.

The average nursing home charge was found to be \$97.25. Eleven persons received \$100 per month in benefits, being completely bedfast and totally disabled. Sixty-nine cases were reviewed to get an idea of the average cost of homeownership and of rent. Thirty persons who owned property showed an average shelter cost of \$11.08 per month. The average cost for rent, which in some instances included utilities, was \$25.75 per month.

A higher proportion of applicants received social security benefits than any other type of income. Ninety-one persons (53.5 percent) received some type of social security benefits; 11 persons (6.5 percent) received veterans benefits; and 9 persons (5 percent) received other types of retirement such as civil service retirement and pensions from industry. Only 8 persons (4.7 percent) were working and this was part time. There were 22 (13 percent) receiving income from other sources. Some of these persons received cash donations from relatives, interest on a small amount of savings, rent from rooms, or insurance benefits. Twelve persons (7.5 percent) had more than one source of income. Even though these persons had other sources of income, their needs were not met and so they were eligible to receive old-age assistance. The average income from OAB and OASI was found to be \$53.24 per person per month. The average retirement pay was \$37.90 per person per month. VA pensions averaged \$74.93 per person per month. Wages averaged \$30.26 per person per month.

In 66 cases (38.8 percent) there was a budget deficit. In other words, the maximum old-age assistance grant of either \$65 for ambulatory persons, or \$100 for the bedfast, plus other income, did not meet the total needs of the individual. The average deficit was \$35.30. This group of recipients after meeting the costs of shelter and food, in many cases were not able to meet the cost of medical expense and other necessities.

Medical expense and ability to meet it was reviewed in all 170 cases. It was found that 105 persons (61.7 percent) had some medical expense. The medical expense ranged from a small amount for medicine taken regularly to a large expenditure for doctor and hospital services. Past debts for medical care prior to date of application could not be included in the budget according to agency policy. The average cost per month per person was \$22.71. This included physicians' services, medication, dentures, eyeglasses and possibly hospital services.

The average grant for all recipients of old-age assistance in Marion County in August 1961, was \$62.21. For the 170 cases in this study, the average grant was \$52.91. For the applications approved in the past 9 months of 1961, the average grant was \$54.57. For the applicants approved for the 12-month period in 1960, the average grant was \$52.17. For the 170 cases reviewed, the low grant was \$4 with the highest being \$100 per month for the completely bedfast and totally disabled. Out of this group, 11 persons received \$100 per month; 86 persons received the maximum grant for ambulatory persons of \$65 per month.

Only one of the above 170 cases was eligible to receive county medical care under the eligibility requirements as set up by the county welfare office. Since the total yearly budget for hospital care is \$5,500 and the total amount available for the purchase of medicines is only \$3,000 per year, county help is limited to those recipients of assistance whose only income is old-age assistance.

Below are some actual cases showing the typical circumstances surrounding the financial deterioration of retired persons and leading to their dependence on welfare programs:

Mrs. A, who had been receiving general relief due to her extended illness, applied for old age assistance when she reached the age of 65 in 1960. She had been going to the hospital at least once a month. She had been receiving social security disability benefits since March 1959, but still had not been able to meet her medical expenses. Three admissions to the hospital have met the eligibility requirements for vendor payment in the amount of \$240. Currently Mrs. A owes a local hospital \$8,691. This is the amount due after deeding her property.

worth \$2,000, to the hospital. Her current monthly medical expenditure is \$67.58 for medicine. She owes her physician approximately \$1,500. Her only income is the social security payments in the amount of \$73.95, and old age assistance in the amount of \$65. Her current budget shows a monthly deficit of \$97.78. This case shows the cost of chronic illness.

Mr. B applied for old-age assistance in July 1960, stating that his wife had been ill in a local hospital with coronary thrombosis. She was no longer able to work and his social security payments did not meet their needs. They had been living on Mr. B's social security of \$84 per month and Mrs. B's wages at a local factory. Their only resources were \$207 in cash, \$260 in bonds, and a small insurance policy. They owned their own home valued at \$3,500. Mr. B's monthly medical expense was \$18.06; Mrs. B's \$32.20 per month. The B's total expenses for a month were \$181.03, less \$84 OAB, leaving a deficit of \$97.03 per month, part of which was met by \$65 old-age assistance.

Mrs. C applied for old-age assistance in May 1960. She said she had used most of her money; that she had kept boarders, and then she and Mr. C had lived on social security payments, but because of medical expenses they used most of their savings. Mr. C died in 1959. She stated her medical expense was high and it was difficult for her to manage without spending her savings. She had only \$143 left. She had no life insurance. She owned one-half interest, \$2,500, in a house and lot valued at \$5,000. She also had a small amount of furniture. Her total expenses including \$14 a month for medical expense, were \$86.06. After deducting OAB in the amount of \$33, Mrs. C had a deficit of \$53, and was entitled to this amount of old-age assistance.

Mrs. D stated she was no longer able to work. Her husband had died in 1958. They had used all their savings for hospital and doctor bills and now she couldn't meet her needs on her social security benefits of \$77.60. Total expenses were \$108.29 per month. She needed a grant of \$31 to meet the deficit.

Recent applicants have more income than applicants who applied for assistance prior to the change in the social security law which extended coverage and increased benefits.

Senator LONG. Mr. Allen, we are going to fool you this time. Rev. Kenneth A. Kuntz is in the audience and must leave. Dr. Kuntz is the pastor of the First Christian Church at Hannibal. He is one of my longtime friends and one of my cotrustees of the college, where he attends the meetings regularly, something which I am unable to do.

We are happy to have you here this morning.

Reverend KUNTZ. Thank you, Senator Long, members of the committee.

Senator LONG. Reverend Kuntz, you will recall my suggestion to the other people about reading their statement entirely.

Reverend KUNTZ. I want to read a paragraph or two from the first and then to highlight the three points that we make in our report and leave the rest of the time for such questions as you may wish to ask.

STATEMENT OF REV. KENNETH A. KUNTZ, PASTOR, FIRST CHRISTIAN CHURCH, HANNIBAL

Reverend KUNTZ. Let me say at the beginning that it is interesting that the work of our church would be called to attention in this particular area. We have been concerned for some time with the services that can be rendered to the aging through the church, which, as a result, brings us into some contact and appreciation of the financial needs that the aging have.

I read this from our report:

We are here representing the work and concern of the First Christian Church of Hannibal, Mo. Our work for and with the aging is conducted through our council on the aging, which is composed of 12 people whose ages span half a century, from 30 to 80 years of age. The individual responsible for our work is

the Reverend Richard M. Spangler, our minister of membership. This statement is being made with his labor and his help.

Our program is based upon the conviction that the aging have need for a total well-being, much as any other person in our society. Their special needs arise because of decreasing physical health, physical inabilities, new psychological settings of life occasioned by retirement from regular employment, emotional problems arising from living in close relationship with husband or wife after retirement, emotional problems arising from adjustment necessary to live in a single dwelling with two or more generations of a family, financial needs attendant with reduced income, and social needs which derive from the need to find companionship on their own age level.

In this connection, therefore, we feel that there are three areas of vital concern. First, the aging are in need of an income which provides them a sense of personal dignity.

Senator Long, we feel very keenly that you can provide the amount of money that is necessary for people to live on, simply subsistence, but this does not provide them with a sense of personal dignity. We have tried to indicate this in our fuller statement as we have gone into the matter involving the needs of their housing, and so forth. I want to make it very clear, however, that the cost of medical care, while high, has not appeared among our people in the form of poor or inadequate care for their health. I have had fine cooperation from the physicians and from the hospital in providing care for any of the people in our fellowship who have needed care. This may be because we have vigorously gone after that care and sought to get it. I do not know what others have found in this regard, but this is our personal experience.

However, we are appalled at the fact that we could find even one person such as we have in our fellowship who has \$65 a month from old-age assistance, pays \$20 a month for her rent, pays for her telephone, which she has, which is a great aid of communication and fellowship for her. How she finds enough to pay for her food and her clothing and her medical care is quite beyond me. It is absolutely impossible, we think, and for that very reason, the church does attempt to help her some in the subsidizing of her food and clothing needs.

But this, as I say, does not provide her with any sense of personal dignity. This makes her a responsibility of our society in the charity sense rather than in a sense of personal dignity.

The second thing that we are concerned about is that the aging have need to find a hospitable community in which to live. Now, this is a phrase that we realize needs a little defining. By this we mean the aging are in need of a fellowship with others their own age, interests, abilities and concerns in a creative and personally satisfying situation. They are in need of feeling that they are wanted in their society. Some find this in terms of their family relationships, and some discover it in the home where they live. A still fewer number are of sufficient energy and accommodation that they are able to meet the need of aging without external assistance.

Then, we go on to illustrate this in three areas of our concern, which I am not going to go into because you have the document before you.

Finally, we indicate that the aging have a need for creative endeavor. The monetary needs of the aging are also great, but equal with these are the needs already noted together with that for creative endeavor. Therefore, we endeavor to help our aging to find creative arts and crafts whereby they may find satisfaction for themselves as

well as be able to use these arts and crafts for the help of others who are in their same category of aging.

As we look upon the place of the church, these are the factors which seem to lend themselves to the service we can render. All that we do illuminates the fact that the aging deserve our increased attention in each of these, and many other areas of concern. The problems which the aging face call for the best abilities of our community and agencies as well as our State and Federal Governments.

Now, I think I would like to close what I have to say at this point so that if there are questions, we will be happy to discuss them.

Senator LONG. Dr. Kuntz, I am very much impressed with your statement, particularly so because it is a summary of some of the thoughts that our committee has had, some of the testimony that we have heard or an accumulation of it over the weeks.

I think we can say that we very definitely believe our older people do desire independence and desire personal dignity.

I recall at Minneapolis there was a doctor, who is head of one of the sociology department of the University of Minneapolis. He said in a case study of over 3,000 cases that he had definitely reached the opinion that our senior citizens feared dependence on other people, of social dependence, of financial dependence, greater than they feared death itself.

I am curious about the number of people you mentioned that deal primarily in your church group. Do you know what percentage of those draw social security benefits, perhaps, in addition to the \$65 in the old-age assistance group?

Reverend KUNTZ. No, we did not make an attempt to study this. Some of them get both kinds of help. The person whom I indicated to you a moment ago does not.

Senator LONG. One of the problems we have had in our study of nursing homes, the homes for the aged, to have them in a community and to try to make them feel a part of the community as they desire to be.

Have you given any thought to this, or would you care to comment on any plan or any suggestion that the community or your church organizations could give toward rehabilitating these people or preparing them for senior citizenship?

Reverend KUNTZ. Yes, we have not been able to develop a full program in this area, although it is one of our areas of concern which I think I noted slightly in this particular paper. We do try to counsel with those whom we realize are approaching the point of their retirement, because we recognize that this is a very crucial point in their lives; emotionally, psychologically, they are going to face life in quite a different context. So, therefore, we have, through our church librarian, through the programs that our council on aging developed, as well as through my ministry of counseling to reach these people before they retire, as well as at the very moment they retire, so that we investigate what their plans are and how they are trying to prepare for this matter of retirement.

We think this is tremendously important.

Senator LONG. Our committee feels so, too. We have found that it is quite a shock to many of the people who, when they go to bed one night are 64 years and 365 days old, and they get up the next

morning, and they are 65, and they have retired. It is a complete change, and much thought has to be given to that. It should be, perhaps, a gradual change, some thought given not to just the arbitrary figure of 65, because there is a possibility, and maybe you have found a man who should retire when he is 55 and another who may be very active at 70.

Reverend KUNTZ. We find two things at this particular point, and the first is that those who retire without adequate preparation have a life expectancy which is severely reduced.

The second thing is that those who retire without adequate preparation for some of the emotional developments find their family relationships with husband or wife, as the case may be, suddenly clouded. This is one of the touchy areas, their having to live in close proximity with a person that they don't know too well, or as well as they are going to know them from that point on.

Senator LONG. Doctor, I am curious, since you are a minister, is there a weakening of religious interest, do you think, in people after they have reached 65 or in that area of their lives?

Reverend KUNTZ. Well, I don't think you can generalize on the thing too much except that basically, people, the older they get, begin to realize from a religious context, that eternity is more of a reality than they thought. They begin to have some interests that they haven't had before. I would put it that way.

Senator LONG. But you have found, though, that religion and work in the church perhaps creates an additional interest to them and is perhaps very helpful to them?

Reverend KUNTZ. Yes. This program we have developed or are developing here has actually received more comment from our people as one of the finest things they feel our church program has than anything that we do. This has been an interesting reaction that we have had.

Senator LONG. Thank you very much for your paper. It has been very helpful to us.

Reverend KUNTZ. Thank you, sir, and I appreciate also the privilege of the schedule rearrangement.

Senator LONG. We knew Mr. Bob Allen wasn't going to open his bank until 9 o'clock, and I don't think it makes any difference if he is there or not.

(The prepared statement of Rev. Dr. Kuntz follows:)

PREPARED STATEMENT OF REV. KENNETH A. KUNTZ

We are here representing the work and concern of the First Christian Church of Hannibal, Mo. Our work for and with the aging is conducted through our council on the aging which is composed of 12 people whose ages span half a century—from 30 to 80 years of age. The individual responsible for our work is the Reverend Richard M. Spangler, our minister of membership. This statement is derived from his careful labors and prepared in cooperation with him.

Our program is based upon the conviction that the aging have need for total well-being, much as any other person in our society. Their special needs arise because of decreasing physical health, physical inabilities, new psychological settings of life occasioned by retirement from regular employment, emotional problems arising from living in close relationship with husband or wife after retirement, emotional problems arising from adjustment necessary to live in a single dwelling with two or more generations of a family, financial needs attendant with reduced income, and social needs which derive from the need to find companionship on their own age level. In a larger sense, the problem before

the church and community is evidenced in the fact that the numbers of aging is increasing and will continue to do so through the remainder of our century. In addition, we are vitally concerned with those who retire without proper preparation. Not a few of these have a sharply shortened life expectancy. We have noted at least three of our fellowship dying within 2 years after retirement with meaningless living as a real contributing factor.

We list, therefore, the areas of concern which are thrust upon a community as it faces its responsibilities to the aging. We are confident that the community, church, social agencies, State and Federal Governments must take a quickened responsibility toward these problems. We list these not in vertical evaluation; but in horizontal fashion whereby each is of vital importance to the aging.

I. THE AGING ARE IN NEED OF INCOME WHICH PROVIDES THEM A SENSE OF PERSONAL DIGNITY

It is our judgment that the average person over 65 years of age in Hannibal has an income insufficient to meet the requirements of personal dignity. This, in northeast Missouri refers to 14.6 percent of the population as indicated by the Social Security office payments. In Marion County the figure stands at 13 percent. Of these, 2,058 receive social security payments and 3,642 do not. The average social security payment is \$67.19 in Marion County for the year closing December 31, 1960, with a high of \$120 and a low of \$33 per month. In the field of old age assistance in Marion County for the year ending December, 1960, there were 1,146 receiving help with the high payment being \$100 for bedfast patients and \$65 for ambulatory patients and the average payments being \$60.94. A reputable real estate agent in Hannibal suggests that 90 percent of those of 60 in Hannibal own their own homes and that those renting, the average rent is \$20 to \$30 per month. These percentages relative to home ownership and renting seem to apply to our aging group. With these facts at hand, the following must be considered.

The cost of medical care, while high, has not appeared among our people in the form of poor or inadequate care for their health. The pinch, which most of our people feel, comes at the point of meeting daily needs for food, clothing, shelter, and medical care, and, at the same time, finding adequate moneys to live in the community with a personal sense of dignity. One of our members receives \$65 per month from old age assistance and pays \$20 per month in house rent. She barely has enough to pay expenses for utilities, food, and clothing. There is nothing left which would provide her any sense of dignity in the community. Many of these people voted for a much needed school tax in Hannibal a few years ago. Those who owned their own homes felt a real reduction in living standards because of increased taxes on a fixed income. Even those renting felt the same pinch because the cost of taxes are passed on to the renters in the form of rents paid. In addition, the rising cost of living though small steadily eats away at the resources of those on fixed incomes. As a result, there is nothing left for sharing with the worthy agencies of the community in the form of YMCA, cancer funds, heart funds, church, etc. It is the loss of these experiences which deny these people the privilege of having a sense of dignity in the community. We feel that the aging have need to be a part of the community. We believe that most of them want to be a part of the community. Many of them demonstrate this by voting for taxes for community improvement when they know it means a reduced standard of living for them. Therefore, our responsibility to these people as a society is not simply to keep them alive, if, at the same time, we deny them the privilege of having a sense of participation and dignity in the total life of the community.

In specific, we are heartily in favor of social security, old-age assistance, programs for the care of medical costs where needed. We feel strongly that on a State level we are in need of revised old-age assistance legislation to provide for lien laws for those receiving assistance. Let me make it clear, however, that I do not speak for our church; but reflect what I believe to be true at this point as we seek to work with the aging in our own situation.

II. THE AGING HAVE REAL NEED TO FIND A HOSPITABLE COMMUNITY IN WHICH TO LIVE

The term "hospitable community" needs defining. By this we mean the aging are in need of fellowship with others their own age, interests, abilities, and concerns in a creative and personally satisfying situation. The aging are in need of feeling that they are wanted in their society. Some find this in family rela-

tionship and some discover it in the home where husband and wife are in this area of our attention. A still fewer number are of sufficient energy and accommodation that they are able to meet the needs of aging without external assistance. We will illustrate this with three areas of need for a hospitable community.

First, the need for fellowship with those their own age. These people need to learn how to laugh, play, and engage in social contacts which give joy and bring release from otherwise routine experiences. The church can do part of this, but it might well be that this can be done better in the home or at the community level. We have found that these people enjoy taking trips to other communities, going on picnics, having parties, and engaging in games which are not too vigorous for their age. Too, we find that counseling with families where the aging live with others is of great value.

Second, there is need for a sense of belonging. This comes when they are able to associate with others their own age. Recently we had a group of 30 of these people together to hear the head of our social security office speak and explain the work of his agency. There was a vital interest. There was freedom to speak because they all had a common concern. They belonged together. However, their sense of belonging is enhanced when others who are younger seek to have fellowship with them.

Third, there is need to feel that their lives are important. Many of these people have talents. We have discovered that playing the piano in the church, using the telephone, making personal calls, working in the nursery, or as a secretary of the church school all provide them with a sense of belonging to their society.

III. THE AGING HAVING NEED FOR CREATIVE ENDEAVOR

The monetary needs of the aging are always great; but equal with these are the needs already noted together with that for creative endeavor. At this point we recognize three areas of concern wherein the church can make a contribution.

First, we can help these folks learn creative arts and crafts. These range from the simplest of crafts in the form of making small gifts for others to the more complex arts of painting, ceramics, woodworking, playing of a musical instrument, etc. In addition, it must be noted that the arts and crafts are not an end in themselves; but the means of helping these people to find usefulness in their own lives by helping others. For example, one man learned how to make hot pads which he took with him when calling on other aging people who were unable to leave their homes. The hot pads became gifts to others. Thus, his craft became a means of expressing his concern for others.

Second, we can help by providing reading opportunities for the aging. The church library is different than the public library in that it is designed to provide books of religious interest in such breadth and depth not often otherwise available. The aging have real joy in using the books of the church library because their years open deeper concerns for the devotional and spiritual development of life.

Third, we can assist in giving work projects to the aging. We recently aided a lady in finding meaning for her life by sewing in one of the local hospital sewing rooms. Here she repairs bed linens, etc., for the hospital. Having been a patient in this hospital she realizes the need and finds real satisfaction in her work. Sewing for the American Cancer Society or sewing for church mission projects provide added opportunities. Those of the aging group find much joy in calling on older members because of their similar interests.

As we look upon the place of the church these are the factors which seem to lend themselves to the service we can render. All that we do illuminates the fact that the aging deserve our increased attention in each of these, and many others, areas of concern. The problems which the aging face call for the best of the abilities of community agencies, and our State and Federal Governments.

Senator Long. Our next speaker is Mr. Robert E. Allen. He is a former member of the Missouri Legislature. He is a past president of the Missouri Bankers Association, I don't know what else, but I am sure many other active State and community activities.

We are very grateful for your coming here this morning, and we will be glad to hear from you at this time.

STATEMENT OF ROBERT E. ALLEN, PRESIDENT, PERRY STATE BANK, PERRY, MO.

Mr. ALLEN. Senator Long, I have a prepared statement, and I have a few paragraphs I would like to point out, and I would urge you in whatever solution you may develop to maintain at all times what I call the "dignity of man."

Let me hasten also to recommend to you that in your investigation and development of a program, in my opinion, the aged citizen who has given of his time and talent gaining respect and admiration in his or her community, be considered and entitled to more benefits than the aged citizen who has been slow in recognizing their responsibilities in life, and has not given of their time and talents as freely and as enthusiastically. It would appear that man's incentive could be destroyed and this great country of ours lose a vast resource in initiative and ability if this encouragement is not properly developed.

Those of us in the rural counties have the highest proportion of the aged and have fewer of the services needed to cope with these needs, and, in my opinion, we can only meet this situation with your guidance and help.

Specifically speaking of retirement income, one of the factors considered in this problem of our aged citizen is the need for your cooperation with the development of youth. It would insure their opportunity to learn of the importance of this factor since their formative years could be influenced to maintain a higher economic productive period, thus forming a base for a larger retirement income.

We have a problem with the middle aged, but I will not speak more of that.

Low incomes, particularly with the employed people, bring a resultant retirement income that is not sufficient to meet the needs in maintaining this dignity of man. This problem can only be adjusted now with your implements to maintain their proper living. Self-employed people who have forced reductions in standards of living commensurate with their business often develop the problem of low incomes and the resultant low retirement income, and this condition can only be met with the same solution as pointed out above.

You have available to you statistics from others. However, I would like to leave with you this fact sheet. This was prepared by the Committee on Aging for the Missouri Association of Social Welfare.

The Business and Farmers Association of Perry, Mo., in the development of plans for a nursing home to be located there, has ascertained that in the last 10 years the number of people in the United States over 65 years of age has increased 30 percent. There are now 16 million, and by 1975 there will be 21 million. This latter fact has been established by an architect by the name of T. W. Gregory of Louisiana, Mo., for us.

At the present, this accounts for 9 percent of the population nationally, but in Ralls and Pike Counties, it is 16 percent. Missouri is the second highest State in percent of elderly. We have almost 4,000 in these two counties alone, and by 1975 it will be over 5,000. Therefore, in view of the percentage in this area of Missouri, I feel that our problem is more acute, thus worthy of your special attention.

We have with us today individuals from northeast Missouri who are not experts in the field, but, like myself, citizens of a community aware of this serious problem and doing something about it, with your help.

We are privileged to have this opportunity to bring our views to you, and we offer you our sincere cooperation in your attempts to solve this most important problem.

I thank you, Senator.

Senator LONG. Thank you, Bob.

In looking over the data sheet you furnished us, which certainly is very helpful, I am very grateful to you for giving us that, and in just hurriedly looking at it, some indication of the problem you mentioned is shown. For example, take Mississippi County, showing that 68 percent of the people over 65 in that county receive old age assistance. In New Madrid County 71 percent of people over 65 receive old age assistance. It is significant that the average monthly old age assistance grants in one of those counties is only \$59; well, both of them are \$59.60; one, \$64.

I am sure we can agree with you that it would be very difficult for anyone to live and exist on \$59 a month income and maintain much dignity.

Mr. ALLEN. That is correct.

Senator LONG. As I indicated to one of the previous speakers, that is one of the things that our committee has been impressed by, that is, the desire of these senior citizens to maintain a dignified position in the community. That is one thing, certainly, that we hope can be done.

Those figures indicate that even in some cases, 6 or 7 out of each 10 receive old age assistance. I am sure you know that places a great tax burden on the citizens. I assume that we can hope, as the time goes on, that more of these senior citizens will be under our social security benefits and the social security program, where they pay part of that themselves during their working and earning years.

Mr. ALLEN. We certainly hope so.

Senator LONG. That will relieve part of the burden.

Mr. ALLEN. That's why I ask you to pay particular attention to the problem of youth, because only through the development of youth and this program can we insure our future.

Senator LONG. That's why, too, I am particularly impressed with this "dignity of the man" approach. That's one reason why our committee and many of us in Congress looked with favor on the social security approach to this problem, rather than having a needs test in some of their Federal grants, Federal programs such as medical care. As you know, that's one of the very controversial matters that we now have before Congress. Under one system, it is based entirely on means. They have to go and say that they need that help, rather than on—apparently, the senior citizens, although they know they may be able to go to get it—I know our doctor friends who are so generous with their charitable work, it doesn't give the individual the dignity that he wants.

Don't you feel that our social security system, which gives the man his check, which he has helped accumulate during his working time, gives him more dignity, or at least he feels there is more dignity to it?

Mr. ALLEN. Definitely, it is a part of his earnings.

Senator LONG. I am interested, too, Bob, in your approach that our younger people must be educated to this problem. The younger people benefit from college. We have pending in the Congress some bills which I introduced giving certain tax relief to people and families and parents or students themselves who attend college to better prepare themselves for work. This would be helpful to you.

Are you familiar, too, with the fact that we lose many of our top college graduates from Missouri and from the Middle West?

Mr. ALLEN. Very much so. And it has been brought to me very emphatically in the last few days in a discussion with Lester Cox, who is chairman of the Committee on Commerce and Industrial Development of Missouri, who is working on that very problem, and his figures quoting the number of professional people who were leaving Missouri, graduated in Missouri schools and leaving, is tremendous. It is a most important problem, and it is one that we taxpayers in Missouri are helping with the education of these professional people, particularly, as well as others. The professional people are receiving inducements from other States and from industry and business in such a manner that the investment we put in those individuals through the colleges and universities is being lost to us here at home, and we need that talent badly.

Senator LONG. We are paying for it here, our taxpayers are paying for it, but the other States are getting them because we don't have the opportunities for them here.

I think that is one very definite program that we must give some careful attention to in this State.

But, Bob, your statement bears out, as I said to Dr. Kuntz, the desire of these senior citizens for independence and the desire to maintain a dignified position as citizens in our country. I certainly hope that our committee can come up with recommendations to Congress that will be helpful to us toward that end.

Mr. ALLEN. Senator, I subscribe to that and say further that with this maintained dignity, I am sure that you can find also some resources and abilities that can be used in a field that are comparable to their health and condition.

Senator LONG. That is the problem we are faced with, and it is one of the subjects we study here today, that is, the income which makes this possible, and whether our \$1,200 limitation should be increased, or whether it should be removed so that someone receiving social security benefits can still work part of the time. Or, we can do this, allow them to supplement their income and still permit them to maintain the proper position in the community.

Thank you so much.

(The prepared statement of Mr. Allen and the fact sheet mentioned previously follow :)

PREPARED STATEMENT OF ROBERT E. ALLEN

I wish to present to your committee the following statements concerning the problem of our aging citizens in Missouri, as determined by my experience and supported by the findings from organized groups in this area.

My name is Robert E. Allen, Perry, Mo., president of the Perry State Bank for the past 18 years; member of the board of directors of the Ralls County Public Health Unit since its inception; adviser to the officers of the newly created mental health unit of Ralls County; adviser to the Business and Farmers Association, Inc., of Perry area, having as one of its projects the building

of a nursing home for the aged in this community; and recently elected as a director of the Missouri Association for Social Welfare.

In general, my activities during the past 30 years have brought me in contact with the problem of aged people, which has increased alarmingly in recent years and will accelerate in intensity for the next 10 years. The recognition of this problem by your committee of the U.S. Senate is commendable. It should develop solutions to this problem to the end that our ever exploding population will not prejudice these worthy citizens who have carried the burden of developing these United States through their period of productivity. This should afford them a dignified protection for their much deserved retirement and enjoyment in their future.

I urge you in whatever solution you may develop to maintain at all times the dignity of man.

My experiences during the early thirties, before your development of social security, determined that our forefathers who struggled hard for the advancement of these United States and their forthright efforts to insure a future for their posterity were found in such want, this dignity was almost lost.

Since, your development of social security and other economic programs have alleviated some of these situations. The problem still is not solved and there is a tremendous need for your development of governmental instruments to insure this dignity of man, allowing these citizens to perform and live in a society with standards that are commensurate with their fellow citizens, secure in their old age.

Let me hasten to recommend to you that in your investigation and development of a program, in my opinion the aged citizen who has given of his time and talents, gaining respect and admiration in his or her community, be considered and entitled to more benefits than the aged citizen that has been slow in recognizing their responsibilities in life, and has not given of their time and talents, as freely and as enthusiastically. It would appear that man's incentive could be destroyed and this great country of ours lose a vast resource in initiative and ability if this encouragement is not properly developed.

Those of us in the rural counties have the highest proportion of the aged, and have fewer of the services needed to cope with the needs, and in my opinion, we can only meet this situation with your guidance and help.

Specifically speaking of retirement income, one of the factors considered in this problem of our aged citizen is the need for your cooperation with the development of youth. It would insure their opportunity to learn of the importance of this factor, since their formative years could be influenced to maintain a higher economic productive period, thus forming a base for a larger retirement income.

There appears to be many agencies now in existence which cover the area of so-called middle age; however, it is an important factor to note that not enough people avail themselves of this information. Perhaps a more forceful presentation would be adequate.

Low incomes, particularly with employed people, bring a resultant retirement income that is not sufficient to meet the needs in maintaining this dignity of man. This problem can only be adjusted now with your implements to maintain their proper living. Self-employed people who have forced reduction in standards of living commensurate with their businesses often develop the problem of low incomes and the resultant low retirement income, and this condition can only be met with the same solution as pointed out above.

Another factor to be considered in this problem of our aged citizen is that of usefulness during this retirement period. Your consideration of further economic implements used in rural areas would conserve and make use of abilities not now being used. Every effort should be expended to develop this resource, except, of course, with the infirm, and the latter should be rehabilitated in an environment that maintains as much independence on their part as possible.

You have available to you statistics from other; however, I would like to leave with you this fact sheet, prepared by the Committee on Aging for the Missouri Association for Social Welfare. The Business and Farmers Association, Inc., Perry, Mo., in the development of plans for a nursing home, to be located there, has ascertained that in the last 10 years the number of people in the United States over 65 years of age has increased 30 percent. There are now 16 million, and by 1975 there will be 21 million. At the present, this accounts for 9 percent of the population nationally, but in Ralls and Pike Counties it is

16 percent. Missouri is the second highest state in percent of elderly. We have almost 4,000 in these two counties alone, and by 1975 it will be over 5,000. Therefore, in view of the percentage in this area of Missouri, I feel, that our problem is more acute, thus worthy of your special attention.

We have with us today individuals from northeast Missouri who are not experts in the field, but like myself, citizens of a community aware of this serious problem and doing something about it, with your help.

We are privileged to have this opportunity to bring our views to you, and we offer you our sincere cooperation in your attempts to solve this most important problem.

FACT SHEET, COMMITTEE ON AGING, MISSOURI ASSOCIATION FOR SOCIAL WELFARE

"Older people are a cause of considerable concern today. Why? This was not true a few years ago." We hear comments and questions like this all the time. The answer can, in part, be found by a review of population statistics and in part by referring to medical advances. The number and proportion of aged persons have increased rapidly during recent years, both in the United States and in Missouri. Today, there are more than sixteen million people 65 years of age and over in the United States, and their number is being increased by more than 1,000 a day. In Missouri, 503,411 persons, one in nine in the general population, is 65 or older.

The information given in this fact sheet includes total county population, estimated population 65 years and over, percent of population 65 and over, the average monthly Old Age Assistance caseload figures in 1960-61, the percent of OAA recipients to the population 65 and over, and the average monthly OAA payment in 1960-61, compiled and released by the State Division of Welfare.

So far as caseload figures are concerned, the significant fact to keep in mind is the proportion of recipients to the total population 65 and over. As the data show, this varies sharply from county to county with a range from a high of 71.6 in New Madrid County to a low of 5.7 percent in St. Louis County. In other words 71 out of every 100 aged persons living in New Madrid County receive old age assistance grants as compared with only 5 out of 100 in St. Louis County. Factors which influence this variation include economic conditions such as the availability of employment, personal income and resources, eligibility and coverage under the Old Age and Survivors Insurance program, and others. Some knowledge of the economic and social conditions of the community are essential in order to properly interpret the statistics. For example, a greater proportion of older persons live in the rural areas of Missouri, and therefore, it can be expected that the number and proportion of old age assistance recipients would be higher. Conversely, fewer aged persons in rural areas are covered under the Federal old age insurance program, and, therefore, do not have this income maintenance resource to depend upon. The statistics alone do not explain why one county or one area of the State has more old age assistance recipients than do other parts of the State, nor do they explain variations between counties. However, they serve as indicators and point up trends which require further analysis and interpretation.

It is hoped that these figures will be of some help in eliciting interest in the growing problems of our aged citizens and result in constructive community planning in their behalf.

County	Population 1960	Population 65 and over 1960 ¹	Percent population 65 and over	Average monthly OAA recipients 1960-61	Percent OAA recipients to population 65 and over	Average monthly OAA payments 1960-61
Total.....	4,319,813	503,411	11.7	² 114,207	22.7	\$59.81
Adair.....	20,157	2,750	13.6	751	27.3	60.29
Andrew.....	11,013	1,788	16.2	435	24.3	61.39
Atchison.....	3,760	1,092	12.5	287	26.3	59.49
Audrain.....	26,081	3,276	12.6	629	19.2	59.22
Barry.....	18,859	2,798	14.8	1,229	43.9	60.32

See footnotes at end of table, p. 610.

RETIREMENT INCOME OF THE AGING

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County	Population 1960	Population 65 and over 1960	Percent population 65 and over	Average monthly OAA recipients 1960-61	Percent OAA recipients to population 65 and over	Average monthly OAA payments 1960-61
Barton	11,125	1,704	15.3	629	36.9	\$59.21
Bates	18,030	2,776	17.3	981	35.3	60.51
Benton	8,684	1,378	15.9	492	35.7	60.34
Bollinger	9,150	1,243	13.6	662	33.3	60.34
Boone	55,082	5,426	9.9	1,041	19.2	59.51
Buchanan	90,459	13,796	15.3	2,177	15.8	60.90
Butler	34,638	3,674	10.6	2,160	58.8	60.48
Caldwell	8,775	1,811	20.6	388	21.4	60.21
Callaway	23,901	3,965	16.6	663	16.7	57.85
Camden	9,041	1,065	11.8	507	47.6	59.67
Cape Girardeau	42,208	4,121	9.8	1,236	30.0	59.33
Carroll	13,778	2,329	16.9	533	22.9	60.73
Carter	3,930	493	12.5	339	68.8	59.63
Cass	29,682	3,746	12.6	583	15.6	60.58
Cedar	9,161	1,780	19.4	660	37.1	59.69
Chariton	12,679	2,306	18.2	704	30.5	61.49
Christian	12,416	1,620	13.0	708	43.7	61.84
Clark	8,724	1,451	16.6	346	23.8	61.08
Clay	86,937	8,586	9.9	850	9.9	61.34
Clinton	11,635	2,117	18.2	489	23.1	62.61
Cole	40,779	3,699	9.1	599	16.2	59.27
Cooper	15,456	2,305	14.9	544	23.6	60.44
Cooper	12,655	1,478	11.7	833	56.4	59.60
Crawford	7,597	1,450	19.1	465	32.1	60.34
Dade	9,298	1,320	14.2	695	52.7	61.69
Dallas	9,504	1,801	18.9	476	26.4	62.03
Daviess	7,222	1,390	19.2	317	22.8	60.24
De Kalb	10,443	1,391	13.3	741	53.3	59.68
Dent	9,707	1,147	11.8	594	51.8	60.04
Douglas	39,209	3,211	8.2	2,252	70.1	59.66
Dunklin	44,651	5,119	11.5	840	16.4	56.89
Gasconade	12,243	1,789	14.6	424	23.7	58.06
Geny	8,813	1,788	20.3	414	23.2	60.45
Greene	126,160	14,006	11.1	3,684	26.3	60.24
Grundy	12,228	2,211	18.1	652	29.5	61.59
Harrison	11,605	2,199	18.9	701	31.9	61.62
Henry	19,069	3,368	17.7	952	28.3	60.64
Hickory	4,470	804	18.0	350	43.5	61.20
Holt	7,973	1,483	18.6	388	26.2	59.81
Howard	10,826	1,859	17.2	557	30.0	61.35
Howell	21,986	2,402	10.9	1,167	48.6	59.73
Iron	8,027	987	12.3	478	48.4	58.22
Jackson	623,088	67,967	10.9	9,099	13.4	59.01
Jasper	78,581	10,713	13.6	3,390	31.6	59.89
Jefferson	66,212	5,654	8.5	927	16.4	60.19
Johnson	28,927	4,386	15.2	682	15.5	62.01
Knox	6,562	1,202	18.3	293	24.4	59.94
Laclede	18,926	2,420	12.8	1,086	44.9	60.93
Lafayette	25,228	3,688	14.6	725	19.7	55.86
Lawrence	22,719	3,178	14.0	1,175	37.0	59.29
Lewis	10,956	1,801	16.4	399	22.2	59.30
Lincoln	14,811	2,824	19.1	578	20.5	60.17
Linn	16,694	3,082	18.5	1,055	34.2	62.57
Livingston	16,050	2,498	15.6	690	27.6	63.02
McDonald	11,777	1,713	14.5	818	47.8	59.16
Macon	16,487	3,205	19.4	997	31.1	60.06
Madison	9,319	1,186	12.7	499	42.1	57.46
Maries	7,314	867	11.9	366	42.2	60.39
Marion	29,589	4,050	13.7	1,142	28.2	61.34
Mercer	5,743	1,004	17.5	255	25.4	61.56
Miller	13,835	1,903	13.8	711	37.4	60.75
Mississippi	20,761	1,808	8.7	1,232	68.1	59.64
Moniteau	10,535	1,838	17.4	606	33.0	60.53
Monroe	10,698	1,922	18.0	568	29.6	61.81
Montgomery	11,076	2,130	19.2	580	27.2	59.78
Morgan	9,472	1,530	16.2	459	30.0	60.98
New Madrid	31,224	2,148	6.9	1,537	71.6	59.06
Newton	30,051	3,520	11.7	1,288	36.6	59.92
Nodaway	22,162	3,639	16.4	785	21.6	62.85
Oregon	9,855	1,161	11.8	826	71.1	61.32
Osage	10,857	1,419	13.1	382	26.9	59.55
Ozark	6,699	829	12.4	487	58.7	58.40
Pemiscot	38,153	2,746	7.2	1,868	68.0	58.13
Perry	14,663	1,452	9.9	464	32.0	60.90
Pettis	35,195	5,068	14.4	1,381	27.2	61.03
Phelps	25,356	2,792	11.0	843	30.2	60.38
Pike	16,790	2,543	15.1	685	26.9	59.84
Platte	23,349	3,054	13.1	352	11.5	59.35
Polk	13,186	2,409	18.3	944	39.2	61.26
Pulaski	46,624	1,775	3.8	512	28.8	59.83

See footnotes at end of table, p. 610.

County	Population 1960	Population 65 and over 1960 ¹	Percent population 65 and over	Average monthly OAA recipients 1960-61	Percent OAA recipients to popula- tion 65 and over	Average monthly OAA payments 1960-61
Putnam.....	7,051	1,347	19.1	474	35.2	\$58.44
Ralls.....	8,065	1,249	15.5	251	20.1	56.30
Randolph.....	21,969	3,978	18.1	1,069	26.9	62.08
Ray.....	15,643	2,532	16.2	601	23.7	58.40
Reynolds.....	5,122	575	11.2	409	71.1	56.06
Ripley.....	9,108	1,259	13.8	783	62.2	60.61
St. Charles.....	53,078	4,514	8.5	460	10.2	60.29
St. Clair.....	8,444	1,663	19.7	645	38.8	62.81
St. Francois.....	36,432	4,235	11.6	1,245	29.4	58.97
Ste. Genevieve.....	12,205	1,267	10.4	226	17.8	61.15
St. Louis.....	704,350	50,003	7.1	2,842	5.7	61.57
St. Louis City.....	751,796	96,784	12.9	13,803	14.3	57.51
Saline.....	25,034	3,500	14.0	985	28.1	59.96
Schuyler.....	5,081	937	18.4	300	32.0	61.45
Scotland.....	6,477	1,206	18.6	266	22.1	59.64
Scott.....	32,818	2,525	7.7	1,270	50.3	58.34
Shannon.....	7,049	768	10.9	492	64.1	58.23
Shelby.....	9,105	1,975	21.7	624	31.6	62.26
Stoddard.....	29,698	2,706	9.1	1,562	57.7	59.64
Stone.....	8,139	1,026	12.6	467	45.5	58.17
Sullivan.....	8,752	1,822	20.8	665	36.5	60.69
Taney.....	10,221	1,270	12.4	475	37.4	60.42
Texas.....	17,814	2,227	12.5	957	43.0	59.88
Vernon.....	20,535	3,785	18.4	913	24.1	60.33
Warren.....	8,801	1,458	16.6	226	15.5	62.13
Washington.....	14,218	1,559	11.0	746	47.9	61.37
Wayne.....	8,574	1,243	14.5	716	57.6	59.45
Webster.....	13,734	1,953	14.2	1,031	52.8	62.75
Worth.....	3,969	742	18.7	225	30.3	58.91
Wright.....	14,131	1,881	13.3	1,194	63.5	62.16

¹ State total from "Table 12, Advance Release of Statistics on Public Assistance, March 1961"; data for counties is estimated.

² Rounded figures add to 114,210.

Senator LONG. Dr. Stanley S. Peterson, chairman, Committee on Aging, Missouri State Medical Association.

STATEMENT OF STANLEY S. PETERSON, M.D., CHAIRMAN, COMMITTEE ON AGING, MISSOURI STATE MEDICAL ASSOCIATION

Dr. PETERSON. Senator Long, members of the committee, the fact that the words dignity, food, housing, religion—

Senator LONG (interrupting). Did I see you in Springfield yesterday?

Dr. PETERSON. Yes, you sure did. The roads were bad but we made it.

The reasons these words do not appear in my testimony here today are not because we do not consider them important, because in the Missouri State Medical Association, formed 104 years ago, one of the first committees that was appointed was to study the problems of aging. The problems of aging then were quite different than they are now. But nevertheless this was one of our first areas of responsibility which was recognized by the organization and as such this has been a matter of continuing concern to the doctors in this State for many years.

I am happy to talk about income maintenance today, and I use that maintenance rather than retirement income because we feel that this should be a maintenance of a continuing thing rather than a change of income at a time of life when changes come hard.

The second reason I am glad to talk about this is because maybe we won't have to talk so much about whether the social security approach to medical care is the right way or not to do it, so far as medical

care itself is concerned, because we do have the best system of medical care that's ever been developed in the whole history of mankind. Sure, there will be faults found, and we know even members of the Christian faith find fault once in a while with their faith but that doesn't mean it is bad and should be changed, and I suggest we can get further—

Senator LONG (interrupting). They are all trying to get to the same place, anyway.

Dr. PETERSON (continuing). Further on medicine. Doctors from all over the world come here to find out how we do. Anthony Eden came here for this third attempt at surgery. We have a big man from the Middle East in one of the medical centers in New England getting care now. This is true all over the country. Our life expectancy is real good today. It is better even than the little countries that are completely socialized, who have never fought a major war and maintained an arm, only in just small amounts. And their suicide rate is higher than ours.

Inasmuch as this is a matter of finances, I would like to be one who is recognized as not considering this to be a premeditated drive for centralization of government power, though occasionally it does seem that way, especially when it is considered that there have been concerted and repeated efforts toward the same end by the same people since 1935.

Now, as to the business of income maintenance itself, I believe that people over 65 should be allowed to work as long as is economically feasible, but no longer. This is a reasonable thing.

The second worthy measure that I consider that we should think about is raising this level of income and still drawing of social security benefits. I am sure it wouldn't be the panacea a lot of people think it might be; but, nevertheless, I think it would be good.

The third one is tax relief. We have already talked about tax relief here today. Congressman Hall from our district has introduced H.R. 7756. We have endorsed this thoroughly. And in my testimony, which is already filed, it is detailed. But I do want you to know that the house of delegates of the American Medical Association has gone on record endorsing legislation embracing income tax credits for the aged as a practical, effective means in helping meet the costs of medical care and to support actively efforts to enact H.R. 7756 and other legislation delaying with similar things. This would be a practical approach in helping those who need help and not involving massive governmental programs and bureaucracy.

Another way to maintain the income of the elderly would be to stop, and, if possible, turn back the ravages of inflation. This would certainly help the people whose fixed income used to be adequate but now are needing a little bit more money. Certainly it seems that saving a little money would be better than the reckless assumption by Government of more and more expense.

Now, if Congress determines that the social security income is too low, then let it be raised, but not by a ruse which defeats the system. A service feature such as we are talking about under social security approach to medical care does this very thing, for about five reasons:

It assumes that the planners in Washington are close enough to the Omnipotent that they can foresee what all people in all places will need at any given time in the future.

Second, it assumes that they can supply all of these needs better than those who need it can procure it for themselves.

It assumes that the segment of the people for which the planners are assuming care are not smart enough to do this for themselves when they have the opportunity.

Fourth, it assumes that a system untried in our way of life can replace the best medical program ever developed. In fact, it assumes that a centralized program which is a complete failure in providing patient care in Russia is better than our present system of high-level medical care available to anyone, no matter how far back he lives in our Ozark Mountains.

Fifth, it assumes that our people are willing to be taxed as much as 20 percent of their income for a social program. And they tell me that my figure is actually too low there, but these are figures that I took from the Department of Health, Education, and Welfare, and which some representatives are admitting are possible and probably desirable.

I have two fallacies that I want to talk about for a minute. One is that older people cannot pay their bills. I am familiar with the tables of the Department of Health, Education, and Welfare which prove this, and I would like to refer you to the findings of Rita Campbell as published in the proceedings on the Conference on Aging held in Kansas City, Mo., in 1959. Here statistics prove otherwise and, I believe, probably are as reliable, as the first set.

In my office I ran 200 and—well, actually 300, but I wasn't sure about several of the ages so we threw those out—281 debt accounts, bad debts, not current accounts but bad debts in the testimony as a result. But, as you will note, we have 27.7 percent of the people under 21 that's 34 percent bad debts. In the 65 and over we have 9 percent bad debts, and by number of people, 76 and 19, however, many that is; I guess that's 95 in the younger people's group as opposed to 26 in the older people's group.

Now, we ought to get into the people that are really making the money, because I realize that that was bad that I used down below that level.

Now, in the 22 to 64 there are 160 bad debts, as a combination of 40 and 17, which is 57 percent as opposed to the figures which I told you originally, 9 percent.

You also have, for the sake of completeness, a summary of some hospital bills which are broken down. You heard about it yesterday, and I will not repeat that except to the point that 15 percent of the 65 and over, as opposed to twice to three times that many of the people in the younger age groups, pay their debts. Our older people do pay their debts, and they can pay their debts. They have the best record. Put it—we will pass that.

The Federal Reserve Board's annual sample survey of consumer finances reveals that the liquid assets of people over 65 have grown faster than the assets of any other group. Again, a Government publication which we used.

A second fallacy that I want to talk about is that people want Government care. I have only been to one of these hearings before. This was not borne out, the way I heard it, but again back to our experiences. My older patients do not ask me to help them get Gov-

ernment care, but they ask me to help them do almost everything else they want done, and I am sure that if they really wanted Government care, the people that I see, I would hear it, because my old people are quite blunt and they don't spare my feelings, and the fact that I might not be in favor of it wouldn't necessarily keep them from asking me anyway.

One more thing. I went to the White House Conference on Aging. I was an appointee of the Governor of this State at that time. I was in the work group I-3, which some of the people, if you were there, may remember. This is the one where the blood was shed and we had a fine time there. This group did discuss at length the financing of medical care for the aged and we did come out with a report and we came out with the minority report, which makes for interesting reading if nothing else, both of them. But the thing that I want to talk about here is in this group there was only one man over 65 in that whole group and he said very little. The rest of them were about the same age as I am, perhaps a hair or two older, I try to think, but nevertheless about the same age. The battle, you well know, is not being waged by the old people, though certainly it is being waged at them and for them, and a few people are climbing on the bandwagon. We also know that the ones who are the most needy have always been improvident and they will not be covered by social security as they age or, at least, they haven't been. These people are receiving assistance, in our State from our old-age assistance program, our vendor program, as well as county and municipal plans, private plans, churches, eleemosynary groups, and the rest.

Now, we are doing quite well on these things. We are taking good care of our people and we can look forward to an expansion of the good care which they are already getting as Kerr-Mills implementation comes. And I must say that the fact that Kerr-Mills has, as such, not been implemented in the State of Missouri is not a very great argument because we all know our legislature only meets every 2 years and we couldn't get it in last time, even if we had had everybody in the State in favor of it, I believe. Our medical association did push it hard, and, as a matter of fact, there is one part of Kerr-Mills which is already working in the State of Missouri, and that's the part that has to do with the old-age assistance part.

There are lots of other statistics that I will not put in now and I will end with this. There have been 21 major civilizations since the dawn of history as we have been able to know it. Nineteen of these have perished because the citizens of those civilizations become overly concerned with abundance and set out to see that everyone enjoyed the good things of life, whether they earned them or not. When the "take from those who have worked and give to those without" became so great that it was more inviting to be one of those who received rather than one of the workers, then the government failed.

I wish to thank you, sir.

Senator Long. Thank you, Doctor.

Now let me say, as I said in Springfield and I have said at other hearings, before I discuss this matter with the doctor that there is no one more bitterly opposed to socialized medicine than I am. There is no one who more wants the individual to have the right of choosing his own doctor, or the doctor having the right to decide whether

or not he takes his patient. I don't want anyone saying that they have to hire me as a lawyer or me saying I have to take that man as a client. And while the difference of opinion that many of us have is to include or not the King-Anderson bill, which technically, as I have stated before, is not under consideration by this committee, although we do discuss it and it is something that our senior citizens discuss, less so at your hearing in Springfield yesterday than any we have had, but it is one of those problems and it is great that we can all get together and discuss these things and have different views. As I said a while ago, we are all trying to get to heaven. Some of us are going different ways than others. Probably some of us won't get there but we are all working toward that end but that is the purpose of all of us, working together, trying to work out a problem, as you have suggested, and the other witnesses have, that our senior citizens be permitted to maintain a dignified position in their community.

This problem that you mentioned about debts. I am concerned because, as you know, we have 503,000 senior citizens in Missouri, and approximately half of those have an income of less than \$1,000 a year. That is only a little over \$75 per month, I believe, which is very low at the best, and it does create a problem. You indicated in your suggestion about these debts, I am wondering and the thing that makes me a little apprehensive is that perhaps some of our older people are so strictly honest that they pay their debts but in doing that with such low income there is a possibility that many of them deprive themselves of food or clothing or some recreation that they should have at that age. There is that possibility. Don't you agree?

Dr. PETERSON. Well, sir, I must not let your first statement go without the answer which must be given to it, the one about income, the one about less than \$1,000. At my house I make a real good income. My wife and daughters make no income. Using the same way we arrive at some of these statistics, in my house there are three people who have no income and there is one who has an income of over \$1,000. Now, I must hurry to add that at the White House Conference one of the chairmen of the State groups was one of these people who was under the \$1,000-income people. He went home and checked and he really was one of these under-a-thousand income people that was counted, but he also had just retired from being president of one of the big financial operations in St. Louis. I won't pursue the one about my daughters but I will pursue the fact that this man was not a needy elder citizen.

Senator LONG. Let me ask you this in connection with that. Even if there is the thousand dollar average, but if that drops down because of two or three in the family not having an income, those two or three that don't have that income which are counted in the average, also they have the same possibility, though, of expenses for medical care and everything, the need for them, so that income has to be counted toward that.

Dr. PETERSON. Except, sir, there is no top on this. My people are not underprivileged because they have this and this is the kind of figures we are using here.

Now, I will try to answer the other, but I must, I just must, for the sake of the hearings answer the first part of this thing. I do not

know the answer to the second part of it. We try in our office not to work a hardship on our people. We try that. And insofar as this is true, this is the way we do it. Means test, I don't know. You even have to pass a means test to get social security. You can't get it if you have a certain income. The means test explodes.

Senator LONG. That just deals with your earnings.

Dr. PETERSON. Yes, sir.

Senator LONG. Then back to the other suggestion that there would be quite a field that would not be covered by social security. They estimate that within the next 10 years that 90 to 95 percent of our senior citizens will be covered by social security, which would leave only 5 or 10 percent without a definite health program. If that would be true, and I assume that it is, would there be a possibility that the Kerr-Mills bill and the King-Anderson bill would complement each other? They would very definitely work together there.

Dr. PETERSON. Well, sir, we have the Kerr-Mills bill presently, which we consider adequate to the situation, and I would not like to sit here and say that we need any addition presently, because if the Kerr-Mills bill is allowed to work in the State of Missouri, it will give to the people who need things. It will not need to take care of a whole group of people who need no care, and until the Kerr-Mills bill is given a proper chance I am not one to sit here and say that we need anything more to complement it.

Senator LONG. But the Kerr-Mills bill, as I understand, half of that is paid by the Federal Government and the other half comes directly, say, from our general revenue fund of the State. In other words, if Missouri put that into effect, the half of that program would be required to be paid by direct taxation. That is correct, is it not?

Dr. PETERSON. As I understand, the Kerr-Mills bill is supported in part and actually, I guess, a little more than 50 percent in the State of Missouri, by Federal funds.

Senator LONG. It is raised a little more, but roughly we have been using figures of 50-50. There are a few points one way or the other.

Dr. PETERSON. And with that we run it ourselves, and with that we probably are going to get a little bit better use of the money which we collect and pay at home than of the money which we collect ourselves, send to Washington, and is sent back here. So really we have to get this money from some place. It comes out of our pockets and whether it goes to Washington where 23 percent, 19 percent, 40 percent, depending on whose figures you use, I don't care whose figures you use, is taken out before it is sent back, it doesn't make much difference, it is all coming from the same place, anyway. There is no place to get money except from our taxes.

Senator LONG. We agree with you on that.

Dr. PETERSON. Yes, sir.

Senator LONG. In the social security approach to our problem doesn't the individual himself contribute half of the cost of the program through his payroll tax deduction and doesn't that give him, then, a feeling of more independence and dignity that it is not a gift to him, that he is not a charitable patient, that it is something like a life insurance policy or health insurance policy that he has paid up during his working years and he then is entitled to benefits of it in his senior years?

Dr. PETERSON. Again we must go back to this business that that isn't the way it is, and that is why I am sitting here.

Senator LONG. Tell me why isn't it? I have the impression that is the way it is.

Dr. PETERSON. I don't think I am an expert on social security.

Senator LONG. I know I am not.

Dr. PETERSON. And I probably will get into all kinds of trouble. But the way I understand it presently, the moneys which are being paid out to social security people now is not money which they have saved but the moneys which is coming out presently is the money which is being taken in presently. I don't think I will pursue it any further than that because this is not my field; this is not why I came today; I am sorry.

Senator LONG. Doctor, thank you very much and I appreciate your interest that all of us have in this problem and we do appreciate your making the drive up here and your testimony has been very helpful to us.

Dr. PETERSON. Thank you, sir.

(The prepared statement of Dr. Peterson follows:)

PREPARED STATEMENT OF STANLEY S. PETERSON, M.D.

Senator Long, members of the committee, I am Stanley S. Peterson, a resident of Springfield, Mo., where I have been a practicing physician for 16 years. This year, in addition to serving my patients in this area, I have been privileged to be the chairman of the committee on aging for the Missouri State Medical Association. I have also been in this position for several years previously. It is as chairman of this committee that I appear here today.

I am happy to speak on income maintenance for the elderly—and you will note that I use the word "maintenance" rather than "retirement income," because this then is a continuation of the plan which they should have been worrying about all of their lives rather than a change in financing their way of life at a period in life when change comes hard.

The second reason that I am happy to be talking about income maintenance is that we should not have a great deal of altercation about social security and medical care in this discussion. You know, there really should be no issue of medical care in this whole thing. It is generally conceded that our present system of medical care in the United States is the best the world has ever known. Of course, this system has its faults, but what system of consequence doesn't? Even members of the Christian faith find fault with their faith once in awhile; and I am sure the chairman of this hearing has constituents who do not always agree with his actions.

Further, on the matter of medicine, doctors from all over the world come to learn how we do things. Anthony Eden, of England, came to our country for surgery, and presently one of the potentates from the Middle East is in one of our large eastern medical centers being cared for.

Our life expectancy is the best of any major country today, and there is none better in even the smaller countries that are completely socialized who have never had a war or maintained more than a token army; and our suicide rate is much lower than theirs. Our morbidity, that is, the expectancy of disease, is better than any major country of the world. Our lowest income groups are better cared for than many of the so-called middle classes of the world.

Inasmuch as one of our issues is finances, I am one of the people who doubts that there is a premeditated drive for centralization of Government power, though occasionally it does seem that way, especially when it is considered that there have been concerted and repeated efforts toward the same end by the same people since 1935.

Now, to the business of income maintenance itself. I agree that people should be allowed to work as long as they are economically productive. Sixty-five years is an arbitrary figure, not justifiable in any way, and well recognized and admitted to be only the starting point for medical care and related services.

A second measure worthy of investigation on income maintenance is the raising of the limit on earned income as related to drawing social security benefits. I am sure this would not be a panacea and there are some good reasons for not doing it, but many people think this would help.

A third method of maintaining income would be to provide tax relief for those who spend their money on medical care. This has been rather thoroughly explored, and Congressman Durward G. Hall of the Seventh District of Missouri has introduced H.R. 7756 in Congress which makes this a possibility. The American Medical Association passed a resolution endorsing this bill some 2 weeks ago, and this is as follows:

"Whereas the costs of medical care often place a heavy burden on many of our senior citizens; and

Whereas legislation introduced into the 87th Congress would help alleviate the problem of financing care for the aged, and would assist the aged and their families meeting their own responsibilities; and

"Whereas H.R. 7756, 87th Congress, introduced by Rep. Durward Hall, Missouri, would amend the Internal Revenue Code to permit a taxpayer to deduct, in full, the amounts paid for the medical hospital care of any person who has attained the age of 65, irrespective of whether that individual receives the majority of his support from the taxpayer as is presently required; and

"Whereas this legislation would allow total tax exemptions for all drugs and medicines for the aged; and

"Whereas the bill would provide additional exemptions for catastrophic medical care expenses; and

"Whereas, legislation of this kind is in the public interest, as it would help our senior citizens and their families to meet their own obligations without relying upon the Government for programs which are federally financed and controlled: Therefore be it

Resolved, That the House of Delegates of the American Medical Association go on record endorsing legislation embracing income tax credits for the aged as a practical, effective means in helping meet the costs of medical care, and to support actively efforts to enact H.R. 7756 and other legislation with similar objectives.

"This would be a practical approach, helping those that need help, and not involving massive governmental programs and bureaucracy."

Another way of maintaining income for the elderly would be to stop—and if it were possible—turn back the ravages of inflation. This would certainly help the people whose fixed incomes used to be adequate but who now are starting to need a little more money than they had planned on. Certainly, it seems that saving a little money would be better than the reckless assumption by Government of more and more of their expenses.

If Congress in its wisdom determines that the social security income is too low, then let it be raised—but not by a ruse which defeats the system.

A service feature does this:

First, it assumes that planners in Washington are close enough to the omnipotent that they can foresee what all people in all places will need at any given time in the future.

Second, it assumes that they can supply all of these needs better than those who need it can procure it for themselves.

Third, it assumes that the segment of the people for which planners are assuming care are not smart enough to do this for themselves when they have the opportunity.

Fourth, it assumes that a system untried in our way of life can replace the best medical program ever developed—in fact, it assumes that a centralized program which is a complete failure in providing patient care in Russia is better than our present system of high-level medical care available to anyone, no matter how far back he lives in our Ozark Mountains.

Fifth, it assumes that our people are willing to be taxed as much as 20 percent of their income for a social program. Some members of the Department of Health, Education, and Welfare are admitting this is possible and probably desirable.

One fallacy being pushed is that older people cannot pay their bills. I am familiar with the tables of the Department of Health, Education, and Welfare which are supposed to prove this. I would like to refer you to the findings of Rita Campbell in the proceedings on the Conference on Aging held in Kansas City, Mo., in 1959. I believe that her statistics are as reliable as the others.

In addition, in my office I find the following to be true:

	0 to 18	19 to 21	22 to 45	46 to 64	65 and over	Total
Number of unpaid bills.....	76	19	114	46	26	281
Percent of unpaid bills.....	27	7	40	17	9	100

A recent analysis by a local general hospital of its unpaid bills should be of significance to the committee in considering the ability of the 65-and-over age group to pay their bills. The period under analysis was the first 11 months of 1961, and for purposes of this study, patients were broken down into the following five age groupings:

	0 to 18	19 to 21	22 to 45	46 to 64	65 and over	Total
Total patients.....	453	180	914	881	857	3,285
Percent of patient load.....	14	5	28	27	26	100
Percent by number who paid.....	70	69	78	83	85	80
Percent by number who did not pay.....	30	31	22	17	15	20

It will be noted from this study that the 65-and-over age group shows the best record of payment of any of the five age groupings of patients, with the percentage by number of patients not paying bills in the 0 to 21 age grouping twice as bad as in the over-65 age group—30 percent as compared to 15 percent.

Put another way, the study further illuminates the ability of the over-65 age group to meet their own responsibilities. Again, by age grouping, by percentage of total billing paid and total billing not paid, the results were as follows:

	0 to 18	19 to 21	22 to 45	46 to 64	65 and over	Total
Percent of billing in group.....	10	3	23	30	34	100
Percent of billing collected.....	73	71	81	84	87	83
Percent of billing not collected.....	27	29	19	16	13	17

Though representing the group with the single largest billing of the five age groups (the over-65 group being billed 34 percent of the total hospital billing) they were again the age group that paid the highest percentage of any of the age groups—87 percent compared to 83 percent for the average and 84 percent for the next closest group, the 46 to 64 age group.

The Federal Reserve Board's annual sample Survey of Consumer Finances reveals that the liquid assets of persons 65 and over have grown faster than the assets of any other age group in the last decade.

A second fallacy being promulgated is that older people want Government care. My older patients do not ask me to help them get Government care and they ask for aid in accomplishing all the rest of their projects, so I am sure that they would be asking me for help on this project also if they were interested in it. Old people can be quite blunt—and seldom do they spare their doctor's feelings when their welfare is at stake. I am sure that the fact that they might know that their doctors were not in favor of socialized medicine would not deter them from telling us that they were in favor of it.

I attended the White House Conference on Aging, January 9-12, 1961, in Washington, D.C. While there I participated in work group I-3, which had to do with the financing of medical costs. This group discussed at some length financing medical care for the aged, but the most important thing that I want to talk about was that there was only one man over the age of 65 in the room and he said very little. Most of the participants were relatively near my age group.

This battle, as you well know, is not being waged by the old people though certainly it is being waged at them and for them. And after all these years a relatively few are climbing on the bandwagon.

All of our statistics reveal that old-age assistance rolls are decreasing as more people come under social security, private retirement plans, as well as company-

sponsored retirement plans. The ones who are the most needy have always been improvident, and by and large will not be covered by social security as they age. These are receiving assistance in our State by our old-age assistance program and our vendor program as well as the county and municipal plans and many other public and private programs—and we can look forward to an expansion of some of these plans through the Kerr-Mills implementation.

Personal income for older persons is increasing rapidly. Employer-employee groups are providing health insurance contracts which can be continued after retirement. I am sure these figures are already available to you from other sources and I will not include them at this time.

There have been 21 major civilizations recorded since the dawn of history as we know it. Nineteen of these have perished because the citizens of the civilizations become overly concerned with abundance and set out to see that everyone enjoyed the good things of life, whether they earned them or not. When the "take from those who have worked" and "give to those without" became so great that it was more inviting to be one of those on the dole rather than one of the workers, then the Government failed.

I wish to thank you, sir, for allowing me to present this statement.

Senator LONG. I would like to have a recess for just 5 minutes. His Excellency, the Governor, is calling me and we mustn't keep him waiting.

(Short recess.)

Senator LONG. The committee will come to order.

Dr. Henry H. Sweets, representing the Marion-Ralls-Shelby County Medical Society.

Doctor.

STATEMENT OF HENRY H. SWEETS, JR., M.D., OF THE MARION-RALLS-SHELBY COUNTY MEDICAL SOCIETY

Mr. SWEETS. Hon. Senator Long, members of the committee, I am Henry H. Sweets, Jr., M.D., a member of the Marion-Ralls-Shelby County Medical Society, and I have been appointed to read a statement to the Senate Special Committee on Aging concerning the medical care from this society.

We, the members of the Marion-Ralls-Shelby County Medical Society, categorically oppose the King-Anderson bill (H.R. 4222) entitled "Health Insurance Benefits Act of 1961" because after studying this bill, we believe that this plan will be prohibitively expensive and covers only about one-half of the people in this district who are over the age of 65 and who are eligible for social security benefits and does not take into account the needs of the 47 percent of these people who are not covered by social security.

Senator LONG. Doctor, in appreciation of such a short statement I am going to be just as short and not ask you a question. We have been trying to get these people to give—

Dr. SWEETS (interrupting). Could I make one little bitty statement?

Senator LONG. Yes, sir; please do. I thought you were through, Doctor.

Dr. SWEETS. Just like Dr. Peterson did it in another way, I would like to call attention to the fact that the reason that there is a problem of aging is because of the efforts and advances of the medical profession in helping people to grow to be aged.

Senator LONG. I think you doctors got yourselves in this problem. I agree with that, Doctor, because certainly we have great doctors in this country, and they have given a great service to the people. We realize that and I am sure all of us are appreciative of it and grateful

to you. I still am not going to ask you any questions. I appreciate the shortness of your statement.

Doctor, thank you very much.

Dr. SWEETS. Thank you, sir.

Senator LONG. Prof. Frank Naggi, chairman, Department of Economics and Business Administration, Quincy College, and executive director of Adams County Industrial Development Council, Quincy, Ill.

Dr. Naggi.

STATEMENT OF PROF. FRANK NAGGI, CHAIRMAN, DEPARTMENT OF ECONOMICS, QUINCY COLLEGE, QUINCY, ILL.

Dr. NAGGI. Senator Long, members of the committee, ladies and gentlemen: I, too, will be brief, Senator.

Senator LONG. I can't guarantee you I won't want to ask you a thing or two, though, Doctor. I appreciate your briefness and I will be, too.

Dr. NAGGI. You mentioned at the beginning that your presence here in the area is to learn a great deal about the aged. You want to know whether or not the problems the aged face in this area are different. You will find that they are not different, but there are more of them, that is, people 65 and over. Aging in the population, as represented in 18 counties in northeast Missouri and 6 counties in west-central Illinois, comprising a population of 384,105 has progressed far beyond that in the Nation as a whole. Of that you are aware. Therefore, all problems that relate to the aged become more urgent and more acute in these areas. Permit me to highlight some of the statistics that I have collected.

The population in the Nation as a whole is 185 million. The population in the Quincy, Ill., area, including six counties, is 157,477. The population in the Hannibal, Mo., area, which includes 9 counties is 106,808. The population of the Moberly, Mo., area, and its 9 counties, is 119,820. The total population of these areas amounts to 384,104.

There are 16,559,580 persons 65 and over in the Nation. In the Quincy area, there are 22,825; in the Hannibal area, 17,708, and in the Moberly area, 22,046, making a total of 62,579.

The percent of the population of persons 65 and over: in the Quincy area, 14.5 percent, in the Hannibal area, 16.6 percent, and in the Moberly area, 18.4 percent. The national average today is 8.9 percent.

The number of people of all ages on social security in the Nation, exceeds 16 million. There are about 14,000 in Hannibal, 19,000 in Quincy, and 15,374 in Moberly, a total of 48,374.

The social security benefits each month in the area, for the Quincy area, \$1,134,124; in the Hannibal area, \$800,000; in the Moberly area, \$846,394. The percent of people 65 and over receiving social security in the Nation is 77 percent. In Quincy, it is 80 percent, Hannibal, 71 percent, and Moberly, 62 percent.

The average social security benefit for a retired worker in the Nation is \$75.71. However, it is much lower in the areas covered in Missouri and Illinois. In Quincy, it is \$68.40, in Hannibal \$67, and in Moberly, \$65. The reasons for the lower benefits are twofold: (1) Their earnings are lower in the these areas, (2) many older people did not have social security coverage during their best earning years.

As to the number of aged in the States: In Illinois, there are 974,923, and in Missouri, 503,411. The increase of the aged in Missouri since 1950 is 23.6 percent; in Illinois, it is 29 percent.

The White House Conference on Aging reported that almost three-fifths had an income of less than \$1,000. The part of the report which I have handed to you, Senator, the last statement there must be deleted because it is not correct. In verifying the information that I gathered with worksheets, that should be deleted.

Reference is to the statement reading "In northeast Missouri and west-central Illinois; a sample of 18 percent of persons 65 or over, 75 percent have incomes more than \$1,000," which Professor Naggi included in his written statement submitted to the committee (and which appears following his oral testimony). Subsequently, Professor Naggi explained that this finding was based on interviews with 487 aged persons who have savings accounts in banks and savings and loan companies, and that he is planning to obtain a better sampling of the aged and retirement income by extending the coverage to 20 percent of the 62,579 persons 65 and over in the area.

However, on page 3, for the northeast Missouri area it was found through an interview of about 487 people 65 years of age or over that they had saved a little for their retirement years, had saved a little which might be evidenced by liquid assets—savings. And this figure is a little bit biased because there was not enough time available, Senator, to check this against those who are receiving social security or State aid, but these are those who have savings in banks and savings and loans. The average amount is about \$4,170. As I said, that might only indicate those that have been saving. And those that are indigent and those that are in particular need, not having any savings, would consequently not be reflected in those figures. Most people age 65 and over live in their own homes.

This should constitute a preliminary report because of lack of time to get more comprehensive coverage through any depth interview.

Certain high points seem to stand out, Senator. Older people naturally have lower income, acutely low. They spend twice as much for medical aid than the average person. They have a higher rate of physician visits, as indicated by other reports. They spend more time in hospitals. And you will find, and this is reflected by statistics in this particular area, that the northeast and middle western States have the highest proportion of older persons. This may indicate a past trend in fertility, migration. The views have been spread here today that the low income of those who are 65 and over, low as it is, should be raised to a place of personal dignity rather than thinking in terms of a minimum. I found that most persons 65 and over of those interviewed, 1 out of 20 have some regular income. It varies from about \$1,000 to \$600. Almost two out of three are receiving some type of State aid or are on social security. This has not been checked out but I believe it would bear out other reports that one-third of the aged live in rural areas and pose a special problem.

Measuring income of the aged, retirement income is a difficult thing to do because what are you going to use for a yardstick? What are you going to use for a minimum? Are you going to think in terms of a minimum of \$2,500 because they are over 65 and that should provide at least a minimum for what they need—food, and the next big thing in their budget would be reflected in medical expenses, or would you do what is indicated here today, think in terms of dignity and not just provide them bare necessities?

Of the aged people interviewed in the area, more than 50 percent do not have any life insurance. The other 50 percent have policies. I will say that 15 out of 250 have policies that have face value of \$500. The other 50 percent have policies ranging from \$500 to \$1,000.

Senator LONG. Thank you so much, professor.

You mentioned that in the northeast area, the majority of the citizens have saved a little for their retirement. We don't have a figure on that average, but it would be small enough that serious illness, medical and hospital bills would wipe it out?

Dr. NAGGI. That is correct.

Senator LONG. Could you give us any idea of the percentage that have \$10,000 in savings?

Dr. NAGGI. Very few, and I would rather not think in terms of percentage there, because we ran a tape in two banks and four savings and loans and we ran across several of those, and those may be people who may not need the help. But going back to a partial interview of about 487, which represent maybe about less than 3 percent, their savings would be even lower than the \$4,000 that is indicated.

Senator LONG. These were cases that you talked to individually?

Dr. NAGGI. Yes, sir.

Senator LONG. Did they give any indication to you as to what their greatest fear was as senior citizens over 65?

Dr. NAGGI. The greatest fear manifested by these 487 people who were interviewed was keeping themselves in health; medical expenses seem to bother them. And something to do with themselves. You will find in this particular area, in the northeast area, that we have not experienced a sufficient economic growth to maintain the younger people in the area and they have gone elsewhere. We seem to be insulated, as far as the northeast area is concerned: we don't have industry coming in and staying. We don't seem to experience that expansion of industry in the area that we need. We have had expansion; we have had changes; we have had industry moving in every now and then; but in relation to the population factor here and across the river, we have not had that economic growth that we may think in terms of those that may reach the age of 65 or over in 1970. And it is predicted that by 1970 we will have not close to 17 million but 25 million 65 and over by 1980.

Senator LONG. Professor, is there any specific thing that your industrial development organization is doing or industry itself is doing in this area of northeast Missouri and western Illinois to take care of our senior citizens?

Dr. NAGGI. Yes, you will find that they have finally realized that something has to be done, that they must now rouse themselves out of this state of complacency, that a positive approach to make the towns and the area attractive, that options should be taken on industrial sites. And this program must be a continuing one, using the chamber of commerce with the development of commissions or groups in the area working now with the various State agencies, like Lester Cox's commission in Jefferson City, to make a special effort to attract our share, let's say, of defense contracts. Right now the economy is lagging, Senator.

Senator LONG. I am particularly interested in anything specific for our senior citizens. Of course that would raise the average over

the years, but is there any specific attention given to temporary employment or part-time employment to our citizens over 65 to help them?

Dr. NAGGI. We haven't done a thing on that; No, Senator.

Senator LONG. Thank you very much.

(The prepared statement of Professor Naggi follows:)

PREPARED STATEMENT OF PROF. FRANK NAGGI, CHAIRMAN, DEPARTMENT OF ECONOMICS, QUINCY COLLEGE, QUINCY, ILL.

Aging in the population as represented in 18 counties in northeast Missouri and 6 counties in west-central Illinois, a total population of 384,104, has progressed far beyond that in the Nation as a whole. Therefore, all problems relating to the aged become more urgent in these areas.

Comparative data

Population in Nation-----	185, 000, 000
Population in Quincy, Ill., area (6 counties)-----	157, 477
Population in Hannibal, Mo., area (9 counties)-----	106, 808
Population in Moberly, Mo., area (9 counties)-----	119, 820
Persons over 65 in Nation-----	16, 559, 580
Persons over 65 in Quincy area-----	22, 825
Persons over 65 in Hannibal area-----	17, 708
Persons over 65 in Moberly area-----	22, 046
Percent of population over 65 in Nation-----	8. 9
Percent of population over 65 in Quincy area-----	14. 5
Percent of population over 65 in Hannibal area-----	16. 6
Percent of population over 65 in Moberly area-----	18. 4
Number of people all ages on social security in Nation-----	16, 107, 659
Number of people all ages on social security in Quincy area----	19, 000
Number of people all ages on social security in Hannibal area----	14, 000
Number of people all ages on social security in Moberly area----	15, 374
Number of persons over 65 in Nation receiving social security benefits-----	12, 800, 000
Number of persons over 65 in Quincy area receiving social security benefits-----	16, 697
Number of persons over 65 in Hannibal area receiving social security benefits-----	12, 600
Number of persons over 65 in Moberly area receiving social security benefits-----	13, 568
Social security benefits each month in Nation-----	\$1, 046, 000, 000
Social security benefits each month in Quincy area-----	\$1, 134, 124
Social security benefits each month in Hannibal area-----	\$300, 000
Social security benefits each month in Moberly area-----	\$846, 394
Amount social security benefits per month to persons over 65 in Nation-----	\$863, 000, 000
Amount social security benefits per month to persons over 65 in Quincy area-----	\$1, 007, 900
Amount social security benefits per month to persons over 65 in Hannibal area-----	\$700, 000
Amount social security benefits per month to persons over 65 in Moberly area-----	\$757, 904
	<i>Percent</i>
Percent over 65 in Nation receiving social security benefits-----	77
Percent over 65 in Quincy area receiving social security benefits-----	80
Percent over 65 in Hannibal area receiving social security benefits-----	71
Percent over 65 in Moberly area receiving social security benefits-----	62
Average social security benefit, retired worker, in Nation-----	\$75. 71
Average social security benefit, retired worker, Quincy area-----	\$68. 40
Average social security benefit, retired worker, Hannibal area-----	\$67. 00
Average social security benefit, retired worker, Moberly area-----	\$65. 00

The reason for lower benefits are twofold: (1) earnings are lower; (2) many older people did not have social security coverage during their best earning years.

RETIREMENT INCOME OF THE AGING

<i>The aged in the States</i>		<i>Increase since 1950 (percent)</i>
Illinois.....	1960 974, 923	29. 0
Missouri.....	503, 411	23. 6
<i>The aged as a percent of State population</i>		<i>Percent</i>
National average.....		8. 9
Illinois.....		9. 7
Missouri.....		11. 7

Older persons (65 and over), 17 million in 1960, is expected to reach 25 million by 1980.

Only 25 percent of persons 65 and over have income from employment. However, only 5 percent of this age group have no income from employment or public programs. Four out of five receive income from public programs.

One-third of the aged live in rural areas.

Money income per person—White House conference of aging; almost three-fifths have income less than \$1,000.

In northeast Missouri and west-central Illinois; a sample of 18 percent of persons 65 or over, 75 percent have income more than \$1,000.¹

For the northeast Missouri area, the majority of the aged have saved for their retirement years as evidenced by liquid assets: bonds, securities and savings.

The average savings in banks and savings and loan is approximately \$4,170.

A few have savings in excess of \$10,000.

The majority own their homes.

Area statistics seem to support the White House study in that persons in the retirement ages have more financial assets, and less debt than the population generally.

"The challenge of society is that of creating a climate for meaningful maturity."

"Unless today's planning for the income of the aged takes into account persons who have not reached retirement age, it is possible that today's problems may have to be faced all over again tomorrow."

I have 15 minutes. I would like to finish both of these, if I can.

Mr. Wheeler is with the Lewis County National Farm Organization, Canton, Mo.

Senator LONG. Mr. J. C. Wheeler.

STATEMENT OF J. C. WHEELER, LEWIS COUNTY NATIONAL FARM ORGANIZATION, CANTON, MO.

Mr. WHEELER. Thank you, Mr. Long.

In representing the farmers it seems as though on their retirement end that social security is a great item for them. With the farmers that I have talked to that have already reached the age of retirement, with the lower income that the farmer has had in the last few years, and I believe in statistics and agricultural reports, the average family has lost somewhat of its fair share of the income, from \$3,000 to \$5,000 in the past 10 years, which leaves them in quite an embarrassing situation to pay on social security and feel they have put something in of what they are drawing out.

The National Farmers Organization does not have anything for the aged farmers that have already met retirement, but they are trying to save the family-type farm by raising the farm income. We are in an organized economy now and the National Farmers Organization feels that if they can raise the farmer's income, he can take some of the burden off the Government, off the taxpayers, and try and help the economy out.

¹ Statement deleted by Professor Naggi in his oral presentation.

Vince Resnetter, a banker at Burlington, Nebr., gave a talk in Des Moines last Thursday afternoon, and in his talk he predicted that the economy, the way it is today, possibly it could lead us toward a depression in 1975. And if the farmer can raise his standard of living, get more for his products by organizing as the rest of the economy has done so far, then he will be in a position to help the rural areas, to help everyone, all employment in the rural areas, so they can pay social security toward retirement.

I guess that is about all I have to say, Senator.

Senator LONG. What relation are you to Pat?

Mr. WHEELER. He is my cousin.

Senator LONG. As I understand, I am not quite clear on your statement, so the record may be clear, does your organization favor the farmers still maintaining a connection with the social security system?

Mr. WHEELER. Oh, certainly. But they are concerned with raising the income for the farmer so that he will be in a position to pay more social security toward his retirement in order to pay his own way and not be a burden to the Government.

Senator LONG. I understand now. Well, the farmers have the same problem that all industry has in this area, and that was the point that we mentioned to Professor Naggi a moment ago. The point that he brought out was that if industry and, as you have added now, the farmers as well, if their income can be raised, the social Security benefits will then be greater and we will be in a better position to take care of them in better fashion, our senior citizens, on a family type farm or a small home in town rather than having to live in a dormitory or some other rented room somewhere.

Mr. WHEELER. Our Secretary of Agriculture also spoke before approximately 6,000 people in Des Moines on Friday night, and he seems to be well pleased with the way we are trying to help our own selves and try to take part of the burden off the Government.

Senator LONG. Thank you, Mr. Wheeler.

Mr. Gerald T. Crane, who is president of the Hannibal Trades & Labor Council.

Mr. Crane.

STATEMENT OF GERALD T. CRANE, PRESIDENT, HANNIBAL TRADES & LABOR COUNCIL

Mr. CRANE. Senator Long and members of the committee, first I would like to say that we are happy to be asked to be here to give our little bit in line of thoughts on the problem of the aging.

In my daily work I am connected with a lot of factory workers and it happens to be a seasonal, more or less, line of work, shoemaking. We find that our workers, even though they try to save, can save very little while they are employed. Those that do save a few dollars, usually it is wiped out in the first year or so if they are unfortunate with sickness of any type, that is wiped out through medical and hospital expenses. Based on a minimum wage here, 40 hours, a total of \$46, minus deductions.

Now our people are in favor of increased benefits through social security. They want to pay their way. They want to be dignified people when they retire. They don't want to have to live in blighted

areas, one-room compartments and, in a lot of cases, their children having to help them. And in a lot of cases the working class of people, some of these children are found working back in the same factory that their father or mother worked in, and they have a family of their own and maintaining a livelihood for them, it is pretty much impossible for them to do much to help.

We find that a check through our people, especially in the lower income bracket—and my industry is listed as one of the lowest in the industrial area—it is highly important but it is low in pay, so we find ourselves anywhere from \$65 to \$78.50 on social security. When they leave the factory they then are dropped from hospital and medical care that is being furnished under a group plan in most cases. Then they are subjected to a reexamination, if they could afford to buy insurance, and in most cases they cannot. A few can. I know of some instant cases where an individual here or there were able or fortunate enough to prolong their days and work where they accumulated a small piece of property for a home. Then, after they had spent their years in the factory they retired and on \$65, or less than \$78, they were unable to meet a lot of the necessities of medical and hospital and doctor bills. And I have known of cases where the home was sold or disposed of otherwise to provide some of these things that had to be paid. So that an individual who spent his life in the factory winds up either in a nursing home or dependent on their children, if they have them, or if they are able to take them. If not, they are not under social security, they receive the old-age assistance of \$65, I believe, for Missouri.

We feel that the social security program is the only way where those people can retire in a dignified way with the feeling they have paid their way. They paid their share that was set up by the U.S. Government law.

The Kerr-Mills bill, we are opposed to that because it bounces back into taxation. The State and the U.S. Government has to pay one-half of the cost. We don't feel that that is the type we need because our people would prefer to be in a position from social security based from their earnings that when they needed hospital, medical, or nursing care that it was there and they provided for themselves.

I know in a case, and there are other cases, where an old-age-assistance case was receiving \$65, and the hospital and doctor bills had piled up. In talking to this one individual and others in communication through our people we find the same fee for the doctor in this case as it would have been if someone had a \$10,000-a-year income. It was a standard charge. And even though this party had doctored for a number of years with this particular doctor, we found that the bill was the same. Finally, that person was hospitalized and the large hospital bill piled up. There the individual passed on and the bill was left for these children to pay. It happened to be that the children were among a working class of people, and, to my knowledge, they are still paying on it.

We find in the area that a lot of our people are unable to afford a type of place to live that they would like to have. They live in the more blighted areas or in a crowded rental apartment that is small, and they are not being able to do the things they would like to do. Most of our people want to be sure that when they pay for taxation

and social security that is what their benefits are going to be. A majority of these people, not only the majority, the overwhelming majority would be willing to do more from their present paycheck while they are working to secure some of the protection that they need when they retire. We feel also that \$1,200 top per year on social security should be raised or eliminated if any individual is capable of doing a part-time job. There shouldn't be anything deducted because he made \$1,300 and was fortunate enough to make it. We feel that if there has to be a top, it should go to at least \$2,000.

Industry, when you retire there you are retired because it has to be a full-time employee on most every operation, and there is no way for this retiree to work for an industrial manufacturer on a part-time basis and make part of his way, even though he was fortunate enough to do it. He would have to rely on some part-time job to protect himself other than factory work.

The people who work part time in other areas, such as waitresses and other types of employment covered under social security, would be a benefit because they, too, cannot afford a pension allowance under social security. The wages they make will not allow them or afford them enough to maintain the things that they want along the lines of proper medical care. Sixty-five dollars a month, I actually don't know how an individual could pay rent, have groceries, fuel, lights, and water on their own without help or without missing something somewhere along the lines of food. And then when they get sick out in the world, would they be able to pay a doctor or a hospital bill? It is not there, and they are not able in a lot of cases to pass hospital and medical requirements to get hospitalization after they have been retired and let off the group insurance plan. In other words, if somebody has heart trouble, whatever fixed condition it is, they will not take them, they will underwrite the clause in there that if you go to the hospital or the doctor on that, they will not pay.

So those are the problems and we are for improving that under the social security program.

Again I thank you and the committee very much.

Senator LONG. Thank you, Mr. Crane.

There is nothing understood from your statement about anything in this community for a public housing program or a public nursing program under any of the Federal programs?

Mr. CRANE. That is correct. There is nothing in this community, to my knowledge, even in the formative stage.

Senator LONG. Thank you very much.

(The prepared statement of Mr. Crane follows:)

PREPARED STATEMENT OF GERALD T. CRANE

On behalf of the Hannibal Trades & Labor Council, I wish to thank the subcommittee for inviting me to express some of the views of Labor of Hannibal and vicinity.

Their income situation

January 1961, the monthly benefits paid retired workers for Missouri average \$71.34 or \$2.70 less than the national average. However, approximately 37 percent of these people receive less than \$60 per month. There is a necessity for still increasing the minimum payments under social security also, increase the present \$1,200 per year allowed under the present plan, to a \$2,000 allowance per year before any deductions be made from wages earned.

Hospital and nursing home care

The social security program should be liberalized to include hospital and nursing home care. This to be paid for through the social security program, to allow for hospital nursing home care up to 120 days. Under the present average of social security payments paid to retired workers it is impossible for them to be able to pay for hospital and nursing home care under the present status, which makes a hardship on the relatives of the retired workers to have to foot these bills and in addition to the present living costs.

Their housing situation

"It can safely be said that there would be no housing problem if your elderly could pay the prices or rents for the kind of housing they desire and in locations suitable to their individual situations."

The utilization of Federal housing programs for the elderly in Missouri thus become of particular interest. Under the public housing program only 1 project with 112 units for the elderly has been completed by September 30, 1961, since the program was established by Congress in 1956. There are 2 projects with 580 units in the preconstruction stage.

Only 1 FHA-mortgage guaranteed project with 119 units was in active status as of August 31, 1961. This project is for Raytown, Mo. Two active applications had been received by October 13, 1961, under the newest Federal program, the direct loan program, but only a total of 80 units are planned for Missouri. Congress set up the direct loan program in 1960.

In behalf of the above statements, in behalf of the aging citizens of Missouri, I feel that the Senate Special Committee on Aging should take a positive position, in recommending to the U.S. Senate, improvements in the above mentioned problems, concerning the retired workers.

Senator LONG. This afternoon at 2 o'clock we will have the townhall for the senior citizens where they can come and present their problems, make their statements. We will try to limit the time for them but they do have the opportunity this afternoon to be heard.

I am very grateful to all of you witnesses who have appeared before the committee this morning. Your statements which are on record before the committee will be considered and will be very helpful to us.

Dr. Wyatt Hamlin indicated he would like to speak briefly and show a few slides, but we will not be able to do it. I regret that we have not had more time to have other people appear on the program, if they desired to do so, but we are grateful for all of you coming out with the bad roads and the bad conditions we have outside today.

At this time the committee will be in recess until 2 p.m.

(Whereupon a recess was taken until 2 p.m.)

AFTERNOON SESSION

Senator LONG. The committee will be in order.

This afternoon is the townhall for the senior citizens. As I have said before, and I think I said this morning, our committee feels that our senior citizens, citizens over 65 years of age, are the ones that are more familiar with their problems, they have given more thought to it, they have more interest in it than anyone else, they have given more attention to that problem than any other group, and in this 65-year age and older group there is a great reservoir of talent and experience that the committee wants to benefit from. We want to have your opinions, we want to hear your problems, we want to have your opinions and suggestions as to how they can be remedied, changed. All your statements will be taken down by our reporter there. They are made a part of our permanent record. They will be reported in the

proceedings and will be considered by the staff and full committee when we consider our recommendations to the full Congress.

We are going to have to have coverage this afternoon. I understand they are here. But the way that we want to proceed with this hearing this afternoon, our senior citizens are free to talk about anything they want to, germaneness or so on doesn't apply in this particular case, but I do want to hold your statements to not over 2 or 3 minutes. Maybe we will want to question you about some of them, maybe we won't, but I do ask you to stay as close to that schedule as you can because our time is limited and we must adjourn not later than 4 o'clock. To take more time than that would perhaps keep some other senior citizen from testifying. If after all of the senior citizens are through, those 65 and over, if there is someone else who wants to speak on this program on that basis of 2 or 3 minutes the committee will be glad to hear you. You won't be required to show your birth certificate or we won't check your social security cards, but until all the people over 65 that have talked or testified, we will not permit other witnesses to appear.

Our members of our staff either are or will be out on the floor. If you will hold up your hand we will take your name and call you right in the order. Any of you senior citizens who want to be heard, have a problem you want to tell the committee, hold up your hand and we will get you up here at once. Don't hesitate now to say that you are over 65.

Are there any of you over 65 that have anything to say to the committee?

Mrs. HALLIBO. I would like to be excused because really I don't know what to say, I thought you was just wanting to know the people over 65.

Senator LONG. If you have some problem you want to tell the committee about—

Mrs. HALLIBO (interrupting). I don't think so. I thought they was just wanting the people over 65.

Senator LONG. Mr. Friday.

STATEMENT OF MR. ARTHUR FREDAY

Mr. FREDAY. Senator Long, and ladies and gentlemen, I have been retired for 3 years past and I was wondering if I would have to pass on about this social security how my wife would survive. She draws half as much as I do now, but that isn't enough. If you have to pay rent, which I don't, a lot of people do, and whether there is any means of taking care of that or not.

Senator LONG. You have no insurance policy or anything of that kind?

Mr. FREDAY. Oh, I have insurance.

Senator LONG. I mean medical or hospital insurance of that type that would care for her.

Mr. FREDAY. Yes, I have a little.

Senator LONG. What would her pension be?

Mr. FREDAY. Well, me and her draws enough to get by on, just barely, we have to skip our corners to get by on.

Senator LONG. She would get 82½ percent of yours.

Mr. FREDAY. Besides hers?

Senator LONG. No, that would be hers. Whatever yours would be, she would not get the combined, she would get 82½ percent of it.

Mr. FREDAY. Thank you.

Senator LONG. Mr. Jules Conote.

STATEMENT OF JULES CONOTE, PUBLIC ADMINISTRATOR

Mr. CONOTE. Mr. Senator, that's what I wanted to talk to you about. I am 75 years old in May and I qualify under the 65-year plan. I don't have any gripe myself, I am not bragging, I am very well taken care of on the railroad retirement and this little job I have, but I wanted to talk to you about some of the people that only get \$65 a month.

Senator LONG. The committee will be glad to hear you.

Mr. CONOTE. I will not try to use over 3 minutes, if I do, you just hold your finger up and I'll quit talking, but I made some notes. I didn't know what I was going to run into; nobody ever told me how the meeting was going to be conducted or I could have fixed the thing up in a little better shape than it is now.

Senator LONG. You are the public administrator of Marion County?

Mr. CONOTE. Yes, sir, and I represent a lot of people that are over 65 years old. I am guardian and I have also been administrator of some of the estates, but I want to talk to you about one Mildred Graves. She is a girl, not a girl, she is an old woman, and she gets \$65 a month. We have her in a rest home up at Palmyra and that's all the money she can possibly get, and you just can't hardly keep them in a rest home for \$65. They just ride me to death for more money but I don't have it and there is no way to get it and we just have to use the county medical doctor to kind of put a little heat on these people to make them take them for \$65; they can't keep them for that.

I have another woman who gets \$65 a month; we've got her in a rest home and all we can give the rest home is \$65. They have told me to come get her a half a dozen times, but where am I going to take her? So I have to talk to the doctor to convince him that he has to help me keep them in there.

Then I have a fellow by the name of Walter Rose. The Missouri welfare program gives him \$100 a month, so starting the first of December he is going to get \$117 a month from social security. I put him in a rest home yesterday and we are paying \$125 to keep him, so the welfare now is going to drop him back to \$65. I will get \$117 from social security and \$65 from the welfare to try to take care of him. I've got a fellow by the name of Richard Gibson. He gets \$78.75 from the Veterans' Administration as an Army pension and the welfare allows me \$65 for him.

Now these poor unfortunates up here that's worked all their life and paid taxes and things like that can only get \$65, and this Richard Gibson, without going into scandal, if he ever done a day's work in his life I never knew it. He never served a day in the U.S. Army in his life but he is still getting \$78.75 from the Army and he is getting \$65 a month from welfare.

Now there are a few of the things that I think ought to be investigated and probably your committee might be able to do that. About, oh, it has been almost a year ago when this question came up, they tried to call it socialized medicine, but I resent that. It is a pension, is what it is, it is health insurance, and I carry it myself and I don't say this bragging because I have a hard time making it myself. I pay \$38.85 a month for my protection in the hospital and doctor's protection. I just come out of the hospital in May, I had an operation, the first one I have had in 74 years, so I think I was fortunate. My hospital bill was over \$1,100, and my doctor bill was within a fraction of \$500, and how can people who are getting \$65 a month take care of those things?

Now, you discussed everything here this morning from soup to nuts and I should stay here a week to get the dope on the things they mentioned here this morning, you couldn't get it in less than 7 days. There are a lot of things I could talk to you about. I have been active in this community all my life. I have tried to get industry in here. I have tried to keep what we have, and I have spent 50 years of my life working for somebody else trying to help the unfortunate. There are a lot of people in this country, including people more intelligent than I am, that can't come in here and intelligently present their claim, and in that way they don't get taken care of. It is the people who have somebody lobbying for them and have somebody looking out for them, and to discuss a little something that is not too favorable over in our State legislature this last session. My good friend George Pace, and I like him, he is a good personal friend of mine, he goes over there and he raises his salary from \$150 a month to \$400 a month. He gets \$10 a day for answering rollcall, he gets two paid round trips from Jefferson City to Hannibal, and when they introduced a bill to raise old age assistance from \$65 to \$74 they threw it out the window and said they couldn't find the money.

Now, those are the things that hurts us poor people and us common people and you can't find very many people that will get up and say the things I am saying because I will get the heat put on me, but they can't hurt me, they have tried it at the Burlington. They even told the Burlington management they wouldn't ship on the Burlington as long as I worked for them because I tried to help somebody that couldn't help themselves, the policemen and firemen. I never said an unkind word about anybody in Hannibal, but there was a dozen people told the superintendent of the railroad they will never ship as long as Joe Conote works for you. The same thing with the doctors. I'd like to answer them, but if you do you just aren't going to have any doctors. I had a doctor refuse to go to a rest home to take care of an old person who was only getting \$65 a month. That's the reason you have to be careful what you say because if you don't, and you are working for somebody, they will put the heat on your employer and you won't be there.

I just say those few things to you. I wrote Tom Henny, I wrote Senator Symington, I wrote Clarence Cannon, I wrote the chairman of the Welfare Committee in Washington, and I wrote the Health and Welfare Chairman who went before the committee and said, "Mr. President, I would like for you to pass this law because it is going to hurt the insurance companies." I wrote them and gave them five cases.

I have represented people of all descriptions. I represented an old man who was a Spanish-American War veteran. They called me up at the rest home and said he should go to the hospital. They took him to the hospital, the doctor charged \$5 for going out there and looking at him, and the ambulance driver told me he won't live 24 hours—he died in 23 hours—and the same doctor turned in a bill of \$15 for visiting him twice in his room in the 23 hours he was there. Now poor people can't stand that, Mr. Senator, and your committee—that is something that should be investigated, but when you do you are going to get somebody in trouble.

Senator LONG. Mr. Conote, thank you so much.

You don't look like you are 65, and you say you are 75?

Mr. CONOTE. I will be the 25th of May. We just observed our 50th wedding anniversary a couple of weeks ago.

Senator LONG. What I want to point out is that you indicate the age of retirement is 65, as an arbitrary figure, can't be right sometimes.

Mr. CONOTE. I have been retired in May 10 years.

Senator LONG. But you are still going strong, and maybe there shouldn't be an arbitrary figure all the time.

Mr. CONOTE. I am a little bit bald, but I am not gray; that's what a lot of people look at, my hair.

Senator LONG. Mr. Lucas Altheide.

STATEMENT OF LUCAS ALTHEIDE

Mr. ALTHEIDE. I am 68 years old and I am retired and it is not bothering me at all because I have facilities to take care of myself, but I am asking about an old uncle and an aunt I have that lives in Quincy. He is 95 years old and if he lives to the 19th day of January he will be 96; my aunt is 91. They have no children. He is a retired stonemason, and of course when social security came along he was past getting it. Now, whether he gets anything or not now, I don't know, and I was just wondering whether that could be looked into.

Senator LONG. The committee will be glad to look into it and consider it in every way we can. I take it you have talked to your representatives from the social security department; there was one of them here this morning I talked to, and if he is here I am sure he'd be glad to discuss your problem with you.

Mr. ALTHEIDE. You see, he was beyond social security when it come in in 1936; you see his age was past 65 then.

Senator LONG. Of course, he wouldn't come under the benefits of it at this time.

Mr. ALTHEIDE. No; no, sir. Thank you.

Senator LONG. Thank you.

Is there anyone else 65 or over who desires to be heard?

They said our percentage was high, but apparently our senior citizens—it is too bad a day for them to be out.

Is there anyone else? I see Ray McIntyre back there and he looks 65, but he's not; he's just had a hard life.

Is there anyone else, then, who would care to make any statement to the committee irrespective of your age?

Just give the gentleman your name right there, and we will call you.

STATEMENT OF GEORGE DIRGA

Mr. DIRGA. I tell you, I am not a beefing about the amount of pension I get, or my wife either, but I am a retired Burlington man. My wife is a piano teacher and she established social security that way. Well, when she got old enough to draw social security they immediately took part of it off of social security, so now she gets two checks instead of one, but she don't get any more money. Well, now, she paid in on that and I paid in on the railroad pension, so I wonder why that is. I would like for somebody to explain it.

Senator LONG. Well, of course, I can't explain it because that's actually not the purpose of our committee. We will take your testimony down and if there are any of the social security people here that will talk to you, I am sure they will.

Mr. Frank Maher, Louisiana, commonly called "Friendly Frank," if you read about him in the paper.

STATEMENT OF FRANK MAHER

Mr. MAHER. Senator, it is a pleasure to talk before your committee today. I want to thank you for your special effort in bringing this up here in northeast Missouri where we seem to be at the end of the line, but through your good efforts we are doing a better job on Federal Housing Administration loans now. I don't know whether the people of this area have been aware, but this area has been denied the facilities of Federal Housing Administration loans up to the time that you went into office. We wrote to you about it, and we immediately received word from Neil Hardy that you had been in contact with him, Mr. Neil Hardy, being the gentleman in charge of the Federal Housing Administration program, and as a result of that we are securing more FHA approvals. This brings us to the point of the aged, and in 1970, according to all of the projectors in America, including Cramer, the managing editor of Business Week, he says that we will have 200 million people in America in 1970 and this will constitute 60 million households. In this group within the next 5 years approximately 2 million more people, age 55, will become heads of households. The biggest segment in America today that represents an opportunity for housing for our particular industry is this group that is coming into the age 55 and over group.

Now here is a problem that faces the man that's close to 65 or who is just over 65. We have a program set up in Washington through the Federal Housing Administration to provide housing for these people on a minimum basis which is very sound, but we have not been able to overcome a problem which a number of people, age 65 and over, have presented to us and that is that they have young people who are willing to provide them with this minimal housing, that is, where they can have a nice two-bedroom home on a nice lot for approximately \$8,900, that the Federal Housing Administration does not provide a means for this particular group to be able to live in a house like that even though the young people that are their children or who are related to them closely would be willing to sign the note for such a home. Now, some of the people like Mr. Freday here, I talked with him before the conference, and he has \$200 a month.

Let's take his case. He owns his own home, and it is free and clear, but let's presume he was paying \$50 a month toward rent. He could very well be putting that toward a home, and the thing that we are aiming for and hoping that we can secure through your offices and through your assistance, and we certainly want to see you reelected so that this can come about, would be that we would have the opportunity of providing this minimal housing for the folks who are in this older age bracket.

Now, FHA has been most liberal and very kind to the young people but something possibly can be done to project into the FHA office a program whereby the young people who represent the direct relatives of the older folks can sign for them. Now, you know FHA regulations say that, as an example, for my father, I could not sign a note for him with FHA. The people who sign the note must live in the house.

That's my program. I want to thank you, Senator, for all of our people in this particular area for the fine job you are doing.

Senator LONG. Frank, thank you so much; we appreciate your coming. I didn't know of that problem you mentioned, but certainly our committee will consider it. Since I am also a member of the Housing Subcommittee and the Banking and Currency Committee of the Senate, that has direct authority over this committee, we will immediately check into in and see what can be done.

Mr. C. A. Troutman.

STATEMENT OF C. A. TROUTMAN

Mr. TROUTMAN. Thank you, Senator, and the committee for the privilege of speaking to you at this time.

I built up a fairly good annuity while I was employed in the Post Office, but it is slowly being eaten up by doctor and medical bills, and I find it a little bit hard, and this is what I am particularly interested in personally, but I do know a great many people that do not have the annuity that I have built up or purchased that are suffering from this very same thing. What I am particularly interested in is the medical and drug bills that we are facing at this time. They are enormous if you have had any of that, even your hospitalization that you purchase, so that's the one thing I am particularly interested in, the medical and the drug bills.

I thank you.

Senator LONG. Thank you, Mr. Troutman.

Marguerite Ward, I believe it is.

STATEMENT OF MRS. MARGUERITE WARD

Mrs. WARD. Well, I was getting a small pension of \$25 a month and as I have \$44.20 social security, they discontinued my pension I was getting, and I would like to have that much anyway to pay for my doctor bill and my medical bill. And I still owe my hospital bill.

Senator LONG. Do you live by yourself?

Mrs. WARD. No, sir; I live with my daughter. She works in the factory.

Senator LONG. That's one of the problems that your State welfare offices have had. It is a problem we have in the Federal system, too, as to considering the entire income of the entire household and reaching the basis of need. Apparently you are drawing all of the social security benefit that you can, that's not on that basis.

The \$25 that you were receiving is a supplemental grant from the State?

Mrs. WARD. Yes, sir, and if I could have that much pension I'd be satisfied.

Senator LONG. Of course, it is not within the purview of this committee to say that you can or you can't. It is our purpose, of course, to hear the testimony and complaints and the suggestions that are made and take them back to the full Congress, and we certainly appreciate your giving and telling us of your experience, and it will be made a part of our record and we will submit it to the full committee later on.

Are there any other people who desire to testify, who desire to make any statement to the committee?

Would you care to make any statement to the committee, any of you?

STATEMENT OF ANTHONY C. SCHROEDER

Mr. SCHROEDER. Mr. Senator, members of the committee—

Senator LONG. May we have your name?

Mr. SCHROEDER. Anthony C. Schroeder, of Union, Mo.

Senator LONG. It seems like I have seen your name around on billboards.

Mr. SCHROEDER. Yes, sir, I think you have.

Several items that I have heard in my travels this year, one is the question as to why discussions of this type weren't handled more generally on the floor of Congress. Now, I have heard a Congressman from our State say that it has been requested several times. Well, when the Secretary of Health, Education, and Welfare makes a statement or puts a release out that such and such is needed in the way of public welfare, then goes on to the next city, why couldn't items of this nature be debated by these Members who represent us in Congress and in the Senate and let that information from the floor of Congress be heard by the public generally? Now, that's one question.

Another question along this aid for the aged, I have talked with my doctor at home and he informs me that the folks who are more in need of medical aid than are the older folks are people in my age group. He says you should see the list of those who seem to think that they might need to go bankrupt to pay for their medical bills and things like that. Now, I wouldn't be one in that group; I have my doctor bill current, but that is another question that I think should surely be discussed, and is it really true that the folks over 65 are in need of this aid.

One other thing that I wonder when we speak of the young or the middle aged or the old, why couldn't we encourage working together as a family when these cases do come up where there is additional medical aid needed? That's just several items for question and thought, and whether we could get an answer to that this afternoon would be questionable, but I would subscribe to this idea that problems or items of this type be discussed right out there on the floor of Congress and let it be heard as to what both sides, for or against it, think in terms of having been elected to represent us. The folks who have been elected to the House or to the Senate discuss it out there on the floor of Congress as originally intended, that is my idea.

Thank you, Senator Long.

Senator LONG. Thank you, Mr. Schroeder. I think there is certainly a lot of merit to your suggestions. Of course, our Government, both State and Federal, has grown to such an extent that it is impossible to debate each single item as we should on the floor. The Senate and the House stay in sessions, as you know, hours every day from 12 to 8 or 9 or 10 at night, and on the committee systems that are used the various committees of the Senate and the House do hear the witnesses as we are hearing now. Then they make their recommendations, and then those matters are debated. As I recall, the housing bill, many points that are of vital interest to us here were discussed on the Committee of the House for several days and the attendance on the floor was very heavy during those debates, but the preparation for it and for all our legislation is generally in committees where the most attention can be given to it, especially to the technical sides of it. I am concerned a little, too, about your statement of the over 65 as to whether they need aid or not.

The doctors and I had some discussion this morning about the amount of their income. When we look at some of the statistics that have been given to us and we find that many of our senior citizens are on welfare rolls with only \$65 a month income, I am sure any of us can see and agree that they do need some attention for medical aid. The doctors themselves carry quite a burden in doing the great amount of charity work that they do, and they are to be complimented for that. The public groups, the different agencies do a great deal of work of that kind, too, but that still doesn't give that senior citizen the feeling that he is being part of the work himself. He is having to depend on other agencies and other groups for his help, assistance, which is definitely what he doesn't want according to the testimony the committees have heard from the various parts of the country.

Does anyone else desire to be heard?

Mrs. Maddox.

STATEMENT OF MRS. NOLE MADDOX

Mrs. MADDOX. That's right. I don't know whether I should say anything or not, but I know that my social security isn't sufficient to keep up a home and pay doctor bills. My husband paid into social

security until he died and, well, up until 3 years before he died and retired, and I don't get any of his social security or any help otherwise, I mean, you know, just my income that I have, and I have a small pension from the factory.

Senator LONG. Do you live alone, Mrs. Maddox?

Mrs. MADDOX. I live alone and pay rent.

Senator LONG. If you had some additional income you would much prefer to live alone?

Mrs. MADDOX. Oh, yes, much more so. I have sugar diabetes, and I have to have a special diet and medicine.

Senator LONG. Do you have difficulty paying your doctor and medical bills out of your pension?

Mrs. MADDOX. Yes, I do. I don't go to the doctor because I can't afford to.

Senator LONG. But you do need medical attention?

Mrs. MADDOX. Yes, that's right.

Senator LONG. Thank you very much, Mrs. Maddox.

The problem that you have suggested is one that is of very much concern to the committee since we are studying the subject of retirement income, and that it is much more desirable, many of us feel, that the older person live in their own home, maintain their own independence, live among their friends, and they are being forced to go to nursing homes or boarding homes, other places of that kind, where they can perhaps exist with a smaller income. That's one of the problems that our country faces with the great increase in number of senior citizens.

Thank you so much for your statement.

Doctor Strong.

STATEMENT OF DR. RICHARD STRONG, MEMBER OF THE MEDICAL SOCIETY

Dr. STRONG. Senator Long, members of the committee, I appreciate this opportunity to speak to you for a moment. I am a member, as my connotation denotes, of the Medical Society, and sometimes I fear as a group that is a maligned society by word of mouth. I know most of these folks here and many of the oldsters, and as an individual I like to feel that I am relatively well thought of.

I have three things I would like to bring before the committee concerning primarily medical care to the aged. I think without question to a degree this is a necessity, and the mode by which this medical care can be ascertained is the most important factor that I think confronts us. It has been brought up by two of our older people here, two important points that we must consider. No. 1, I think, was brought up by the gentleman who had two old relatives in Quincy who did not fall under social security, and it has been shown by statistics we have brought forth within the last 2 weeks that in our particular sector only 53 percent of people beyond the age of 65 would be covered by any social security program for medical care. This leaves 47 percent that will be completely uncovered in medical care to

the aged as instituted through the social security program. What, then, is to be done for these people over 65 in this 47 percent group?

I do not want to go into a political harangue because I am far more at home in the operating room than I am on the speaking podium, however, I do feel that the present proposal that is at least being bantered about, the King-Anderson bill, which provides medical care to the aged through the social security program will fall far short of the actual achieving of its goal, whereas the Kerr-Mills bill, which is already a law and which need only be instituted by our State, will take care of all of those 65 and over that need medical attention.

The second point I would like to make is why is there a limitation on the oldster as to the amount of money he can make by honest work and still receive social security? We talk about the dignity of the elders and the dignity of the middle-aged people. There are many oldsters I know who are perfectly willing to pay their way, who are perfectly capable of working and earning money, but if they earned beyond a certain amount which is barely enough to keep body and soul together their social security checks stop coming. I think they should be allowed to make whatever they can.

Thirdly, in defense of my profession, I for one have never refused, and you should never say never in medicine, but I have never refused to care for anyone 65 or older because of the fact they did not have or make more than \$65 a month. I have refused to care for people 65 and older but never for financial reason.

Thank you very much, Senator.

Senator LONG. Dr. Strong, thank you for a very helpful statement.

Doctor, I would like to ask you one or two questions. You indicated in your statement that the King-Anderson bill would fall far short in providing the medical coverage. Would you care to elaborate on that a little?

Dr. STRONG. From what I know of it, Senator, as I understand it, the King-Anderson bill is to be medical care through social security or through the social security program.

Senator LONG. That is the general way it is described, yes.

Dr. STRONG. Then any elderly person who has not been under social security would not receive any benefit from this bill. That's where I mean it would fall short. For instance, the gentleman here who was referring to his elderly aunt and uncle in Quincy who have never been under social security, social security care to the aged would be of no benefit to them whatsoever, and in our particular county area in north-east Missouri, that runs to about 47 percent of the people 65 and above.

Senator LONG. You know there are estimates that within the next 10 years the number of people becoming qualified for social security will increase to about 90 or 95 percent?

Dr. STRONG. Yes, sir, I do know that.

Senator LONG. Doctor, the only other point I would like to make for the record, it seems to me that it is important to be brought in, is that many of us think that the King-Anderson bill and the Kerr-Mills bill complement each other, that they work together. The Kerr-Mills bill fills the need that you mentioned there, the people who are not covered

by social security, but there are so many parts of that that are desirable to our senior citizens and which does place the burden of a direct tax for about half of it on us in the State by way of State taxes, and it must come out of our general revenue.

The King-Anderson bill, half of that is paid by the individuals themselves during their working years and has accumulated there. Do you see that there is, that they do compliment each other, that they do fit together in an overall program?

Dr. STRONG. I do, sir, but the King-Anderson bill, I feel, places too much emphasis on centralized medical care, actually administered by the Federal Government, whereas there is considerably less centralization in the Kerr-Mills bill handled at a local, county, and State level, so that it allows us to distribute this care and to administer it ourselves rather than having the Federal Government allocate and administer it.

Senator LONG. When you said administer it ourselves, the Federal Government is involved in the Kerr-Mills bill to the tune of at least 50 percent, so I don't quite follow your reasoning.

Let me ask you this. I didn't ask the other doctors this morning and I am not attempting to be argumentative, but isn't it the feeling, though, of the doctors that actually that both these bills, may be the lesser of the two evils, that there is a possibility of not what the bills themselves do now, but they are apprehensive of the future for them, that they themselves are not socialized medicine but that they might lead to that?

Dr. STRONG. I would have to answer that personally, Senator Long. My own personal answer to your inquiry is "Yes."

Senator LONG. I want to reiterate again what I said this morning in case you weren't here, that I am as strongly opposed to socialized medicine as you are, and I think anyone in this room is, and as you were kind enough to say in your opening statement, we have this problem, and there are different approaches to it. Some would want to go one way and some another. I am happy that we can be in a place like this where it can be freely and openly discussed.

You mentioned you didn't want to be political about it and certainly we don't either. I have tried every way not to inject politics into the hearings because as I have told some of them, our Republican friends get old just as we Democrats do, it is a universal problem for all of us, and it isn't a political question at all. Doctor, thank you very much for your statement.

Mrs. Robert Cary.

STATEMENT OF MRS. ROBERT CARY, REGISTERED NURSE

Senator LONG. Mrs. Cary, I am sure you are a long way from 65.

Mrs. CARY. That's true, Senator Long. The only thing I am interested in here, I serve with Dr. Kuntz and Dr. Sprangler in geriatrics at our church. My background for this is that I am a registered nurse. I have no further education in this because it is not offered as yet, but I specialized in nursing of the aged. From 1958 to 1959

I was at St. Elizabeths Hospital here and then my husband was called into service for 2 years in New York and I spent 2 years at Orangeburg State Hospital in New York in psychiatric nursing for the aged.

The only thing I am expressing, I happen to be the wife of a professional man, a dentist, and the opinions I am expressing are those as a registered nurse and none other. I have never seen a hospital, private, when I did work here or at larger hospitals, I have never seen a hospital refuse a charity case. It is a moral as well as a Christian obligation to take charity cases, except in some instances in larger areas such as St. Louis or large cities where there are charity hospitals. It is also a doctor's moral obligation to treat a patient when possible unless there is some specific case where the person should be referred to a specialist or a personality problem with the patient or something like this. But the things that I was interested in this morning, we spoke of the dignity of the aged which by all means they should have, but I feel that it is the responsibility first of children to help their parents when possible. I think that many people in my age bracket feel that when their parents approach their elderly late years that we should help them as much as possible, and of course this is different when there is no support and when their income is very small, but we have been speaking of medical and drug bills. Well, I think this would be a parallel to buying a home or a car or anything else. Everybody has a great many bills, but doing without food and essentials to pay medical bills, I wonder how many doctors have written off into the thousands of dollars the charity cases that they have taken care of or if the professional men did know that people were on a pension or social security and that the person could not afford it, if they were told this I am sure the bills would be accordingly adjusted to the person's income. Charity work versus socialized medicine is another point. I think most people realize there is a problem and something will have to be done about it. Being a housewife I am not real familiar with your bills, but I do think that a lot of people over 65 do have an income or do have relatives that can help them. If there is no help, then maybe it is up to the Federal Government to do it, but I don't think that hospitals or doctors are trying to take people for a ride.

Senator LONG. Thank you, Mrs. Cary. I am confident they are not either. Certainly there is no group of individuals or no business that we call hospital business that has done more charity work than they do, but the thing that's in my mind is that perhaps it is unfair to them as professional men or to a local hospital that is supported generally from trust funds or from public taxation to place so heavy a burden of charitable work on them, and when we refer to the dignity of the individual, it is the charity situation we are trying to get away from. I am confident that any doctor would treat a patient if they were in

need, but it lowers your dignity somewhat if it is necessary that you go to a doctor, and tell him you are on charity. Many can't do it. They would rather have a paid-up insurance policy, whether it is Federal Government or private, but where they do have that independence that they want.

Thank you so much.

One thing I wanted to ask you. You mentioned that you had done some work as a psychiatric nurse with older people. Do you have some idea as to what the problems are that worry our older citizens more than anything else?

Mrs. CARY. Well, I also had a psychiatric ward, to a degree, in St. Louis. Loneliness, I think, is far greater a problem of the elderly person, that is, without relatives or without relatives that are interested in them. Loneliness, I would say, is the greatest factor of all.

Senator LONG. I do notice that you felt that the children should take care of the parents, and I know many people feel that way, but in many cases the parents don't feel that way. That's the independence they want.

Mrs. CARY. I don't mean that at all, I am sorry, I am not used to public speaking. I know with our parents, they are financially independent at this time, but as they get along in years, say they would have a medical problem or something where they would need to stay with us or live with us, this would be the way I would want it to be.

Senator LONG. I am sure that you would, and I would, too, but I am concerned about whether your parents would want it.

Mrs. CARY. If they wouldn't want it that would be fine.

Senator LONG. They would want the independence on their own income, I believe.

Mrs. CARY. I think if the children could help them physically, giving them friendship and all, I think this is more important than all the money in the world you can give to them.

Senator LONG. I agree with you entirely. Thank you so much.

Is there anyone else now who has any desire to make a statement to the committee?

Come around, sir.

STATEMENT OF HAROLD COSTON, ADMINISTRATOR OF LEVERING HOSPITAL

Mr. Coston. I am presenting local testimony although I am also a trustee of the Missouri Hospital Association and on the advisory committee of Blue Cross, and some of what I have in the way of figures will be of interest to you. They don't represent sampling, they represent a total study for a period of 6 months of actual experience in our hospital. They are significant, I think, from several standpoints.

TABLE I.—*Analysis, 65 or older admissions versus all admissions: January-June 1961*

	Number of patients	Hospital days	Day-average stay	Total charges	Average bill	Payment by vendor	Payment by city	Patient	Family	Blue Cross	Other insurance	Other ¹	Charity	Balance due
65 and over -----	480	5,058	10.54	\$123,332.38	\$256.94	\$12,144.72	\$998.65	\$28,900.24	\$8,143.67	\$27,911.42	\$11,245.00	\$672.42	\$426.81	\$12,889.39
All inpatients ----	³ 1,742	⁴ 12,556	7.21	⁵ 299,633.11	172.00	⁶ 15,067.88	⁷ 1,545.80	-----	-----	⁸ 73,077.50	-----	-----	⁹ 630.94	-----

¹ This "other" consists of blood returned, courtesy, compensation, etc.

² 23 percent of total charges.

³ 27.5 percent.

⁴ 40 percent.

⁵ 41 percent.

⁶ 80.6 percent (other 19.4 percent to ADC and disabled persons).

⁷ 65 percent.

⁸ 24 percent of total charges.

⁹ 68 percent of charity, 65 and over.

To the 65 and older age group we are rendering in our hospital 41 percent of our total care to those people that are 65 and over. Now, I said 41 percent of our care and it goes to 40 percent of the days of that care go to the people who are 65 and older. Now this is significant in this regard, too, perhaps to back up what you just said indirectly. Our bills for the age 65 and older average \$256.94 for their stay while in the hospital. For all patients it averaged \$172. Now, we don't charge patients, as is often the misconception, on the basis of their means to pay, as is sometimes insinuated. Our bills and charges are based on actual services rendered, and I think it very clearly points out the fact that these people are either sicker when they come, they receive more intensified care, and it represents a true rendering of the quality of care that their medical condition needs. I know that the implication is because they get a total bill sometimes which is sizable and they can't take care of that, they are being robbed. I think this is a feeling that all of us have when we don't have adequate provisions for taking care of it.

Since Blue Cross, or the free way of providing, you might say, an advance for hospitalization, has actually not been on the market perhaps as long as social security and some of the other things, I think it is revealing, though, that this age 65 and older do have, or at least 23 percent of them did have Blue Cross. We also have other insurances to come into the picture, assuming a total obligation toward the total bill of 31 percent.

Senator LONG. Is that 31 percent in addition to the 23?

Mr. COSTON. That is 31 percent of the total bill charged to the individual.

Senator LONG. Is that in addition to the 23?

Mr. COSTON. No, sir; this is the total, 23 for Blue Cross and the other commercials bring it up to 31.

Senator LONG. I see.

Mr. COSTON. We do find that the Federal programs supplemented by the State as they now exist also helped 9.5 percent.

Now, my primary purpose, however, is to also state our charity loads. Of the total that we carry, 68 percent of it went to the 65 and older, but there is also charity, obviously, we are rendering on the other end of this. Now, we work with every source very closely, and not to take away from testimony presented this morning, sometimes to allow the honorable way out, and perhaps also to make them eligible for some existing governmental programs, local, State, or Federal. We do sometimes take people's real estate as partial settlement, and I would like to state one perfect example. We have an accumulated bill for one lady, and a phone call at lunch I find out that she now has been placed, but over a period of 3 years she has run up with us a total bill of over \$8,000. She has come to us in each instance and the question here is her next breath may be the last. Now it is a question of we accepted the real estate. Appropriate values were placed on it, estimates rendered, and we thought the property was worth about \$2,000 which we accepted against the bill. On actual sale and after expenses of sale and so on, we have actually returned for the hospital \$700. Well, this doesn't go very far taking care of that one individual's obligations of \$8,000. Now, what I am getting around to is that I believe on behalf of our hospital and all hospitals that we do

render care on the basis of medical need, however, with the percentages that I have cited to you here on the age 65 and older that we have, we are left with 10 percent of it that is still unpaid. I would dare say that there probably aren't 10 percent of the hospitals in the United States that do have even endowments of any size that it makes much difference in the way of overcoming this indebtedness. We are paid by everybody on the basis of cost. This is the basis of Blue Cross, it is the basis of other plans, many of them less than cost, so the hospital in our community is left with 10 percent of the bill to come up with from somewhere.

Now, if we are giving 41 percent of this care to the 65 and older, and by every means possible we come up with, there is only one answer. If we can't get the additional funds, that is to render a difference in the relative value of quality. Now this is something that I don't know that anybody does, and I hope that some ways can be found that these matters can be solved so that we don't have to introduce the question of quality.

One other personal example, and I will give you my statistics here if they are of any help, we had a case that was brought to us as being a gentleman in his seventies, as I recall, a lifetime diabetic in need of probably amputation of both lower extremities. Now we can't turn someone like that away knowing that his hospitalization may extend into several months and perhaps several thousand dollars. We didn't turn him away, we accepted him, and through all our sources we were able to pay about \$75 toward his bill. Now in pursuing all of our local sources and trying to pursue the local government to help overcome this, certainly it is a problem for the total community, not for the sick people of the community, and we have no other place to pass these bills along other than paying patients. Now in pursuing that we are told that the only other way to do it is either to turn the individual down or to change the quality of care that that individual should be rendered, and we hope that some way can be found that we won't be guilty of jeopardizing the quality of people's care.

Really I can't speak on behalf of hospitals, generally, but I think this is the plea we are making, certainly for our own hospital, that we be allowed to continue the same quality care for every member of the community and without placing the burden for this care on those who are the present-day wage earners.

Senator LONG. Mr. Coston, did I understand that your total cost of operating your hospital is applied onto the paying patients, in other words, the paying patients make up the difference, they carry their part of each charity case you have?

Mr. COSTON. All but 6 percent of the hospitals are operated on a nonprofit basis. They are in business to render care. From all of their sources that they are able to get help from they attempt to balance the budget at the end of the year. There is no other source.

Senator LONG. There are no other—

Mr. COSTON (interrupting). There is no one we can turn to to make up for these losses. It is a question that some of this has to be passed on to the paying patient. Now when we are rendering 41 percent of this to a group who, in essence, cannot meet their costs as it is, then it is the other 60 percent who is having to come up with their 10 percent, too.

Senator LONG. In other words, if you didn't have these charity cases or these people who are now charity cases had the money to pay their hospital bills, the average hospital bill then would be much lower?

Mr. COSTON. That's correct, and then this helps keep the total cost down.

Senator LONG. Would you say as much as 50 percent, 40 percent?

Mr. COSTON. It is 41 percent of our actual care rendered.

Senator LONG. Would you estimate, then, if we had no charity patients or they all had the means with which to pay your hospital costs that our total bills would be reduced approximately 50 percent?

Mr. COSTON. At least in our hospital some 10 or 20 percent less charges would have to be charged toward the patients.

Senator LONG. You are a nonprofit organization?

Mr. COSTON. Yes, sir.

Senator LONG. Thank you very much, sir.

Does anyone else now desire to make any statement to the committee at this time?

If so, speak now or forever hold your peace, because we are going to adjourn if you don't.

Thank you very much for being here. Your statements have been very helpful to us, and as I indicated to you before, they will all be made a part of the permanent record of the committee, and they will be studied by our staff and by the committee itself.

STATEMENT OF MRS. FRED HELBING

Mrs. HELBING. I am Mrs. Helbing. I have written you quite a few letters, Senator, and I thank you for your answers.

Senator LONG. We appreciate your writing.

Mrs. HELBING. First I would like to say my husband is not a doctor nor any of my family. I feel, though, sometimes that we ought to say a little bit for our doctors. We have four children, and we have had a great deal of sickness. I never called upon my doctor, whether it be 2 or 3 o'clock in the morning, that he hasn't always answered and he has made my call. I often have disagreements with my friends about the cost of an office call to our doctor. Over the past 10 years, for a while we were averaging two children a week with a great deal of sickness, and my medical bills were high, but I can't see that they were so high in comparison to the well-being of my own children. To me that is much more important.

Another thing I would like to say, I wonder if we realize some times the cost of educating our doctors, also of setting up his practice, of the instruments that he buys. Now some of you may say, well, this isn't quite on the subject. I feel it is. Just like the hospitals, everything is going up today, there is no question about it, but don't you think, if I was addressing the public, don't you think that we pay more on our grocery bill weekly than we do maybe this doctor? Maybe we will go along maybe 2 months, then all of a sudden I need a doctor and maybe it does run to a great deal.

Another thing, you mentioned the youth this morning of our country. Maybe it isn't the youth, maybe it is the parent that we ought to be thinking about, parents such as myself at my age standing here

today. We are losing something of the greatness of our country when we do not stress to our children the caring of our parents. You said the parents don't want that. I love old people, I have worked a great deal with them. I have visited the old folks homes, a number of them here at Hannibal, and I find, as Mrs. Cary said, I think they are lonely and I think they want love. Now, true, there is a percentage that would not maybe want this, but I still think there is a lot of love that they want of their own children.

Another thing was stressed. I believe that it will be better if we have this bill in our community or in our own State. Are we forgetting that we, as individuals, should take part in our government by writing letters, and so forth, by standing up and speaking, and having the right to do this today?

Another thing I would like to say, I don't think that all of us go to bed, how shall I put it, 1 night and get up the next morning 65. I realize we have a certain problem here, a certain percentage, but I do think that even at my age we must be looking ahead, not that my children should care for me, but the fact that I must realize it is coming. As I say, we have that percentage, but I do feel that we must be ready and we must remember that.

That is about all I have to say, except I would like to stress I still think that we have, as the youth or the older we are becoming, we have a responsibility we have to take also.

Senator LONG. I am wondering since you have taken an interest in our older people, have you given any thought to how their medical and hospital bills should be paid? Perhaps there should be some thought and preparation toward this, but in case they haven't—

Mrs. HELBING (interrupting). I think it should still be a State thing. I would be very glad if these bills go through to pay more taxes for this reason.

Senator LONG. You would suggest, then, that the entire health and hospital program be paid under State administration?

Mrs. HELBING. I think that our people do not understand these bills a great deal. I have had people say to me I do not have the education to write to Senator Long or Senator Symington, and I said, well, if you will state your opinion, that's what he is interested in or ask him his.

Senator LONG. That's exactly right. But this is the first time we have had a suggestion of having the State carry the entire burden. Have you given any thought, the immediate thing you are asked about, then, is should it be paid out of general revenue, should it be a tax similar to social security taxes? The only way the State gets its money is by taxation.

I remember many years ago when I was in the State senate that there was a certain group appearing before me, before my committee for a certain matter that they wanted, and it involved the costs of many millions of dollars and I suggested and told them that that would be the cost. I said, now, have you any thought or suggestions to this committee as to how we would be able to pay for that, and he said, "Oh, that is your problem." He said you are in the senate and I am not, but that's the reason I am asking you.

Mrs. HELBING. That is the problem, that's correct, but I think it is time the people took a little bit of their responsibility and faced their problems in writing maybe to you, Senator, but I don't think it is just your problem either.

Senator LONG. If we get it in the State we won't have that problem, that may be the solution to it.

Mrs. HELBING. Well, the Kerr-Mills bill, I don't think our citizens understand it, whether it be State or Federal.

Senator LONG. Well, it is half State and half Federal, roughly that.

Mrs. HELBING. But this is going to pass on to people my age, and sooner or later we are going to have to wake up and realize it, I think.

Senator LONG. Any problem we have we young people are going to have to pay it. One of the charges against the King-Anderson bill is that it is passed on to the young people and not the older people who are drawing the benefits now.

Mrs. HELBING. Thank you.

Senator LONG. Is there anyone else now who desires to testify?

As I was saying a moment ago, then, we are very grateful for the courtesy you have extended my staff, that you have extended me here, and I am happy that I could be here in my home part of the State today, and if you do have any problem that you would like to present to the committee, if you will see one of the staff members they will be glad to give you some stationery and envelopes here so that you could write to us, and it will become a part of the record and it will be very carefully considered.

So thank you, again, so much for your courtesy and your attention today.

The meeting will be adjourned.

APPENDIX

FARM RETIREMENT IN THE UNITED STATES

(By Lowry Nelson, Itaca, N.Y.¹)

Voluntary retirement of farmers is associated with commercial agriculture and with societies in which the nuclear family prevails. Even among commercial farmers of the United States, retirement is faced with great reluctance. Many remain active until death, although at a slower pace. Most of those who do retire prefer to continue living on the farm, but some move to towns and cities. They prefer to live by themselves rather than with children. As coverage of OASI increases, more farmers may choose to retire earlier than they ordinarily would.

The deliberate act of retirement among large numbers of farm operators in the United States is a relatively recent phenomenon. It is especially associated with American commercial agriculture, which is itself a development of the past hundred years. It is also more commonly associated with societies in which the nuclear family prevails rather than with those characterized by the extended family pattern. In peasant societies common in parts of Europe and Asia, where the family consists of the parent couple with their unmarried children and also the wives and the children of their married sons, the household is self-contained and dependent upon the outside world for very little. Under these circumstances, the aged, the infirm, the sick, and disabled were cared for in the household as a matter of course. Even in many rural societies in which the young married couple occupies its separate household there is provision for family care of the elderly and disabled. By custom and even by law in some countries, the son or son-in-law who assumes operation of the farm at the will of the parents, takes on the responsibility of caring for the parents as a contractual obligation.

Even under such circumstances, it can hardly be said that the father actually retires; it is probably more apt to say that, like the old soldier, he just fades away. As late as the 1920's in the United States, Charles J. Galpin, in one of the first attempts to study farm retirement, came to the conclusion that farmers did not deliberately retire but that they "retreated" from farming. It was a gradual process, not a sharp break. Perhaps one of the sons or a son-in-law agreed to operate the farm on shares, but whether the aging father and mother moved to town, nearby, or remained in special quarters in the old house on the farm, they retained frequent contact with the place, helping out in busy times both on the farm and in the home.

Yet it would be wrong to imply that in the past none of the farmers of the United States retired and broke completely with the old farm and its activities. Many of them did so, and many of them went to warmer climates, moved to cities, or to towns and villages. Sometimes they shifted into nonfarm work, beginning life anew in a wholly different occupation. Many, who had invested in additional farms as their incomes permitted, found themselves in the position of landlords who had to oversee a number of properties. This would not be characterized as a sharp break with the past, but it would very likely mean changing the place of residence from the farm to the trade center.

THE DEPRESSION AS A TURNING POINT

Until the time of the depression in the 1930's, farm people regarded the farm as their social security—the farm and the family. Children were expected to, and did, take care of their aged parents who were in need. There were the

¹ Professor emeritus of sociology, University of Minnesota.

widows, of course, and a few other unfortunates who were given a few dollars a month by the county or town where necessity dictated, but this was an eventuality devoutly to be avoided by the self-respecting. Only the direst extremity could reconcile an individual or his family to going to the county poorhouse.

The fact is that agriculture really had provided a base for security for individuals engaged in it—that is, up until the depression of the 1930's. The revelation that came in 1934 that over 1 million farm families could be on relief in the United States was probably as much of a shock to them as it was to the Nation. It was then that we talked about rural rehabilitation and rural relief. The wide popularity of the Townsend plan among the aged and the near-aged which combined an argument for old-age security with a proposal to solve the depression, gave impetus to the emerging program which was written into the Social Security Act of 1935. Significantly, however, this act exempted farm people from its benefits and not until 1954 were farm operators made eligible for participation in the old-age and survivors insurance program.

This lag in bringing farmers into the program was probably, in part, a reluctance to recognize that farming did not offer the security that tradition had attached to it. The problem of administering a program for farmers was, of course, a serious one, which also caused delay until a solution could be agreed upon. In 1950, 50 percent of a sample of farmers in Connecticut and 70 percent of a sample in Wisconsin thought farming did not offer any more security than any other occupations.

For many years there has been a growing disillusionment among farmers regarding the degree of economic security associated with farming.

WHY FARMERS RETIRE

In general, one can say that farmers, like others, may achieve retirement or have retirement thrust upon them. In the past, there were more in the second category than in the first. Currently, one can detect a growing tendency for farm operators to plan for their retirement in a more systematic manner than has been true in the past. They are being widely encouraged in this by activities of the Agricultural Extension Services and other educational agencies. Moreover, the fact that more and more of them have qualified under the old-age and survivors insurance plan, makes it possible for them to make more definite plans for the future. Nevertheless, this has been a factor only since 1955 when the amendments to the Social Security Act passed in 1954 became effective. A Wisconsin study in 1951 revealed that "approximately two-thirds of the operators interviewed indicated that they had not given much consideration to retirement or cutting down farm operations with advancing age. The remaining one-third of the sample was about evenly divided between those who had considered the matter but had made no definite plans and those who had made fairly definite plans." Only one-fourth of them expected to have any other income in old age than that of the farm. In Connecticut a study made in 1950, which included both operators and laborers, revealed that only 15 percent of the operators expected eventually to retire, and very few had made any plans. About half of them approved the old-age and survivors insurance plan being extended to farmers but one-third of them were definitely opposed.

In connection with planning for retirement, a farm operator has a number of things to consider. For example, if he has a son who is interested in taking over the farm someday, what arrangements can be made so that the father can continue some activity and at the same time transfer management to the son? One of the complicating factors is that when the son is old enough to take over the farm, the father in all probability may be only in his early fifties and certainly not ready for retirement for many years. At the same time, if the farm is not available to the son at the time he becomes 20 to 25 years of age, he is likely to find alternative employment, and may not be around to take the farm when the father finally is ready to turn it over to him. To meet this situation, at least in some cases, partnership arrangements have been recommended. Too often, however, this is impractical because the farm is not large enough to support two families. Sometimes the father develops an alternative occupation outside of farming which permits him at least to give the son a lease on the farm if not a definite contract for the transfer of ownership.

Sometimes there may be sons in the family none of whom are interested in taking over the operation of the farm and yet would like to inherit the farm and the parents would like to have them do so. Under these circumstances, the

operator may continue to operate the place indefinitely until age and infirmity make it impossible for him to continue. At this stage, of course, it becomes necessary to make a decision to sell the place outright or to rent it to a tenant.

These and other decisions have to enter into the farmer's calculations. Besides deciding about the operating of the farm, he has to choose a place to live; he has to decide whether to remain on the farm or to move into town. In a study made in Minnesota during World War II, it was found that about one-half of the farmers 55 years of age and over expected to remain on the farm after retirement while the others expected to move to the nearest trade center.

It must be recognized also that departure from farming is not always a voluntary choice on the part of the individual. Financial involvement, inability to meet taxes, and interest and principal on debt may compel the operator of a farm to sell or be forced off through foreclosure. Such circumstances are not as common today as they were before the various agricultural policies of the Federal Government came into operation in the 1930's, but the fact remains that thousands of farmers are leaving farming each year. It can be said with some assurance that most of them are leaving to take jobs in industry, but the basic reason is that they are not able to compete in the business of producing food and fiber.

Others—an unknown number—are forced to leave farming because of ill health. Illnesses multiply with aging and force many people to decide to retire from active work. In a study of 49 retired men in a county of Pennsylvania, 34 had retired for health reasons. Only six retired voluntarily. Rheumatism, arthritis, heart ailments, stroke, poor eyesight, and nervous trouble, such as palsy, neuritis, etc., were among the illnesses mentioned. In Minnesota, active farmers who expected to retire gave poor health as a reason in a large number of cases.

PREFERRED LIVING ARRANGEMENTS

The choice of a place to live after retirement is a problem not only for farmers but for practically every retired person. For farmers it is most often a choice between remaining on the farm, either in the old home, or in a separate cottage, and moving to the trade center village. Some, indeed, seek a warmer climate and move out of the home area entirely. In Wisconsin, the preferred residence for the farmers in the better agricultural area was on a farm, either the present or another (64 percent). For the less prosperous area, the percentage was 48. In the good area, nine chose village and five city. For the poor area the percentages were 15 and 8. Significantly and naturally, many were uncertain: 22 percent in the good and 29 percent in the poor area.

A companion study to that in Wisconsin, with cooperation in each case of the Bureau of Agricultural Economics in the U.S. Department of Agriculture, was made in Kentucky. The same or similar questions were made with respect to preferred place of living. Of 82 farmers 50 years of age or older, 45 percent preferred the farm, and only 20 percent a village or city. But farmowners were much more in favor of living on the farm (66 percent), than were tenants (31 percent). Owners, obviously, were in a better position to make a choice on this matter. Generally, the older the person, the more likely he was to want to remain on the farm.

Whether the choice of place to live was in the village or on the farm, there were few who would want to live with their children. This could be matched in all probability by the attitudes of the children as well. Certainly, in the United States today there is a disinclination on the part of children to assume responsibility for aged parents; and an equally strong disinclination on the part of the aged to be dependent on their children. On the assumption that family ties are stronger in rural than urban society, one would expect a greater willingness on the part of the rural than the urban to care for aged parents. However, the assumption is apparently not a valid one. Rural as well as urban parents and their children prefer to have separate living arrangements.

In the Kentucky study, 90 percent of the farm operators preferred to live separately with spouse only or by themselves. In Wisconsin, the percentage was 70. Only 5 percent wanted to live with their children, but 13 percent in the poor area and 8 percent in the good area preferred to have the children living with them. In most of the responses of the operators to the questions in these surveys, the number who were "uncertain" was large. In a 1956 survey in Texas, similar to those in Wisconsin, Connecticut, and Kentucky, 80 percent of the operators stated that they did not plan to move in with anyone else nor have anyone else move in with them.

Increasingly many aged farm people are going to "rest homes" where these are available. With the growing disinclination and often inability of children to care for them and the inability of many of them to care for themselves, the rest home is the obvious solution. However, private homes are often inadequately constructed and serviced and frequently are not well supervised. The construction and maintenance of such institutions by public authority is only beginning, for rural areas especially.

FINANCING RURAL RETIREMENT

Large proportions of farm operators do not intend to retire, but when they were interviewed with respect to how much money they would need per month if they were to retire, there was considerable variation in the amounts. For example, in the Wisconsin study, the estimates range from under \$75 to \$200 and over; in Kentucky from under \$80 to \$160; and in Texas, from under \$40 to more than \$160 per month. These estimates naturally varied with the standard of living of those making them. If they had been accustomed to a low level of living, their estimates would be correspondingly lower than those who had higher levels. Nearly half of the operators in Wisconsin were uncertain as to their monthly cash needs on retirement. The uncertainty of ability to meet their needs decreased with age; the older they were, the more confident they were that they could take care of themselves. As would be expected, confidence of owners in Kentucky in their ability to finance their retirement was greater than that of the tenants.

PLACE OF OASI IN FARM RETIREMENT

It is too early for a real evaluation of the part which OASI will play in farm retirement in the future, but its influence is already being felt and reported. Since the Social Security Act of 1935 was revised in 1954 to extend coverage to farm operators, there is no doubt that a very large proportion of them have become eligible for retirement at age 65 with OASI benefits. In the studies in Texas and Kentucky in 1956 sponsored jointly by the respective State experiment stations and the U.S. Department of Agriculture, information was obtained on participation in OASI. In Texas, 7 out of 10 operators interviewed were either paying the social security tax or receiving benefits. The same percentage applied to Harrison County, Ky., but in two other Kentucky counties there were only 4 out of 10. In an Iowa survey in 1957, 9 of 10 of the operators were paying the tax, and 23 percent of the landlords, who became eligible in 1956 for OASI, and 32 percent of the farm operators who were 65 and over were receiving benefits. This study was made a year later than those in Texas and Kentucky and may indicate something as to the rapidity of the spread of the program.

Farmers have become more favorable to the social security program as they have become eligible to participate in it. But more important, they have come to understand it, and to be better informed regarding it. Even so, there are many farmers who do not know about it. In Iowa, Bauder reported that the "most widely used sources (for information) are magazines, newspapers, tax consultants, neighbors and friends, and social security representatives, in that order of importance." The newspaper also predominated as the major source of information about social security in Kentucky and Texas.

In summary, and on the basis of sparse information, it is reasonable to say that the majority of farm operators still think in terms of continuing active work after reaching the age of 65. This is the traditional pattern. Farm-owners may be able to reduce their own activity and labor by employing more help and still avoid the sharp break with their customary routine. While it is too early to know what effect their eligibility for OASI will have on decisions to retire, it is again reasonable to assume that larger proportions will retire earlier than they otherwise would. One reason for this assumption is that in order to keep the farm in the family, it is necessary to provide for the transfer of management, if not ownership, to one of the heirs before all of the latter get themselves established in some other occupation.

Most of the farm operators apparently prefer to retain their residence on the farm rather than to move to town. Of course, some will continue to move to the towns and villages nearest their farm, and if the farm is taken over by a

son or son-in-law, or even rented to an unrelated tenant, it is possible to keep some contact with it. Some older farmers may even acquire a small tract of an acre or so near the village which can form a base for continuing activity on a reduced scale.

There is a strong disinclination on the part of those interviewed in the surveys to live with children in their old age. Probably 90 percent or more would prefer to live alone or with spouse, although they apparently would rather have children move in with them than for them to move in with the children.

For many rural oldsters, notably those disabled by chronic illness or old age, there is growing need for rest homes. There are many of these in the small towns of the country, privately operated, but too often they are inadequately constructed and furnished and lack adequate facilities and personnel. Public funds are becoming available in some of the States for the construction of such homes, but there is much to be done to catch up with the need.

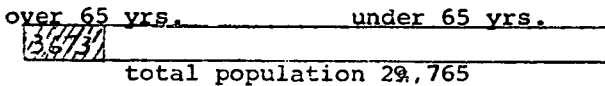
MEDICAL COST FOR THE OVER 65 YEARS OF AGE IN MARION COUNTY, MO.

Marion County, Mo., has a population of 29,765 and 3,673 of these are past 65 years of age. This over-65 group is listed as follows:

Ages:	Number
65 to 69.....	1,327
70 to 74.....	957
75 to 84.....	1,168
85 and over.....	223
Total.....	3,673

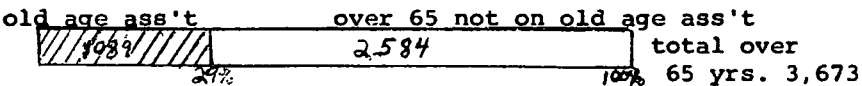
This is approximately 13 percent of the total population.

Percent of over 65 years of age in Marion County, Mo.



The Marion County Welfare Office lists 1,089 people receiving old-age assistance; or 29 percent of those over 65. Social security benefits, of some type, are also paid to 53½ percent of those on old-age assistance, leaving 46½ percent with old-age assistance alone.

Persons over 65 years now receiving old-age assistance in Marion County



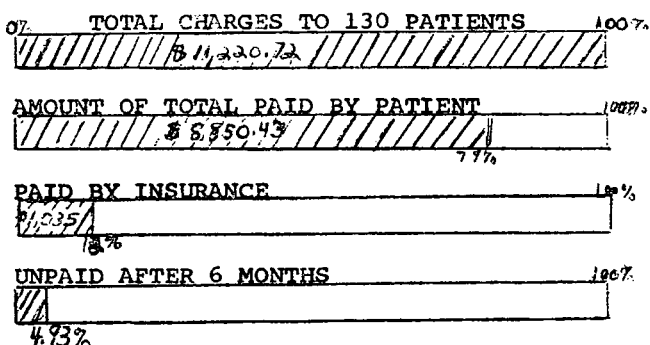
This past week we studied 130 patients over 65 who have been seen in the office, or cared for in the hospital. this past year, by the doctors of the group with which I am associated. The purpose was to determine the average cost of physician care and the ability of those over 65 to handle their medical expenses. It is essential to tell you something of the type of medical care that this office extends, so proper evaluation can be made of the results of these patients. This is a group of nine covering all phases of medicine, except for a small percentage referred elsewhere for highly specialized care. I mentioned this to show that these figures do include total physician medical care of these patients. The method of selecting the patients also needs explanation. Mrs. Beckner, the business office manager, selected the patients by going through every other row of our files and taking all patients over 65 whom we had cared for in the past year. I would like to note the selection was not made on their financial status, as she did not know this, but rather on a random sampling of our files, until she had gathered 130 patients. Time did not allow us to include a larger number than this.

These 130 patients revealed the following :

	Amount	Percent
Total physician charges for the group.....	\$11,220.72	100
Amount of total charges paid by the patient.....	8,850.43	79
Amount of total charges paid by insurance.....	1,333.05	12
Unpaid at time of study.....	1,035.24	9
Unpaid amount over 6 months old.....	553.02	4.93
Average cost per patient for the year.....	86.31	

In our office we do not consider an account as being delinquent unless it is over 6 months old. Using this standard we analyzed the \$1,035 still due and found that \$553.02 would be considered delinquent. This is 4.93 percent of the total charges. The average cost of physician medical care for the group was \$86.31.

Physician medical care for 1 year to 130 patients over 65



For several years we have known the older people pay their medical expenses and pay them promptly. The group having the most difficulty are the younger couples just starting their families and buying their homes, etc.

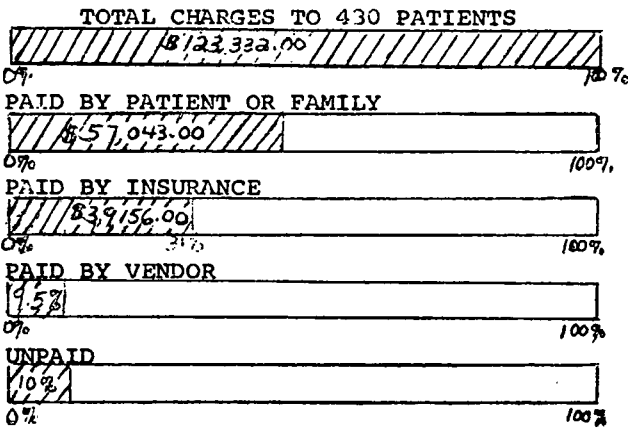
Mr. Harold Costen, the administrator of Levering Hospital, did an interesting study this past month on patients over 65 who were hospitalized at his institution. The group includes all patients over 65 hospitalized from the 1st of January 1961 to the 1st of July 1961.

Analysis of patients over 65 years at Levering Hospital

Number of patients over 65 hospitalized.....	480
Total charges to these patients.....	\$123,332.38
Number of hospital days.....	5,058
Average stay of over 65 years.....	10.54
Average stay of all ages.....	7.21
Average hospital charge for patients over 65.....	\$256.94
Percent of charge paid by the patient or the family.....	46
Percent of charges paid by Blue Cross or other insurance.....	31
Percent of charges paid by vendor program.....	9.5
Percent of charges yet unpaid.....	10

Mr. Costen does not consider the time long enough to consider these as all delinquent accounts. The average daily cost to all patients during the fiscal year of February 1, 1960, to January 31, 1961, was calculated as \$24.21 per day.

Analysis of 480 patients at Levering Hospital over 65 years



I would like to say something of the plan initiated by the St. Louis County Medical Society within the past 2 years. Mr. Edgar J. Mothershead, executive secretary of this organization, very graciously supplied me with the experience of this group and we find that it substantiates our findings. I shall not go into great detail of the plan but in summary it is this.

People past 65 years of age who feel that they could not pay full fees for office visits were given reduced rates, either by the doctor or by an agency who investigates the financial status of the patient. They carried a card which signified they had been approved for a certain reduction of the usual medical fee in the office of any participating physician.

This plan was given considerable news coverage in the St. Louis newspapers, on the radio and television stations. Mr. Mothershead tells me the people in the county welfare office received full details of this program and were asked to inform those getting old-age assistance of how to obtain reduced fees, if they were needed. There are 56,000 people in St. Louis County past the age of 65. About 2,800 are now receiving old-age assistance. In the first year that the plan was in operation, 101 patients applied for reduced fees and all but 3 of these requests were granted. Those refused had incomes of more than \$500 per month.

In summary then I would like to say most patients over 65 years of age do pay both their doctor and their hospital. Forty-six percent of the people receiving old-age assistance do not have any type of social security. This means that if the King-Anderson bill were passed to give medical aid to the aged, these people would receive no help. However, under the Kerr-Mills bill all people who get old-age assistance and those who are medically indigent would be helped according to their need.

HANNIBAL, Mo., January 2, 1962.

HON. EDWARD V. LONG,
U.S. Senator, Washington, D.C.

DEAR SIR: I have read of your interest and work on the problem of aged citizens. I have an "aged citizen" problem in my family. My wife and I have lived in Missouri about 40 years, my employment is in Missouri. My mother is a life-long resident of Illinois, Mrs. Grace Burkhead of Barry, Ill. She is 78 years of age and a widow without any means of income, for several years she has been receiving old-age assistance under the Illinois Public Aid Commission. I furnish a home for my mother and assist her financially in many ways.

Recently the Public Aid Commission advised me that my mother is now ineligible to receive any old-age assistance because my income is now large enough for my mother to be financially dependent on me. This is quite a financial outlay for me at this time, maintaining a separate household for my mother in addition to her medical expense and all other care and keep for her.

I would like to know if there is any Federal Aid, even if it is only assistance for medical expense, available to persons in my mother's situation as I have been advised the State of Illinois has found her ineligible for assistance under the Illinois law.

Yours very truly,

H. F. BURKHEAD.

ROSCOE, Mo., *January 6, 1962.*

Senator EDWARD V. LONG,
Senate Office Building,
Washington, D.C.

MY DEAR SIR: I read where there would probably be some changes made in the social security laws so I will tell you where I think they are unfair and you might see fit to introduce a change.

My husband had 27 quarters of social security but thought he worked from 12 to 20 days each quarter he did not make as much as \$50 a quarter for this was during the depression. I never had a social security number and now I cannot get any survivor's benefit. He passed away in 1960 and I was 62 years old last September. He was disabled and could not work for years.

Since the wages have gone up so much, it seems to me that the qualifications should be based on the number of days one works in a quarter. Now 4 or 5 days would qualify one for benefits.

Thanking you for any help you might give me, I am,

Sincerely yours,

Mrs. ORVILLE HILL.

CARLISLE, IOWA, *December 1, 1961.*

Hon. PAT McNAMARA,
Senate Office Building, Washington, D.C.

MY DEAR MR. SENATOR: Just received notice from Blue Cross, Blue Shield insurance that our rates will be increased 25 percent January 1962. This is around three increases past 8 years. I suppose as we are over 65 it is either compulsory for us to pay the higher rates or drop same, this is their way of trying to push us out as they advertise they will not cancel. Please do all possible to help support President Kennedy's medical care program in January 1962. Everyone seems to be for it except the M.D.'s and insurance companies. President Shunding Farmers Bureau is against it but many members of the farmers units are for it as many farmers now are paid social security. All senior citizen associations are for the plan and also group of registered nurses.

Yours truly,

O. O. BOWERS.

