

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 8.—Cape Girardeau, Mo.

DECEMBER 15, 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.
- Parts 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.

CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

	Page
Raymond Vogel, city attorney, Cape Girardeau, Mo.....	659
The Honorable Albert M. Spradling, Jr., president pro tem, Missouri State Senate, and chairman, Permanent Committee on Public Health and Welfare.....	660
Dr. Frank Miller, professor of agricultural economics, University of Missouri.....	664
Dr. C. Thorpe Ray, professor of medicine, University of Missouri Medical School, representing the Missouri State Medical Association.....	671
Dr. Raymond Ritter, representing the Cape Girardeau County Medical Society.....	680
Martin Berger, district council manager, International Ladies' Garment Workers' Union.....	686
Delano H. Siewert, research associate, Missouri State Chamber of Commerce.....	691
Vinson L. Rueseler, chairman, housing authority, Cape Girardeau, Mo....	693
Charles Blanton, publisher, Sikeston Standard.....	697
Monroe W. Jackson, president, Missouri State Federation of Chapters of Government Retirees.....	699
John Young.....	700
Lucinda Bishop.....	700
H. D. Sturm.....	701
John Holtz.....	702
O. C. Douglas.....	702
Rufus Moore.....	703
H. M. Andrews.....	703
C. B. Allbright.....	704
Luther Haks, member, Missouri Life Underwriters.....	705
Mrs. John L. Buck, president, Bloomfield Community Council on Aging.....	710
Victor H. Grimm.....	712
Linda Henley.....	713
H. D. Sturm.....	714
Roger Preston.....	714

STATEMENTS

Allbright, C. B.....	704
Andrews, H. M.....	703
Bishop, Lucinda.....	700
Berger, Martin, district council manager, International Ladies' Garment Workers' Union.....	686
Blanton, Charles, publisher, Sikeston Standard.....	697
Buck, Mrs. John L., president, Bloomfield Community Council on Aging.....	710
Prepared statement.....	711
Douglas, O. C.....	702
Grimm, Victor H.....	712
Haks, Luther, member, Missouri Life Underwriters.....	705
Henley, Linda.....	713
Holtz, John.....	702
Jackson, Monroe W., president, Missouri State Federation of Chapters of Government Retirees.....	699
Miller, Dr. Frank, professor of agricultural economics, University of Missouri.....	664
Moore, Rufus.....	703

	Page
Preston, Roger.....	714
Ray, Dr. C. Thorpe, professor of medicine, University of Missouri Medical School, representing the Missouri State Medical Association.....	671
Prepared statement.....	674
Ritter, Dr. Raymond, representing the Cape Girardeau County Medical Society.....	680
Ruescler, Vinson L., chairman, Housing Authority, Cape Girardeau, Mo. Prepared statement.....	693 695
Siewert, Delano H., research associate, Missouri State Chamber of Commerce.....	691
Spradling, Albert M., Jr., president pro tem, Missouri State Senate and Chairman, Permanent Committee on Public Health and Welfare.....	660
Sturm, H. D.....	701, 714
Vogel, Raymond, city attorney, Cape Girardeau, Mo.....	659
Young, John.....	700

ADDITIONAL INFORMATION

Letters to Senator Long from—	
Evans, Winifred E., Joplin, Mo., dated January 29, 1962.....	716
Nordyke, Karl L., Jr., Cape Girardeau, Mo., dated December 9, 1961.....	715
Study by Department of Agricultural Economics, University of Missouri, submitted by Frank Miller.....	668
Figure 1. Licensure Examinations, Physicians.....	676
Figure 2. Foreign Trained Physicians Licensed by State Board, 1946-1960.....	677
Figure 3. Percent of Persons with 1+ Chronic Conditions.....	678
Figure 4. Number of Physicians Visits per Person per Year.....	679
Figure 5. Distribution of the Rural Farm Population in Missouri Economic Area 8, by Age and Sex.....	670
Figure 6. Distribution of Rural Population Living in the "Open Country" in Missouri Economic Area 8, by Age and Sex, 1956.....	671

RETIREMENT INCOME OF THE AGING

FRIDAY, DECEMBER 15, 1961

U.S. SENATE,
SUBCOMMITTEE ON RETIREMENT INCOME
OF THE SENATE SPECIAL COMMITTEE ON AGING,
Cape Girardeau, Mo.

The committee met at 10 a.m. in Memorial Hall, Southeast Missouri State College, Senator Edward V. Long, presiding.

Committee staff present: Dr. Frank Atelsek, research director, Frank C. Frantz and Edith G. Robins, professional staff members; and John Guy Miller, minority counsel.

Senator LONG. The committee will be in order.

I am delighted to be here in southeast Missouri this morning; in Cape Girardeau for the last of our hearings in Missouri. This is the sixth hearing of this kind that we have held here. There were 30 hearings of this type held by this committee of the U.S. Senate throughout the Nation. I was particularly anxious that we have these hearings in Missouri. I was particularly anxious that our committee hear testimony from areas like Cape Girardeau, and Springfield, and St. Joseph, and Hannibal, because we had the feeling that perhaps the problem of our aged and senior citizens would be and is different in those towns than we would find in some of the industrial centers on the east and west coasts. Hearings have been held in those areas. The hearings in Missouri so far have been very fruitful to the committee and we are sure that the one today will be.

Approximately 25 percent of all the people who have ever reached the age of 65 are alive today. This is an amazing statement when you stop to think about it, but it is true that 25 percent of the people who have ever reached the age of 65 are alive today. It was brought out in a hearing in Washington not long ago to underscore the dramatic shift that is taking place in the age composition of our population. This trend toward longer life and a larger proportion of our population in retirement is one of the most striking and important of our time.

The achievements of modern medicine which extend our life span, and of our economy which make possible early retirement and increased leisure time, should be great blessings. But they are not. They are not because we have not yet learned well enough how to assure that our elders may enjoy in their added years the fruits of their efforts.

This is why we are here. The Senate established the Special Committee on Aging in recognition of the need for sober and careful study to correct this paradox.

Incidentally, this is the second largest committee of the U.S. Senate. And, with the exception of your chairman here today, some of the most distinguished men in the Senate are members of it. Senator Dirksen, the minority leader of the Senate, is a member. He was in the Senate hearing in St. Louis with me. Senator Goldwater and, of course, many prominent Democratic senators are members and active members of this committee.

We, the Senators who are privileged to serve on the Special Committee on Aging, are charged by the Senate with the duty of gathering information throughout the country, in cities large and small, and in rural areas, on the problems which detract from the enjoyment of these added years of life in dignity and self-sufficiency.

During the adjournment period when we are free to work outside of Washington, we have undertaken to hold more than 30 hearings in all parts of the United States. I am glad, as I said a moment ago, to have had the assignment to conduct the hearings in our great Midwest.

This hearing in Cape Girardeau is the final hearing of the entire series. Following our meeting today we will go back to Washington and the entire record of testimony and discussion will be analyzed by the staff and by the committee. This will form the basis for reports and recommendations to the Congress when the new session opens in January.

It is our hope that out of this strenuous schedule of hearings and study will come an understanding of the impact on our society of extended life expectancy and of the course we should follow to help secure for our older citizens the kind of life they have earned.

This morning we will hear from several expert witnesses who have special knowledge in the field of retirement income maintenance. We will hear from them on the ways in which our citizens in this area provide for the income they will need after retirement and the levels of income which they will need after retirement and the levels of income which they are able to provide. We also expect to learn of the problems which retired people have in maintaining a good standard of living after retirement with the means available to them.

Then this afternoon we will have an open town meeting session. In the town meeting—and incidentally, I am told that this Special Committee on Aging is the only committee of the Senate that has ever used this approach—you in the audience will be free to speak on any of the problems of aging or of elderly persons. We especially want to hear our older citizens tell us in their own words of their experiences in providing for themselves and of the problems that they face.

I have said before and I repeat to you here this morning that our senior citizens are the most interested citizens we have in this problem of aging. There is no group that has thought more about it; there is no group that has discussed it more; there is no group that is more interested in the outcome of it. And in the reservoir of our senior citizens we have a great reservoir of experience and ability and training. The committee is anxious to avail ourselves of the benefit of their statements and of their experience, and for that reason we will be happy to have them discuss their problems with the committee at this afternoon's hearing, the town hall meeting for the aged. We hope that out of the experiences that we hear from these senior citizens and

from our other witnesses this morning we may find guidance for our effort to alleviate some of the problems of the aged in this great Nation of ours.

We have a number of witnesses this morning. The committee will recess at 12 o'clock. It will be necessary to limit our discussions from the various witnesses to 8 or 10 minutes if we are to stay within that time, and so everyone who testifies that we have an opportunity to hear this morning, I want to ask our witnesses to try to confine themselves to that time.

As I understand, we have, I believe, prepared statements by the witnesses. We hope that, and we will expect that you not read your statement to the committee in its entirety but you will touch on the highlights of it and then perhaps the committee will have some interrogation they would care to make. But if you will all try to stay within that schedule, it will be very helpful to us, as we must recess at 12 o'clock.

This morning we were scheduled to hear from the Honorable Walter Ford, mayor of the city of Cape Girardeau, but it is impossible for the mayor to be here and he has sent the city attorney, Mr. Raymond Vogel, who was a distinguished member of the house a number of years ago, and my good friend, who is here to speak for the mayor.

Mr. City Attorney, will you come around, please, sir.

Mr. VOGEL. Shall I do this from the seated position, Senator?

Senator LONG. Well, I believe you are old enough to be seated. We have that seat for the benefit of our aged but we will permit you to occupy it, anyway.

Mr. VOGEL. Senator, I can do this better standing up. I am not used to sitting down.

Senator LONG. We will take your greetings either standing or sitting.

STATEMENT OF RAYMOND VOGEL, CITY ATTORNEY, CAPE GIRARDEAU, MO.

Mr. VOGEL. Senator Long, distinguished guests, ladies and gentlemen, on behalf of the mayor and all the citizens of Cape Girardeau, I want to welcome this committee to our city.

The problem of the aged, of course, is with us in Cape Girardeau as in other places and it is well to discuss these matters to see what information can be developed in southeast Missouri and, of course, particularly here in Cape Girardeau. We are proud of our city. We hope that all of you like it as much as we do. We hope that our meeting here is informative and successful.

Senator, you see that I have not taken more than my time. Thank you very much.

Senator LONG. Thank you, Mr. Vogel. We appreciate your greetings and welcome. We are always delighted to come to Cape Girardeau. This is a great segment of our State. I am particularly delighted to see so many of our young people here this morning. They may not think so now but they will be aging before long. It doesn't seem like too many years ago that Senator Spradling and I were that young. He is nearer the age now than I am. But we are

delighted that you are here this morning and we do appreciate your interest and we are happy that you can be with us.

The first speaker on our program this morning is Senator Albert N. Spradling, Jr., of Cape Girardeau. Senator Spradling has been my good and close friend for many years. I have had the very great privilege of serving and working with him in the Missouri Senate when I was a member of that body, and then later when I was Lieutenant Governor and president of the Missouri Senate.

Senator Spradling is the president pro tem of the Missouri State Senate and is chairman of the permanent committee on public health and welfare.

Senator Spradling, we appreciate your coming here this morning. I am sorry I couldn't be on your television program with you at 7 o'clock.

Senator SPRADLING. Mr. Chairman, we are very sorry that you couldn't be with us, too.

Senator LONG. We would be happy for you to have a seat. I was really just being facetious when I said that was just provided for the senior citizens.

Senator SPRADLING. Well, I don't want to be confused, Mr. Chairman.

STATEMENT OF HON. ALBERT M. SPRADLING, JR., PRESIDENT PRO TEMPORE, MISSOURI STATE SENATE, AND CHAIRMAN, PERMANENT COMMITTEE ON PUBLIC HEALTH AND WELFARE

Senator SPRADLING. This problem of retirement income maintenance has been one of the things that we have been worried about as a State legislature for the last 10 years. During that period of time the State of Missouri has made some strides for our senior citizens. For example, we have implemented the Vendor program and it has been a most successful operation in the State of Missouri. We are at the present time at almost bill charges, as far as the Vendor program is concerned. In addition to paying almost bill charges, we are now allowing those persons who qualify for the Vendor program to spend 14 days in the hospital. So we have made some strides in this line.

The thing that I would like to talk to you just a few minutes about today, and actually I am coming in the back door because this is retirement income maintenance, but what I would like to talk to you today about is the catastrophe that falls on so many of these families in this particular age group that we are interested in. And to come in through this back door, I want to talk about two things: one is the Hill-Burton plan and also the FHA program on the construction of nursing homes. I am sure the Senator realizes that nursing homes have been one of my pet projects for a number of years, particularly after, I think, 101 people burned in about a 6-month period in this State.

Senator LONG. You were a member of the committee, I think, were you not, Al, that initiated the legislation that now covers our nursing homes?

Senator SPRADLING. Yes, we have tried to make some strides there, but we have problems in this particular area, and in the limited time

I would like to confine my remarks, if I may, Mr. Chairman, to Hill-Burton and to the FHA programs.

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

Senator SPRADLING. The Hill-Burton program has worked exceptionally well in Missouri. It has been one of the finest things, I think, that the Congress has ever passed.

I would like to say this, though, that I think that in regard to nursing home care, that we certainly could use a little more money. I know that is true in the State of Missouri, in regard to Hill-Burton. Our hospital here in Cape Girardeau, one of them, is presently contemplating a nursing home in connection with the hospital.

Now, what we have is elderly people who fall, they break arms, legs, hips, and as you know, the cost of hospital care is high. If we had an intermediate place to take these people, such as a nursing home, after this catastrophe comes about, we would be able to provide these people with care right there at the hospital where the X-rays are available, where we could get them back to it, and we could do a good job for a very reasonable sum of money.

Now, Hill-Burton today goes that far. I mean, I am not arguing that point, but the point is that the amount of money that the States have is at the present time not quite enough to carry this out.

Our committee on aging, our legislative committee, is presently studying some way that we might be able to implement this. Here is the thing. Most of these hospitals are not for profit hospitals. As a matter of fact, I suppose 99 percent of the hospitals in Missouri are not for profit hospitals. Many of them have raised about all the money they can locally under one Hill-Burton program or another to add rooms to the hospitals. So now they come up and they are trying to raise this money again and they aren't quite able to get the job done so that they get enough or adequate matching funds. I don't know whether this can be expanded by the Federal Government, but certainly this is money that I think that we actually are spending that does a wonderful job for these people in helping them along the way and in reducing their medical expenses. Because if we can move them out of an expensive hospital bed and put them in a nursing home bed but where they can still see the doctor, where they still have the X-rays available, where they still have adequate care there if they need it in an emergency, I think that this is something that we could really profit from.

Our hospital here hopes to be able to get enough money from the State to be able to do that this year. We are going to be able to match it, incidentally, here locally. But the point is, will the State in turn have enough money, will they receive enough so that they can help us. If they can, I think we could have a facility here, and there are dozens of other places where they would like to do this in the State of Missouri.

The other thing I would like to touch on is that we have a tremendous need for straight nursing home beds in Missouri. Following the Warrenton nursing home fire we started out with regulations in Missouri for really the first time in the nursing homes. We had no regulations up to that particular period of time. Many of our homes were still substandard and we knew that, but these people are not able to improve them.

Now, FHA has come along with the program which Congress passed and which they will guarantee 90 percent of the cost. I would like to touch on that and make this suggestion. Most of these people that are operating nursing homes are doing it for a profit, of course, but at the same time there are demands that are being made, and this is maybe an administrative problem, but I think it ought to be considered. Many of the demands that are being made in the rural areas are such that it is difficult to qualify for the FHA help. We could spend all morning going into the various reasons for this, but in the rural areas we do not demand what they do in cities.

I think perhaps the criteria that is always set up by government is for cities and not necessarily rural areas. We don't build like the cities do. We want fireproof, modern construction, but we can't afford many of the niceties that you have in the cities. We don't need them and our people don't expect them. And the thing that we would like to do is to take care of the largest number of people in the most economical way.

While I think that that might be an administrative problem, at the same time it is something that I think we ought to make sure that the regulations are relaxed so that they are not maximum regulations, as far as actually they become maximum regulations in the rural areas while they might be minimum regulations in some of the larger cities.

We can take care of the people on a more economical basis if these are relaxed. Architectural fees, the architecture of the buildings, things like that, certainly you want the best that you can get, but at the same time it is kind of like a school building. I mean, you can put a lot of gingerbread on school buildings but I don't think the children get a better education. I realize there are two sides to that point, but at the same time it is something that we would like to develop in rural Missouri, and we need these beds badly. We need nursing home beds. The committee is well aware that we have only 1 acceptable nursing home bed for every 58 people over 65 in Missouri. I notice you used that in yours and that came from a study which we have been making in Missouri. A lot of our nursing home beds are rated as nonacceptable.

The thing about a nursing home is this. When a catastrophe befalls a person when they have progressive arteriosclerosis, those people go into the nursing home and they are perhaps from a middle income family. This is a catastrophe. They are in the hospital until maybe they use up a good part of their money. They have to go some place. The people want to send them to nursing homes. I know for a matter of fact in this very area that it is difficult to secure good nursing homes, that is, the type of care these people want in this area at this time. It is almost impossible to leave these people in the hospital, and yet they do need some nursing care, and that is where they have to go.

Senator LONG. Senator, do you know the cost of the nursing home care?

Senator SPRADLING. It runs from \$150 to \$250 in this area, sometimes perhaps a little less, but generally speaking, \$150 to \$250. Even wanting to pay that, Senator, it is tough to get a bed in this particular area now, one that people would want to see their loved ones in, and I think that they are perhaps a little careful about where they want to

put them. They want to make sure that it is a place that they would want to be themselves.

Senator LONG. Did I understand there are some plans for facilities so that additional beds will be provided here?

Senator SPRADLING. Yes, we are trying at one of the hospitals here now to provide for these beds, if we can secure the Hill-Burton assistance. We are able to raise our half of it, and we are making our application, and if there is sufficient money available we will probably be able to do it. And this, of course, is very fine. Needless to say, the State could always use a little more in that Hill-Burton program. There are a number of projects that we could—there are a number of counties, Senator, that are hesitant to go into it, because they don't think that the money would be available, and that's why the appropriation committee, I realize, has a job balancing the budget, but this is one field of the aged that I think is terribly important.

Senator LONG. Senator, your statement bears out the same type of testimony the committee has heard at a number of places, that there is a very definite need for additional nursing home beds; that is, there is a great shortage of them in Missouri. The price that you indicated, \$150 to \$200 a month, indicates the problem of retirement income that our committee must consider, especially so when we are told that over half or approximately half of our people who are 65 years of age or more have an income of less than \$1,000 a year. So out of that all of their expenses must be paid. So your suggestion definitely ties right in with the problem of retirement income.

Senator SPRADLING. Senator, I would like to suggest this also, that certainly this committee should make every effort to study. Our nursing home people in Missouri are fine people, and I am talking about the private operators, because they are the ones who are providing most of our care. They are fine people, and they are trying to do a job, but it is finances with them. If we can loan them this money on a realistic basis, and I mean get it down to, I don't want to say give them anything, because they are willing to work long hours to try to make their own business succeed, but if we can cut down the requirements to the very minimum and get them in business, we are going to get this money back as a Federal Government, as I see it. This is something that will really help these communities.

Senator LONG. Is there any thought that the legislature will consider some regulation on the boarding homes?

Senator SPRADLING. Yes, we are going to try to tackle that boarding home problem in Missouri. But once more here we are. We know we don't have enough nursing homes, and these people say to us, all right, you close up these boarding homes, where in the world are you going to put these people? And, incidentally, that is a pretty tough question to answer. I am violently opposed to these boarding homes, because I know that there is infraction after infraction going on today in Missouri in them. But there is a very practical problem, too.

Senator LONG. You suggested the reducing of the standards of the FHA requirements.

Senator SPRADLING. Senator, they are pretty high. There is only one approved in Missouri. There is another one ready for approval, perhaps, in this area. But they are pretty tough.

Senator LONG. You are not running into any difficulty with any of the lending agencies, banks, and so forth?

Senator SPRADLING. No. If you get the FHA guarantee then you can go to the bank and borrow the money, but when you get into your requirements, that's one of the problems.

Senator LONG. You mentioned the vendor payment plan a while ago. Is there any provision in that—I have forgotten—for home care?

Senator SPRADLING. Yes, there is; there is. House bill 1 carried some help for the home, and that's the permanently and totally disabled individual or the totally bedfast individual. We are now paying, as you know, \$100 a month under that plan.

Senator LONG. But the costs, as you say, run \$150 to \$200 a month?

Senator SPRADLING. That's right. The families are going to make up the difference, which is, in some instances, \$25 a month, \$50 a month, or \$75 a month.

Senator LONG. You are familiar that there are some nonprofit nursing homes, though, in the State that are not public nursing homes?

Senator SPRADLING. Yes, there are. We have passed implementing legislation allowing counties to build nursing homes and go into the nursing home business for their county.

Senator LONG. Do you have any figures of the ratio of them in Missouri?

Senator SPRADLING. Senator, that bill has just been on the books 3 years, and I believe there are three counties in the State which have taken advantage of it.

Senator LONG. Has your committee made any study to compare the services of a nonprofit home with a proprietary home?

Senator SPRADLING. We have not. We can tell you this, that where they are in connection with a hospital or where they are going to be in connection with a hospital, naturally they are going to get more service than they are in the proprietary homes.

Senator LONG. Senator Spradling, thank you so much. We appreciate your testimony. It has been very helpful. It has indicated an approach to our problem and one of the approaches of which the committee is very much concerned, and I am sure that your statement will be very carefully considered by the staff and the committee.

Senator SPRADLING. Senator, our State is very happy that this committee is working on this program because we are tussling with it every day, and any help you can give us will be greatly appreciated.

Senator LONG. Thank you, sir, and we appreciate your help.

Our next gentleman who will testify is Dr. Frank Miller, professor of agricultural economics at the University of Missouri.

Dr. Miller, I would appreciate it, since we have your prepared statement, if you would briefly summarize it for us rather than read it to us in detail.

Dr. MILLER. I shall do that, Senator.

Senator LONG. Thank you very much, you may proceed.

Dr. MILLER. And I will stay within the time limit you requested.

STATEMENT OF DR. FRANK MILLER, PROFESSOR OF AGRICULTURAL ECONOMICS, UNIVERSITY OF MISSOURI

Dr. MILLER. I believe copies of this summary have been made available to members of the committee, and for any others who are inter-

ested in the material that I shall present. It is contained in Experiment Station Bulletin 661, issued by the University of Missouri, and is available by request from the university.

Now, what I shall have to say will confirm, I think, what Senator Spradling has just presented to you. I shall give some results of research which contain data related to people living in rural areas. This research was started in 1956. It was completed and reported in 1958. Conditions in the areas from which the data were obtained have not improved over the situation revealed by the inquiry.

The research had two major objectives. One, to inventory the human and physical resources of a low-income area of the eastern Ozarks of Missouri. Ten counties were included. They are the counties lying directly west of Cape Girardeau, extending from north to south from the Arkansas line to the Missouri River or near the Missouri River.

The findings show that 40 percent of all farm households where interviews were made and 27 percent of all nonfarm households had cash incomes of less than \$1,000 a year. Those are incomes to the household, not the earnings of individual workers in the household.

Sixty-two percent of the farm households and 54 percent of the rural nonfarm households had incomes of less than \$2,000 a year.

Then we inquired into some of the reasons for the low incomes of these households. In those farm households where the principal breadwinner was 65 years of age or older, 45 percent of the group who were interviewed had incomes of less than \$1,000 and 82 percent received less than \$2,000. Those are farm household data.

For the nonfarm group located in the open country where the head of the household was 65 years of age or older, 29 percent had incomes of less than \$1,000 and 93 percent received less than \$2,000.

The source of income in the households where the head was 65 years of age or older was not specifically identified in the study. However, some indication is shown through an analysis of those households in which the incomes were less than \$1,000. Of the farm group, more than one-fifth, that is, 22 percent of the income came from the farm business, 46 percent from nonfarm business, and 32 percent from non-employment sources, such as old age pensions, social security, and other sources of that type.

An examination of further reasons for the low level of income showed that more than one-fourth of these people were limited in the amount of work that they could accomplish by illnesses that kept them from work 60 days or more per year, which, of course, re-emphasizes what Senator Spradling was pointing out; namely, that these people do have low levels of income and that a large part of it is due to their incapacity or inability to work. It may be illness, age, or other disability of one sort or another.

There is another very striking characteristic of the area where the data were obtained. It has to do with the age distribution of the population that is found there. Population pyramids in which the percentages of the total population in various age groups are graphed, show a very striking abnormality in the distribution of the population. The proportion of young people declines in the low income areas, and we think that this situation will prevail in many rural areas when they become old enough to enter the labor force. At this age they move

out of the community seeking employment in the industrial centers, and that leaves the community with a low percentage of population at the most active age in the lifespan. So rural communities particularly those where incomes are low have relatively few young workers and a high percentage of elderly people who are either on retirement or nearing retirement. We have already emphasized the low incomes of people who have reached age 65 or older.

I think, Senator, that about summarizes the findings of the study. You have more detail in the prepared statement, of course, some additional detail can be found in the bulletin.

Senator LONG. Doctor, this report is very helpful and it is actually shocking to us, I am sure. To go backward with it, I am looking at your 1956 graph. It shows a great decrease in our rural population from about the age of 20 up until, it starts back a little, around 35 to 40. It gets up to about 50 before our population then comes back in the age group which indicates, as you said, the most productive years of our farm people or people who live in the country. They don't live in the rural community at that time, then they come back as they get older, which perhaps is the reason for the lower income then as they are aged.

Dr. MILLER. Yes, Senator, we found that this increase in percentage of elderly people in the area where the data were obtained is largely a result of a backflow of population to the area after they have reached the age when they no longer are employed in industry. A great many people in this economic area, which is our eastern Ozarks in Missouri, as soon as they reach the age when they can enter the labor force find employment largely in St. Louis. When they are unemployed or when they reach the age where they no longer hold down a job in industry they come back to the area and take up residence there and, of course, live on whatever income they have when they are at that age.

Senator LONG. They come back home, then.

Dr. MILLER. That is right. Many of them try to become part-time farmers. We have looked into the problem of the part-time farmer and found that for a farm business, where the work requirement, that is, the labor requirement to take care of the entire business is less than 100 standard days of work, the income usually does not meet operating expenses. This fact casts some doubt upon the desirability of using part-time farming as a retirement procedure. The operators of these businesses have to be extremely careful about what enterprises they include in them or else they can't meet all of their expenses and replace their capital equipment as it wears out.

Senator LONG. Doctor, the State average of people over 65 years of age receiving old-age assistance is 23 percent. In these 10 counties, I notice here on the list, that some run as high as 71 percent of those older citizens receiving assistance; 29 percent, I believe, is the lowest, 64, 69, two 71's, 58, and 48.

Do you have some suggestion as to the reasons for that?

Dr. MILLER. Yes. The migration of younger people out of the area, leaving a high percentage of elderly people in the area, I think is in part, if not entirely, responsible for that situation. You see, the

younger people have moved out and that leaves a higher percentage of the elderly groups remaining in the area.

Senator LONG. I can see that, but I would think if they were employed in industry, when they come back there would be many of them with social security benefits that would take them off the old-age assistance.

Dr. MILLER. I think that will come about as more and more people qualify for social security, but many of the elderly people who were interviewed at the time the research was done were not eligible for social security. Many of them were getting old-age pensions of various kinds, but not social security, and you will note in the report that a very high percentage of the incomes of these families were from nonwork sources which include social security, retirement benefits from industries that had retirement plans, and various other incomes of that nature.

Senator LONG. Do you know or have I overlooked it in your report as to how many people over 65 live in these 10 counties?

Dr. MILLER. I don't have the information before me, but it is available. It can be obtained.

Senator LONG. It is in the bulletin, do you think?

Dr. MILLER. Yes, I think it is; and of course, more nearly up-to-date data can be obtained from the census which was taken after this research was done.

Senator LONG. As far as I know, this is one of the few studies that has been made of our aging problems in the rural areas.

Dr. MILLER. Well, there have been studies that are somewhat similar to this in low-income areas in a number of other States; and while the outline was not exactly as we followed here, I think in the low-income areas they have revealed somewhat similar conditions to those in our eastern Ozarks area.

Another study was done that paralleled this one in Missouri. It was the study in Douglas County. There the findings were almost completely parallel to the findings in this study.

Senator LONG. You have suggested that the aged have serious income problems. What about the younger people who do stay in the communities in this study?

Dr. MILLER. Senator, insofar as the young people who have remained in the study area are concerned, they are beginning to increase their general level of income. Percentagewise it has gone up more rapidly in the area included in this study than it has in some other parts of the State where the resources are more productive. You see, the thing that is happening is that the outward movement of people is releasing resources that can be controlled by the people who remain. Then there is a very marked shift toward development of other resources than agriculture and timber to be sold for income. It has to do with the development of the recreational resources in the area. There is a manuscript now that soon will be in publication form that reports the gains in income to the Ozark region of Missouri as a result of recreational development. The data show that recreational development in the Ozark area has added materially to income.

Senator LONG. Do you know of any statement or any record as to the contribution that these younger people make to the older citizens who leave the county and send money back into the community for their support?

Dr. MILLER. We have no specific data to indicate how much the younger people who move out send back to the older people who remain, but it is a substantial amount, I am sure.

Senator LONG. This study was made in 1956. Do you have any idea if there is any basic change in it from that time to the present date? Do the same situations and conditions exist do you think?

Dr. MILLER. The changes that have taken place from 1956 up to the present time, in our judgment, would raise your percentage figures higher, that is your percentage of elderly people would be somewhat higher than it was in 1956. The incomes of elderly people would be no higher than they were in 1956.

Senator LONG. Perhaps more of them are receiving social security?

Dr. MILLER. That's right; yes.

Senator LONG. Now, for the record, I understand this \$1,000 a year is based on the household and not on the individual income?

Dr. MILLER. That is right. It was the income to the household and not to the individuals who were members of the household. In other words, if there were two or more people getting income, the total returns of the household were counted, not just to one individual.

Senator LONG. Do you have any specific thing that you would or could point out as to how the low income group in those areas affect the economy of those particular areas and the State?

Mr. MILLER. Well, of course, low incomes in the eastern Ozark area affect the volume of business that is transacted. The businessman has an interest in it as well as the people who are directly affected. We have some evidence that when people who have gone out of the area to find employment become unemployed they move back to the area because they can live more cheaply there than they can in St. Louis or other industrial centers. If they draw unemployment compensation, the sales of business people within the community go up. I think I saw a figure, based on sales tax that total sales went up about 5 percent during the 1956 recession.

Senator LONG. Dr. Miller, thank you very much for the very fine statement and information. This is some of the most helpful information our committee has received. Our coming here has borne out our idea that we might find different problems in the rural areas than in the industrial areas.

Dr. MILLER. Thank you so much.

(The information referred to previously follows:)

STUDY BY DEPARTMENT OF AGRICULTURAL ECONOMICS, UNIVERSITY OF MISSOURI,
SUBMITTED BY FRANK MILLER

This statement includes data that were obtained from a study conducted by the Department of Agricultural Economics, University of Missouri, in 1956, in a section of Missouri that had been designated by the Secretary of Agriculture

as a serious low income area. The objectives were (a) to inventory the human and physical resources in the area and reveal their present use, and (b) to determine levels and sources of income of the rural people living there. Several aspects of the study showed the close relationship between old age and low incomes. The findings were reported in "Resources and Levels of Income of Farm and Rural Nonfarm Households in the Eastern Ozarks of Missouri," Missouri Agricultural Experiment Station Research Bulletin 661 (March 1958), by Ronald Bird and Frank Miller.

The investigation was confined to 10 counties in the southeastern Ozarks and data were obtained from a randomized sample of open-country households.¹ Information was gathered in 1956 from 269 farm and 516 nonfarm households. The sample was considered representative of 15,827 households in the area. The data revealed the following facts:

Forty percent of all farm households and 27 percent of all nonfarm households had cash incomes of less than \$1,000; 62 percent of the farm households and 54 percent of rural nonfarm households had incomes of less than \$2,000 in 1955.

One of the major reasons for these low incomes was the advanced age of heads of the households. For example, 23 percent of all farmers who had household incomes of less than \$2,000 were 64 years of age or older. Fifty-nine percent of the heads of rural nonfarm households that had incomes of less than \$2,000 were over 64 years of age.

In those farm households where the principal breadwinner was 65 years of age or older, 45 percent had incomes of less than \$1,000 and 82 percent had incomes of less than \$2,000. For the nonfarm households located in the open country with heads 65 years of age or older, 29 percent had incomes of less than \$1,000 and 93 percent less than \$2,000 in 1955.

The source of income in households where the head was 65 years of age and older was not specifically identified in this study. However, some indication is shown through an analysis of those households in which the incomes were less than \$1,000. Of the farm group, more than one-fifth (22 percent) of incomes came from the farm business, 46 percent from nonfarm work, and 32 percent from nonemployment sources such as old-age pensions or social security. For nonfarm households with incomes of this amount, 24 percent came from nonfarm work and 75 percent from nonemployment sources.

In 48 percent of the farm households in which the operator was over 65 years of age, less than 100 man-days of farm labor was accomplished. Sixty-five percent of these operators did not cover operating costs. This fact indicates the difficulty of obtaining any profit from a small sized farm operation. From the standpoint of increasing household incomes, the majority of farmers who had an operation that required less than 100 days of labor would have been money ahead to abandon the farm business that they were operating.

Twenty-five percent of the farmers and 33 percent of the rural nonfarmers who were 60 years of age or older in 1955 stated that they were too ill to work 60 or more days during the year.

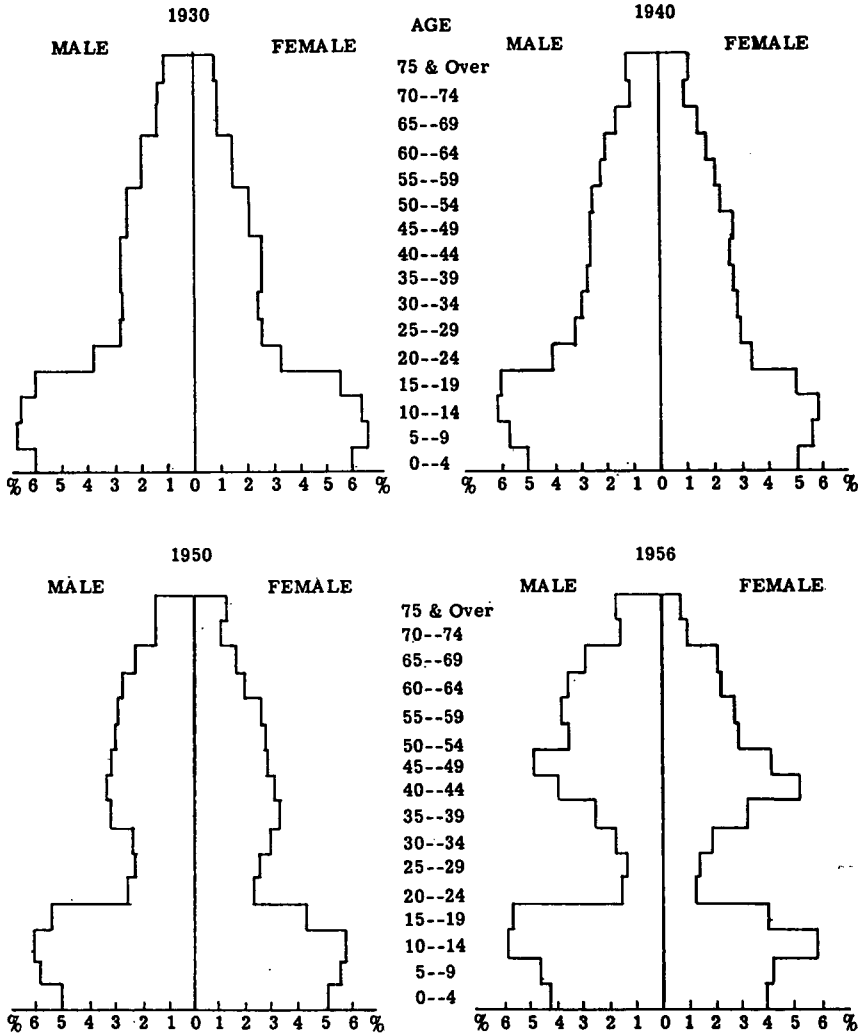
The data indicated that most of the farm and nonfarm heads of households who were over 64 years of age had incomes of less than \$2,000, and in the majority of instances were unable to raise their incomes either through farm or nonfarm work. More than one-fourth of them indicated that their efforts were limited because they were too ill to work 60 days or more in 1955.

Trends in the age distribution of the population of this area are shown in the attached graphs.

It is our belief that the findings obtained in this study for the year 1955 would not be much different if the study were conducted today.

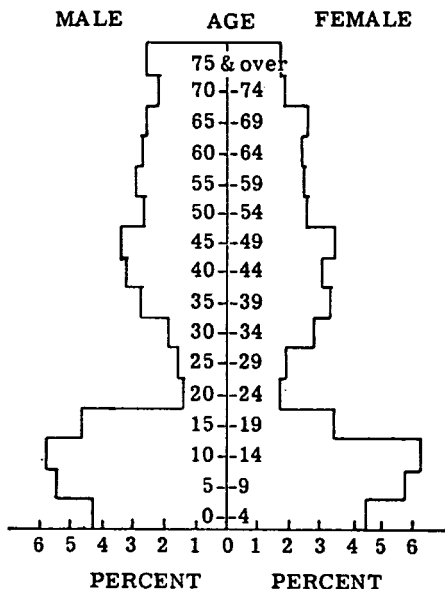
¹ The area includes St. Francois, Madison, Wayne, Ripley, Oregon, Shannon, Reynolds, Iron, Carter, and Dent Counties.

FIGURE 5.—DISTRIBUTION OF THE RURAL FARM POPULATION IN MISSOURI ECONOMIC AREA 8, BY AGE AND SEX



(Source: Data for 1930, 1940, 1950, Bureau of Census)

FIGURE 6.—DISTRIBUTION OF RURAL POPULATION LIVING IN THE “OPEN COUNTRY” IN MISSOURI ECONOMIC AREA 8, BY AGE AND SEX, 1956



Senator LONG. The next gentleman to testify is Dr. C. Thorpe Ray, professor of medicine, University of Missouri Medical School, representing the Missouri State Medical Association.

May I make the same suggestion to you, Doctor, as we are running a little behind. It is my fault because I was so interested in talking to Dr. Miller about his problem.

Dr. RAY. Yes, sir; I shall try to keep well within the time, sir.

STATEMENT OF DR. C. THORPE RAY, REPRESENTING THE MISSOURI STATE MEDICAL ASSOCIATION

Dr. RAY. Senator, I am very grateful for the opportunity of appearing here and applaud the efforts of this committee to determine how to find some way of answering this very pressing problem.

Now, inasmuch as the retirement income needs have, in some instances, been equated with needs for medical care, I would like to address this committee on this subject. I might qualify myself as having justifiable right to hold certain opinions in that I have been in medical education now for a matter of some 19 years. This has been my entire life's work in medicine. I have been a consultant to various hospitals of the Louisiana State Hospital System, of the U.S. Public Health Service, veterans hospitals, and I have also been the physician for a period of 13 years for an elderly ladies' home where we had 90 patients. I say these things because I think each of these experiences has entitled me to certain observations which I believe are pertinent to the hearing here.

The points I want to touch upon involve, first of all, medical education. The problem we have here, and there are a number of reasons for this, is that the quantity and quality of applications to medical

schools in the past 10 years have declined. This is not just our university, it has been a nationwide affair. We wonder why it is that we are now actively going out to recruit the competent, the bright, the alert, which we believe to be important in the entire future of medicine in the United States.

Now, as a member of an admissions committee for medical schools, I can tell you there has been a great concern about the general future of medicine, particularly anything which forms as a possibility of change in medicine as we have known it. I don't suppose that medical education is perfect, but I think we have good data on which to say that the American medicine and American medical education is probably the best in the world, and I think that wouldn't be challenged.

The problem of maintaining and recruiting an adequate and competent staff, which is one of my problems as chairman of the department of medicine, remembering that not only the practice of medicine but our whole medical educational system has been based upon a traditional concept of medicine and I think anything which would offer a change in this traditional concept of medicine would indeed make my tasks and those of other chairmen very, very difficult, if not impossible.

Now as to a few of the accomplishments in medicine, American medicine: You pointed out one, and I do think this achievement of increasing the life span to 69½ years over a 26-year period is a real achievement. Back in 1930 it was 59.7 years. I think this is a real achievement and it is this kind of effort that I think is worth perpetuating and encouraging by all means.

A few decades ago the medical center of education and research was across the Atlantic, but now it is very clearly in the United States. I have some figures attached showing the trend of license examination of foreign physicians. You will notice that the trends in figure 1 would show that at times when we have things threatening medicine we have gotten a great influx of foreign physicians licensed in the United States. Figure 2 indeed shows the continuation of that trend.

Now we come to one area in my statement I must apologize for. In the statement, the breakdown there of countries from whence these physicians came, that's licensure. The actual number of foreign physicians in the United States is almost 10,000, 9,935 in the last fiscal year. In other words, we developed a system of medical education in the United States which indeed attracts people from the world over.

Now, as to some of the needs of the aging in terms of the equating the needs of the retirement income with medicine, one can get most any statistical data he wishes, but this represents a study by the U.S. Public Health Service, the Department of Health, Education, and Welfare, and touching upon some of the needs, the medical needs, of an aging population. I have had the impression in my association with the New Orleans Old Ladies' Home and the other welfare agencies for which I was on the planning committee, that the number of people who are actually in need of seeing a physician is not as great as sometimes one may think.

This is a survey of the 73,000 families involving 235,000 persons and again it is by the Health, Education, and Welfare Department, and this would indicate the following: Figure 3, a graphic study taken directly from this book, shows the number of people with one or more chronic conditions by age groups, and you will note there

that at age 45 to 54, 56 percent of the people have one or more chronic conditions, and this increases on up to 65 to 74, where there are 74 percent with chronic conditions. This would make us look like a very sick population indeed, but we look at chronic conditions and it includes such things as hay fever, sinusitis, and a great number of minor illnesses. If we analyze it as it does in this next graph on this same page here and is shown in figure 4, what does this mean in terms of the trips to physicians per year? Well, the people 55 to 64 had 5.8 visits per person per year; 65 to 74, 6.5 visits per year; and 75 and over, 7.3 visits per year. In the interest of not misleading anyone, now, this is based on the people who were living in the homes at that time. Any one who would have been moved as a permanent resident to a nursing home is not included in these statistics. I point this out to you.

This survey has a lot of information by age groups, Senator, and you might like to have this copy here and I shall give it to you for your records, sir.

Senator LONG. We would like to have it, Doctor; thank you.

Dr. RAY. When we examine this we find that there are a minority of people who have a great medical need. We are quite aware that there are many persons whom you can find who have had a very large medical bill. I am sure that there are some in the audience today to express their opinion to you about it. But I think that in terms of our attitude, my own personal attitude is that the attention should be given to two factors. We would like to increase both the quantity of life and also the quality of life. If we are going to make life meaningful, I think we have to deal with the quality of life—all of the individual's total needs. I would submit, therefore, that if we examine the same population here and inquired as to the other needs, other than this 6.5 visits per person per doctor per year, we would find some other way of increasing retirement income and not equating the need for income with medical needs; because I don't think that is borne out in the statistics of Mr. Ribicoff's own Department of Health, Education, and Welfare.

Lastly, I have been a member of a system of hospitals which is—from which Britain could have learned much, a highly developed state system in the United States. The State of Louisiana has had for many years one of the highest developed state systems of medicine, and I must point out to you having worked in this system for a long time that all of these things were taken care of as a charity function. Anyone in the State of Louisiana could pick up a phone, call the ambulance himself, be transported, all of this, and this is not medically efficient or effective for the individual because it forgets the one thing that is paramount, and that is the quality of life, his total needs, and I think we must agree that all else is secondary to his total needs.

Thank you, sir.

Senator LONG. Doctor, thank you for a very helpful statement. I, too, have a great interest in the University of Missouri and our school of medicine. I was majority floor leader of the Senate when a bill was passed, and the appropriations offered for it, and I was very active in seeing it established and seeing it established at Columbia. I am sure it will be very helpful to all of us in Missouri and in this section of the country.

I might say to you that this problem of aging is a problem maybe you physicians have helped bring on us by performing your services so well and extending the lifespan of so many of us.

Doctor, on table 4, one of my staff would like to know, do the statistics on the physicians' visit, are they influenced in any way by the income levels of the age group?

Dr. RAY. Very little. At \$7,000 and above the visits were 8.3 per year and at \$2,000 income the number of visits per year was 6.2. Whether they had a \$2,000 income or a \$7,000-plus, it made the difference of two physician visits per year as an average.

Senator LONG. Now for the record, those visits were the actual visits and there is no indication that they were always needed visits.

Dr. RAY. The need of visits, Senator, would be so very difficult to interpret, because many patients with these chronic conditions, including slight diminishing of the hearing, had never ever seen a physician for it.

Senator LONG. Thank you very much. We appreciate your statement and we appreciate you letting us have the copy of the report.

Dr. RAY. This, sir, I think will contain the answers in that this is a fairly extensive survey.

(The prepared statement of Dr. Ray follows:)

PREPARED STATEMENT OF DR. THORPE RAY, COLUMBIA, MO.

Senator Long, members of the committee, I am Thorpe Ray, of Columbia, Mo. I am professor of medicine at the University of Missouri and chairman of the department of medicine. I am grateful for the opportunity of appearing before this hearing to present certain facts which I believe to be of paramount importance to all recipients of the medical care which is available in the United States. Let me qualify myself further by pointing out that I was on the staff of Tulane University School of Medicine from 1945 to 1958. During by tenure there, I was on the admissions committee for many years. I was medical director of St. Anna's Home, which served 90 elderly ladies, and I was also on the Planning Committee for Aging for the New Orleans Community Chest agencies during these years. I was continuously on the staff of Charity Hospital of Louisiana at New Orleans, as well as a consultant to one other hospital of the Louisiana hospital system, and also consultant to the Veterans' Administration Hospital and to the USPHS Hospital in New Orleans. I mention these appointments because each of these experiences has entitled me to have certain information which I think is pertinent to these hearings.

The points I would submit for your consideration touch on the following basic areas: First, medical education; secondly, achievements of American medicine; third, some needs of the aging population; and fourth, the medical inefficiency and ineffectiveness of a State socialized medical system.

In regard to medical education, I should like to point out the frequently repeated statement about the need for more medical schools and more physicians. The experience in a great majority of the existing medical schools is that the number and scholastic standing of applicants has declined in the last decade. There are doubtless numerous reasons including emphasis of physical sciences, long and costly education in medicine, and many others. As a member of an admission committee interview team, I can tell you that many applicants are concerned about the future of medicine from the viewpoint of freedom. We in medical education are expected to graduate more and better physicians, but are we going to be able to continue to "recruit" competent students? We are actively recruiting now. I would like to express an opinion that the entry of the Government into medical individual liberty will make our task more and more difficult, if not impossible.

The American educational system for medicine has developed on the tradition of individual liberty and a direct doctor-to-patient relationship. This has attracted competent people to enter the field of medical education. Any alteration in the traditional concept of doctor-patient relationships will make recruitment and maintenance of a good medical teaching staff more and more difficult. If,

indeed, we need more medical schools and more well-trained physicians, then I question the advisability of putting insurmountable objects in the path of those who are trying to recruit and to educate future physicians.

Perhaps we should review a few accomplishments of medical practice and medical education. It should be decided whether we wish to perpetuate these accomplishments. We have an average life expectancy of 69.6 years in 1956 (59.7 in 1930). I believe we can regard this as a real achievement. Is this worth perpetuating? One could hardly expect to change a basic concept of medical practice and have all else remain unchanged.

A few decades ago the center of medical research, education, and postgraduate training was across the Atlantic. It is now in the United States. I would direct your attention to figure 1, which shows the number of foreign-trained physicians licensed in the United States. It would seem pertinent to note that the peak numbers have occurred at times when governments have interfered with individual and medical liberty.

This trend is further emphasized in the progressive rise in the number of foreign-trained physicians licensed by State boards as shown in figure 2. The number of foreign medical graduates in the United States last year for postgraduate training in medicine were:

Central and South America.....	454
Europe.....	1,431
Britain.....	242
Scandinavian.....	60
Far East.....	200
Near East.....	193
Iron Curtain.....	330
Total.....	2,910

There must be an excellence of medical education here to explain these figures. Should this be perpetuated?

I would like to proceed to the third area—some medical needs of an aging population. I would point out that my 13 years as physician for an elderly ladies' home allowed me certain observations which seem pertinent at this time. One must start any discussion by agreeing that we are interested in increasing both the quality and quantity of life. To increase only the quantity without regard to the quality of life is less than kind. In this regard, I would like to point out that the medical needs of many of the residents in the ladies' home I served were less than the needs for legal counsel. The straightening out of wills, properties, etc., are frequent problems requiring legal counsel. I wonder what is planned to provide such services? To substantiate my observations I would like to cite the statistics published by the U.S. Department of Health, Education, and Welfare, series C, No. 4, "Health Statistics," from the U.S. National Health Survey. These data were collected from July 1957 to June 1959; 73,000 households were interviewed involving 235,000 persons. Figure 3 is a copy of one of the graphs on page 2 of that publication. This represents the percentage of persons in each age group with one or more chronic conditions. You will note that 56 percent of persons 45 to 54 had one or more "chronic conditions" and the percentage rose to 83 percent of persons over 75. We are indeed a sick people—until we look at what was listed as chronic conditions—hay fever, sinusitis, bronchitis, etc., finally then some more serious illnesses. What do these figures mean in terms of needs for physicians' services? Fortunately, another graph on page 2 of their publication showed the average visits to physicians per year (fig. 4). It is readily apparent that persons 45 to 54 years of age visited their physicians 5 times per year; 55 to 64, 5.8 times per year; 65 to 74, 6.5 times per year; and 75-plus, 7.3 times per year. This emphasizes the fact that the medical needs are but one small facet of the total needs of the individual, be he 45 or 75—and these figures are from Mr. Ribicoff's Department. While the publication did not show data on other needs, I submit that trips to beauticians, plumbing, automotive repairs, etc., would amount to much more than "medical needs." While I am certain that one can find numerous persons who have had large medical expenses, and no doubt some are in the audience, to express their views, I wonder what one might find were he to inquire of the legal counsel expenses, plumbing, automotive repair, television, and electrical repairs of the same population. I would respectfully suggest that the total needs of the individual, the quality of life, will best be served by attention to his total needs by increasing his income rather than selecting some one facet or fraction of his needs—namely, medicine—and ignoring the rest. How many persons cannot afford 6.5 visits to their physician per year?

I would like to make two additional points. In all instances where the Government has gotten into medicine there is interference with medical practice. I suggest that a check of drugs available for use in veterans hospitals and USPHS hospitals will show restrictions. That is a good starting point for anyone who wants to know if there is interference.

Are the calculated expenses and appropriations always sufficient to meet the demand for services? I believe the medicare program has been out of funds on occasions. Why would it be different in a program which is enormous in scope?

Lastly, I would make one more suggestion. For anyone who really wants to know how state (social) medicine works for the individual, I would point out that we have several highly developed state systems in the United States. Britain could have learned much from Louisiana. Since I worked in this system of hospitals for 13 years, I feel justified in expressing an opinion. It is medically inefficient and ineffective. It does not consider the quality of life, and we must agree that all else is secondary.

FIGURE 1

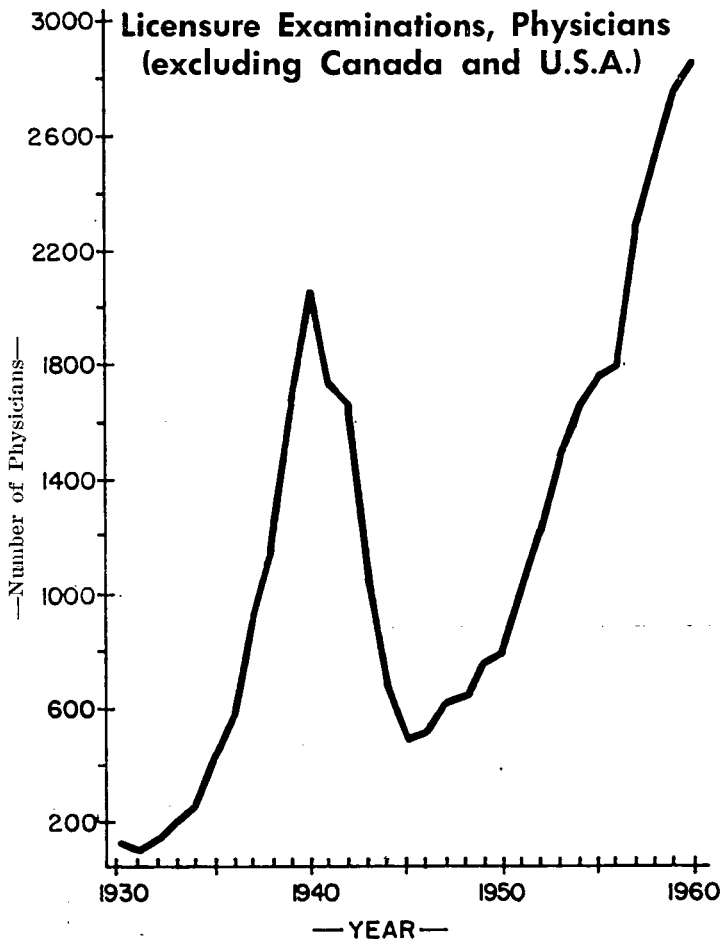
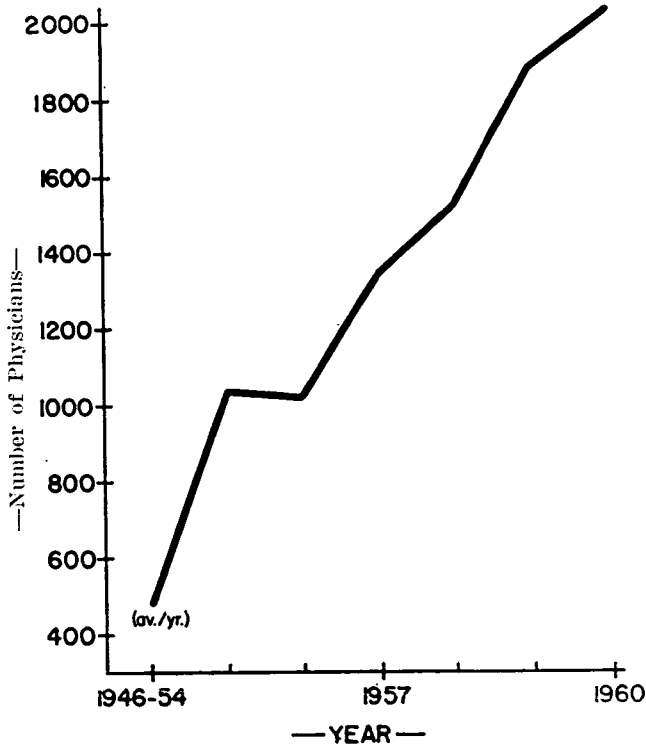
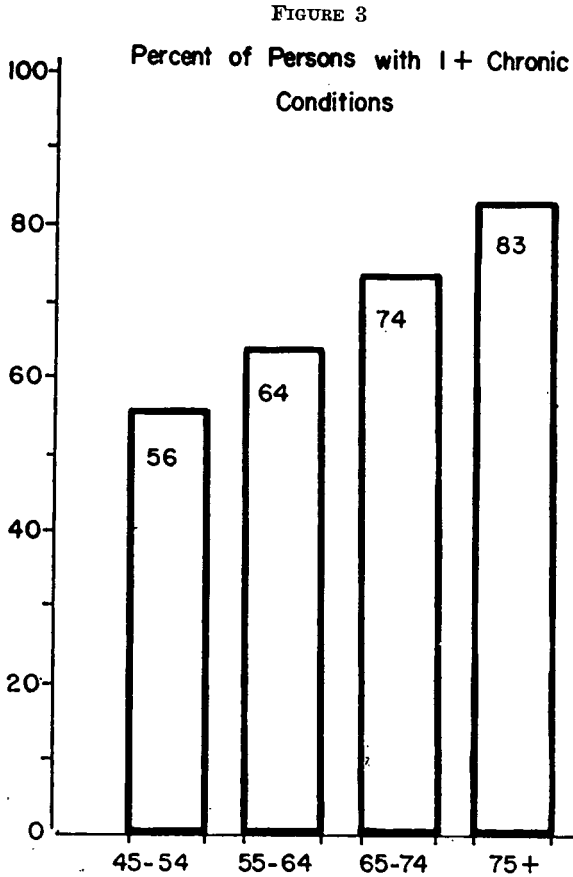


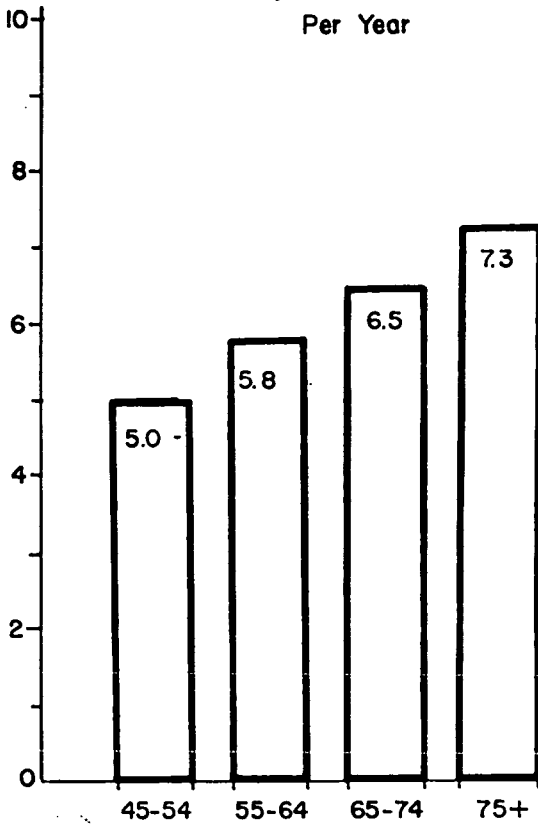
FIGURE 2
**Foreign Trained Physicians Licensed
 by State Boards, 1946-1960**





Health Statistics, Series C—No. 4.
U. S. Dept. of Health, Educ. & Welfare

FIGURE 4
Number of Physicians Visits Per Person
Per Year



Health Statistics, Series C-No.4.
U.S. Dept. of Health, Educ. & Welfare

Senator LONG. Thank you so much.

Our next witness is Dr. Raymond Ritter, who represents the Cape Girardeau County Medical Society. I believe that Dr. Ritter is the president of that.

Dr. RITTER. No; I am not the president of the society.

STATEMENT OF DR. RAYMOND A. RITTER, CAPE GIRARDEAU COUNTY MEDICAL SOCIETY

Dr. RITTER. Senator Long, distinguished members of the panel, ladies, and gentlemen—

Senator LONG. May I make the same suggestion in regard to the reading of the full statement?

Dr. RITTER. Yes; I have cut the full statement.

I am Raymond A. Ritter of Cape Girardeau, Mo. I have practiced medicine here since 1933. The Cape Girardeau County Medical Society has asked me to speak for them at this hearing.

We are glad to have the opportunity to be heard by the Senate Committee on Aging, since it is largely through the work of our profession that more people are privileged to live past 65 years.

The phase of the aging problem which has been announced for our consideration is retirement income. Is it a problem requiring further Federal subsidy or assistance? I would like to consider retirement income as it involves the profession of medicine.

Recently, I saw a cartoon showing some of our Government officials dressed in the uniform of a Boy Scout insisting on carrying an old lady across the street. She struggled because she wanted to walk and did not want to be carried. This, I believe, exemplifies the thinking of our older age group, people past 65. They would like to walk on their own and not be carried.

In the matter of retirement income, funds have been proposed by legislation, most recently the King bill. It is our opinion that additional funds are not needed because sources to supplement such moneys as the individual may already have are now provided through the social security system. Such people who are not covered by the social security system have access to old-age assistance. Other needs of hospitalization are presently met by the vendor program in our region. In addition to these plans, legislation has been passed known as the Kerr-Mills bill which is being implemented by many States, and in the process of implementation in others. The Kerr-Mills bill provides assistance for people past 65 who are in need of help, whereas the proposed King bill advocates the taking over of responsibility for hospital, nursing home care, and to a certain degree, medical care, regardless of the individual's needs.

Adequate and available funds are desirable, not only to secure the bare necessities of life, food, clothing and shelter, but the extras, books, concerts, and various forms of recreation. Many of these needs could be met if compulsory retirement would be removed as a requirement to collect social security.

The able bodied and alert should be permitted to be gainfully employed, because I know it promotes a more nearly normal state of mind. Being unoccupied or idle is truly the "Devil's workshop."

In addition to the sources of help that have been established by various governmental agencies, our society has long recognized the need and privilege of voluntary relief. Charity and assistance have long been practiced as a virtue by our various churches. This concept is a part of the Jewish and Christian religion upon which our society has been founded. A tremendous amount of charity has been distributed through these means long before our Federal Government concerned itself about these matters. The very bulwark of our hospitals and allied institutions over this country were founded by organizations inspired on religious grounds. In addition to this, we have in the past and have today benevolent societies and fraternities concerned in the care of the needy, whether they be old or young. Communities have concerned themselves about the problems found locally. Many of these come under the care of Community Chest projects and also share in the many multimillion-dollar health drives with which we are all familiar. Local hospitals have been organized and established by community initiative.

Here in Cape Girardeau we have the St. Francis Hospital which was organized in 1879. It has changed with the needs of the times. It has kept abreast with progress. We all know that its doors have never been closed to people because of their age, their race, or their financial condition or religion. The needs of our own community increased with the growth of its population and in 1928 the Southeast Missouri Hospital was established. It, too, has grown. We now find hospitals in our neighboring communities: Perryville, Sikeston, Poplar Bluff, Kennett, Hayti, Ironton, and Fredericktown.

The devotion and sacrifice that doctors and nurses have made in behalf of the sick are well known to everyone. I am sure that each of you here could pause and recall some outstanding dedicated service that you or some member of your family has received at the hands of a doctor. In addition to the service that you see in the doctor-patient relationship, their zeal goes beyond that point. The medical profession has labored and is laboring to push back the walls of mystery from the diseases unconquered. All necessary efforts are being put forth to eliminate other causes of death. In my lifetime and in the period of time that I have practiced medicine, I have seen many victories won for mankind. Diabetes is now controlled. Pneumonia is largely conquered. Diphtheria and whooping cough have become a rarity. Tetanus has become an unnecessary complication. Crippling poliomyelitis has become unnecessary. Antibiotics eradicate a multitude of infections and has made surgery safer. Anesthesia has been developed making it possible to extend surgery into an area considered impossible only a few years ago, including the heart, lungs, and brain. These accomplishments have been made possible by a profession that has worked in an unhindered atmosphere. It has worked unhindered by centralized regimentation. Because of the excellence of the work of the medical profession, we now have more people reaching the age of 65 and over. We have now an average life expectancy of 70. We have today the most efficient, best informed and best trained medical profession in the world. Doctors come to our shores from all lands for training. They come, not because we are endowed with more native intelligence, but because we have progressed faster and have more facilities for training, and

these conditions, I believe, are here because we have not become hindered by governmental regulations such as are found in the countries who extend their hands to receive help from us.

We are proud of a profession which has the standards of excellence such as is found in the doctors of this country. Doctors cannot be mass produced, neither does modern automation apply to them. Long years of training are a necessity. Today few doctors are completely trained until they are about 30 years of age. To make this possible, there must be a motivation from within and not a coercion from without. It is necessary to find sacrifice worthwhile for the privilege of personal service that can be rendered in the end. These vital elements will be suppressed if more and more control is taken from this dedicated group of men and handed over to the rulers of the Government. We are in need of more doctors today. I note, however, that young men who have the qualifications of becoming doctors are discouraged from entering the profession of their first choice because of the ever-looming threats on our national horizon for the Government to extend its control over the medical profession. Is it not strange that we find so many things wrong with our society and our Nation, so many things wrong with the Nation that is the most prosperous in the world, with a Nation that is the strongest military power in the world, with the Nation that is the best informed in the world? Do you not recognize the danger of this constant agitation that is produced by the sowing of seeds of discontent among the people who find themselves in the presence of plenty? Constant taxation and ever-increasing taxation is necessary to carry out the ever-increasing programs proposed by our Government. The money spent by our National Government today is astronomical. The debt limits are constantly being increased. The value of the dollar is constantly decreasing. Are we justified in extracting the lifeblood of the generations unborn with which to transfuse ourselves today?

The doctor is anxious to make his service available to all. By tradition, doctors refuse no one regardless of financial state.

The needs of people have not been ignored by the 4,000 physicians of Missouri. There are 39 tax-supported municipal and county hospitals providing care for needy patients. There are 90 privately supported hospitals which also do their share of caring for the needy. There are 68 county-supported nursing homes and 50 county-owned homes leased to private operators. In addition, we have the State mental health program and hospitals, the State cancer hospital, the State tuberculosis hospital, and the University of Missouri Medical Center connected to the medical school.

Voluntary health and medical care protection is provided by Blue Cross and Blue Shield. Thirty and nine-tenths percent of our population in Missouri has Blue Cross protection. This includes 1,417,000 people. Twenty-two and four-tenths percent of our population have Blue Shield coverage, which includes 1,063,000 people. Ninety-five thousand people over the age of 65 have Blue Shield coverage. This voluntary plan protects 25 percent of our people over the age of 65.

More and more people are electing coverage by commercial insurance. Prepaid health insurance data shows that three out of four

Americans have voluntary insurance protection, totaling 134 million people.

I believe that the question need be asked, "Is an ever increasing governmental expenditure desirable?" "Should we give money to people regardless of need as is proposed in the Federal administration's King bill?" The strength of our country requires a moral fiber. That moral fiber has been shown in the lives of many of us by truly shouldering our own individual responsibility. Has it become outmoded to lend your supporting arm to your aged parent, to your relative, friend or neighbor in need? Is it presumed that such practices have not occurred before the thought struck the legislators? I believe that the people of our country should be alerted, so that the benevolent embrace of our ever increasing socialistic government does not finally end up being a bear hug.

American medicine is not on trial. It has written its story of a glorious past. It has served with distinction in peace and in war. It has served with distinction during prosperity and depression. It has not counted its services in terms of hours worked, but in terms of work needed to be done. American medicine and free enterprise are not on trial. It is those who seek to alter our system who are on trial.

The Cape Girardeau County Medical Society believes that government should do for people only that which they cannot do for themselves.

The Jeffersonian conclusion is still valid, namely, "That Government is best the governs least."

Senator LONG. Doctor, thank you so much, and there are only one or two questions I want to ask you.

Let me say first to you that as I have said at other meetings, on the record a number of times, that I am just as opposed to socialized medicine as any doctor is.

Dr. RITTER. I am glad to hear you say that, Senator.

Senator LONG. We are very fortunate in Missouri in having our great hospitals and medical schools in Missouri, Columbia, St. Louis, Kansas City, and we are very fortunate with the medical scepter of the world locked in our State, and while I am opposed to socialized medicine, I want to have the right to employ what doctor I want, and I want that doctor to have the right to take me as a patient if he wants to. As a lawyer I don't want to have to take a client I don't want to; I don't want a client to take me as his lawyer if he doesn't want to. As I have said before, while I feel that way, and I am sure there is some question in our minds, some honest differences of opinion as to what is socialized medicine and what isn't, or whether it is included or effected in the particular legislation that you refer to. We all know, certainly, that the medical profession has made a great contribution, it is a great profession and we all recognize that, and certainly the medical profession is not on trial before this committee or before the Congress of the United States.

There are one or two points, though, that I would like to clear for the record. You skipped over it. I heard the testimony of a doctor in St. Louis the other day, their plan was instituted in 1960 to give medical care to needy people over 65 at a reduced rate. In other words, the patient has to go to the doctor of the committee and say we are not able to pay for it, we want doctors' help.

Dr. RITTER. That is included in this paper which I didn't read for the sake of time.

Senator LONG. I said you had skipped over it. This provides a fee schedule that has been reduced from 10 to 90 percent. I don't mean to be facetious, Doctor, but you mentioned a moment ago about the Boy Scout wanting to carry the elderly lady across the street and she didn't want to go.

Dr. RITTER. Yes.

Senator LONG. I can't help but go through my mind and find that perhaps that's the same situation there that our older people want dignity, they want to stand and walk alone, they don't want their doctor to feel that they have to carry part of their burden for them.

In all our hearings for the old people the big problem has been to them that they want to feel that they have no fear about it. There is no question as to the great charitable work that you and your associates have given over the years, as a matter of fact, it is too much of a burden to carry for you as a profession.

Dr. RITTER. We are glad to carry that burden, sir.

Senator LONG. Well, I think it is unfair to you.

Dr. RITTER. We like to be treated unfair to that extent.

Senator LONG. This old woman you were talking about, she doesn't want to come and say, she loses her dignity when she has to come to that. I am wondering if you feel that perhaps that's the reason that they have had, I think, less than 100 people—I don't believe you said in your statement—less than 100 people in St. Louis County who have availed themselves of that plan.

Dr. RITTER. One of the first things I believe is that a person has to be realistic. If you are a strong person you are able to do certain things, and you will admit that perhaps if you are a weak person you can't do certain things. I think it is absolutely realistic to admit what your financial ability is, and you have to admit it to somebody, even if you have to whisper to somebody in a relief office, you have to admit it some place and you might as well be frank about what you are able to do and what you are not able to do, and after all, people confide in us doctors many things much more delicate than their bank account.

Senator LONG. I am confident of that, but, even more so than they do to we lawyers, but the concern that I have is that under the King-Anderson bill that you referred to they wouldn't do that, they would have that paid up, health and medical policy that they would have that income from, and wouldn't it be necessary that they subject themselves to what they consider an indignity?

Dr. RITTER. However, you said previously that you are opposed to socialized medicine.

Senator LONG. Yes.

Dr. RITTER. But if you go along with the ideas that are advanced in the King-Anderson bill, you are putting doctors under Federal control because I yet have to see anything that the Government pays for or supervises that it won't call the terms and it will do that as far as a doctor is concerned who will be working under the King-Anderson plan.

Senator LONG. There is no provision in that bill that indicates that, though, is there, Doctor? If there is, will you point it out to me?

Dr. RITTER. Yes; I will point it out to you. In that bill you will pay for doctors who give anesthesia, they are doctors of medicine, you cover the doctor who does radiology who is also a very competent person, you are covering the man who is doing pathology, and after you once get your foot in the door, look out.

Senator LONG. It is the fear of the future and not what this particular bill does?

Dr. RITTER. We are afraid of it that much already.

Senator LONG. The doctors, as I understand, are in favor of the Kerr-Mills bill.

Dr. RITTER. That is right.

Senator LONG. And the Federal Government contributes half of that, so there wouldn't be any difference, would there? Both Government agencies supervising it and the Federal Government is in half, why wouldn't they supervise that, too?

Dr. RITTER. The Kerr-Mills bill provides relief for those who are in need. The King bill gives it to everybody over 65.

Senator LONG. But that is not a distinction of socialized medicine.

Dr. RITTER. There is quite a distinction there, because it does not directly, by governmental expenditure, cover any segment of the medical profession. You see?

Senator LONG. Would you be in favor, then, of the King-Anderson bill that if the Government, their part of their social security coverage that would go to their medical and hospital, be paid to the patient and then be paid to the doctor?

Dr. RITTER. I would be opposed to the King-Anderson bill even under those conditions for this reason. It is paid through social security, and it is already by law going to about 9 percent, and the statistics or the advanced figures that are usually given about a proposed piece of work are always lower than what it ends up in being. So in the end your social security fee would be much higher than what it is now and there is ever-increasing taxation. It is like pouring paint from one bucket to the other, a little of it stays on the side.

Senator LONG. But that's a matter of taxes and finances, that is in the matter of differences of socialized treatment; is it?

Dr. RITTER. That's right, but I also am interested in what is happening in our Government as a citizen, not only in my narrow branch of being a doctor.

Senator LONG. Doctor, the medical profession and I think rightly so, they have no hesitance, do they, now, in accepting as their fee or any hospital accepting as their fee the income that an individual received from his social security?

Dr. RITTER. Well, but that money is not paid directly by the Government to us.

Senator LONG. I understand, but I asked you a moment ago, Doctor, if this coverage in the hospital and medical care and hospitalization was paid direct to the patient and then paid to the doctor or the hospital, would that remove the objection?

Dr. RITTER. No, because you are getting more and more authority and more and more money into the Federal Government, and I think it would be much better to believe that we people who govern ourselves, we are a government of the people and by the people, that we as individuals have an ability to save some money, that we don't

first have to hand it over to some agency of the Government who will then benevolently dole it out to us.

Senator LONG. Doctor, they tell us that over half of the citizens over 65 have incomes of less than a thousand dollars through no fault, perhaps, of yours and mine, but it is a fact that many of them have less income than that.

Dr. RITTER. Part of it is the fault of the legislation. If they have more than that they can't draw their social security and that's one of the pleas we have. Let the people be productive and let them earn more money, because they are 65 I don't feel that they should be penalized. They should be permitted to earn more, and they should have certain other privileges as was pointed out in the St. Louis hearing, where if they sell a piece of property that they are not taxed. Let them have the privilege of holding onto their money and not losing more and more by taxation.

Senator LONG. Doctor, I agree with you entirely on that principle, and that's one of the things our committee is seriously considering, whether or not the limitation of \$1,200 is too low and should be raised, that they should be permitted to do additional work or that as suggested that perhaps there be some tax relief if their property is sold, but you still run into a fact, though, that there are many of them that don't, they are unable to work and they have no property to sell, so that would not be of help to them.

Dr. RITTER. But the provisions that are made in the Kerr-Mills bill would take care of that group of people. But, frankly, we are scared to death of you putting your arm around everybody.

Senator LONG. I am in favor of the Kerr-Mills bill, too, but perhaps for a different reason. I feel that it takes up the difference that will not be covered by the King-Anderson bill. To me they complement each other and there is a definite tie-in between them. They both have a very definite place in society. As you say, it is a problem that there are many approaches to, many interests in it, and it is great that we can all meet here and hear these views expressed and so on, and we hope that we will come up with something that will be to the benefit of all of the people and will not be detrimental.

Doctor, you have been very helpful and I don't want you to think I have tried to argue the question with you, and I don't feel you have tried to with me, and the committee, and we want for the record your particular views that you have expressed, and we do appreciate your coming before the committee.

Dr. RITTER. Thank you for giving me the privilege of exchanging views with you.

Senator LONG. Our next witness is Mr. Martin Berger, the district council manager, International Ladies' Garment Workers' Union. Mr. Berger.

**STATEMENT OF MARTIN BERGER, DISTRICT COUNCIL MANAGER,
SOUTHERN MISSOURI-ARKANSAS DISTRICT COUNCIL, INTERNA-
TIONAL LADIES' GARMENT WORKERS' UNION, AFL-CIO**

Mr. BERGER. Sorry to appear on crutches, Senator.

Senator LONG. I thought maybe you were one of these bed patients we have been talking about.

Mr. BERGER. If you have a hearing on good driving don't invite me. My testimony is very brief, sir.

Senator LONG. Proceed, if you will.

Mr. BERGER. Gentlemen, I first of all want to thank you for the opportunity of allowing me to present the views of organized labor here in southeast Missouri on the most important question of what we can do to help our senior citizens.

We who are part of the AFL-CIO have always felt that the time has come for some action to take care of the needs of our citizens who have become too old to work but too young to die.

The situation becomes more critical as we realize some very obvious facts. There are 16 million people 65 years of age or over and in the next 10 years this figure will double.

And, of course, thanks to the medical profession we have no argument with the doctors. We are not interested in fighting with them over this issue. They have done a very wonderful and terrific job for our people.

We feel that these people have got to find ways and means to which they can live their remaining years in comfort and dignity. I think that word "dignity" is a very important word. It means they should not have to become dependent upon the charity of their families or a kindly doctor or the local welfare office, but take pride in the fact that they can meet their own needs by themselves through a plan that they themselves have contributed to during their working years. I think it is very important that a person who is 65 years of age or over should not have to know the words "insecurity" or "fear" or not know how they are going to pay their bills. I don't think they should have these problems.

We here in southeast Missouri live and work in a low-wage, low-income area. This was borne out by Dr. Miller's report that you heard this morning. We are not highly industrialized, and much of our industry is nonunion, and what industry we do have is primarily marginal, shoe and garment, which is a low-wage industry. This means that most of our people are unable to purchase retirement income policies from the various life insurance companies. This means that a workingman here is unable to put aside part of his income as a reserve for the future because every cent he makes must be utilized to provide minimum living standards for his family. It means that there are few workers who are participating in retirement plans because of the lack of unionization in the area.

At 65 a southeast Missouri worker already has an inadequate income. It finally becomes smaller when he retires because all he can depend on is social security, but as he gets older he is now more susceptible to illnesses, he is now more accident-prone. In other words, he now becomes subjected to more medical costs than he would have had in his working years. As medical costs increase, for the most part, his income remains stationary. It is an impossible struggle, and he cannot win without help.

Three out of five aged persons have an income of less than \$1,000 per year. The average old-age benefit check that we get from our Government is \$74 per month. Medical costs have doubled in the last 10 years. The average American spent \$104.93 on their medical bills in 1959. This figure would be higher if you take into considera-

tion only the over-65 age group. Drug costs have increased 17 percent in the period of 1950 to 1960. Where does this leave the retired worker? Even if he has some private health insurance plan or Blue Cross and Blue Shield he can hardly fit these into his meager budget, as the rates on these plans continue to get higher and higher. Right here in Missouri, Senator, it is hard enough for a man who is working to meet these increased expenses, what about our retired people?

An estimate taken in late 1959, and these are figures from the White House Conference on Aging, estimated that a retired man and woman would need a yearly income ranging from \$2,390 in Houston to \$3,110 in Chicago. No survey has been made for this area, but whatever figure is arrived at I think that the people here who have not had the ability to build up large reserves would not be able to meet even the minimum living standards.

The problem becomes more critical for us Missourians when we realize that we are among the top three States having the most people over 65 years of age. Our State budget cannot afford to have more and more people thrown upon the welfare rolls. Even now our State is seeking more taxes to meet the growing costs of running this State. The last legislature was very busy trying to find ways and means in which we can raise more taxes for our State. There has to be a better solution.

Hospital costs in this area are high, running about \$25 per day for the room and the extras. Over in Poplar Bluff, where I come from, which is in Butler County, Blue Cross users pay a fee of \$3 per day while hospitalized because of extremely high costs in that area. At one time it cost Blue Cross \$1.85 outgo for each dollar of income they had, and only by use of this special \$3 per day fee or cost or charge has this been reduced to \$1.15 outgo for every dollar coming in. This is just a factor in pointing out the present high cost of hospitals, which we don't say is the fault of the hospitals, it is just the fact it is there. It is expensive. It costs a lot of money to get help. Statistics show that persons over 65 spend two or three times as many days in the hospital as younger people do. People who are 65 and over, who do go to the hospital, average 21.2 days of hospital care as their stay.

These figures and many more figures all lead up to the general conclusion that the income a retired worker can expect is insufficient to meet his daily living expenses and his medical costs. Therefore, together as a group we must find ways and means to solve these problems, because tomorrow we will be in part of that group. Now is the time to act so that we can prepare for our own future needs. We therefore propose the following suggestions as only a beginning to help our senior citizens:

(1) The level of benefits under old-age survivors and disability insurance should be brought in line with the cost of living and be changed periodically as the cost of living goes up, and, certainly, it has gone up continuously.

(2) As was suggested by the previous speaker and by yourself, Senator, we should increase the limits of earnings a retired worker can earn before losing social security benefits.

(3) And I think most important, we should enact legislation to be financed by contributions of workers and employers through social

security to provide hospital services, skilled nursing home services following hospitalization, outpatient diagnostic services including X-ray and lab services and home health services, including nursing care, therapy, and part-time homemaker services.

These items mentioned are included in the legislation that was introduced in this session of Congress under the name of the Anderson-King bill. It would provide immediately for 14 million persons over 65 lifelong security against having to appeal to charity, and we don't think they should have to appeal to charity.

These are not new concepts, but just extensions of time-proven, and already existing systems. These are not doles, or steps toward socialism. I think the Anderson-King bill is very clearly written to eliminate any iota of Government coercion and it gives the doctor full credence, full opportunity to determine whether a patient needs hospitalization. The decision remains under the Anderson-King bill with the doctor, but this is a method in which we all contribute for the common good and for our own good. This has been the basis for many similar plans in our Nation. The social security program is one that no one would think of scrapping. This is merely an extension of it. One fact is very clear, it doesn't cost much to run this plan. Right now it costs 2 percent to run the social security program. It is estimated that it will cost 3 percent to run the Anderson-King program. Blue Shield and Blue Cross now runs as high, administrative costs, as from 5 to 7 percent.

This is a subject that cannot be covered in a few short minutes, nor do I claim to be an expert in this field. I am just a trade union official who is concerned with the future of my members and the citizens of this area. I am convinced that the problem is too big to be handled on an individual approach; too many will fall by the wayside this way. It is too risky. We need governmental help in setting up programs for our people, so that they can look forward to their retirement years as ones of peace and contentment, not of fear and insecurity. You Senators who are responsible for the welfare of the people, I hope will work to enact such legislation to help our people. Here in southeast Missouri our working people are sorely in need of this aid. Let us not leave their welfare in midair but let them be part of a carefully worked out plan for their betterment. It is obvious the Kerr-Mills bill has not done the job up to now. As of March 20 only six States have availed themselves of the Kerr-Mills bill and only four of these States, as I understand it, have had their plans approved by the Federal Government. What we need now is passage of legislation as described in the Anderson-King bill. This is the answer.

Thank you for letting me have the opportunity to appear before your committee.

Senator LONG. Mr. Berger, it is my understanding that there are now 21 States that have adopted the Kerr-Mills bill.

Mr. BERGER. This is the figure as of March 20 we had.

Senator LONG. The Kerr-Mills bill, as you know, the Federal Government contributes 50 percent and then the State government contributes 50 percent to the cost of the operation, and that 50 percent, of course, would have to come out of the general revenue of the State.

Mr. BERGER. And there are so many States that don't have this revenue.

Senator LONG. I know they don't, but now the ones that do, and if Missouri would pass it—do you have any figures—maybe I am kicking this box under here—do you have any figures as to the cost to the State of Missouri and to the taxpayers of Missouri if the Kerr-Mills bill were implemented?

Mr. BERGER. I don't have any figures of that kind.

Senator LONG. But it would be a direct tax on the people.

Mr. BERGER. This is a heavy tax State as it is.

Senator LONG. It would come out of our general budget.

Mr. BERGER. Governor Dalton has been having his problem with the taxation problem. I think it is a plan that is not definite. I don't think we can leave this problem to the States. I think the Kerr-Mills bill is only specifically mentioned for the indigent. You have to be extremely poor to receive this aid. It is not just a general thing for everybody, sir.

Senator LONG. You mentioned there has been an increase in Blue Cross and Blue Shield in Missouri. Under the Blue Cross or Blue Shield plan there is no paid-up system they have, is there, so that a person when he reaches 65 will have his policy paid up, or is it necessary to keep on paying after retirement?

Mr. BERGER. One thing about Blue Cross, they make you keep on paying but they will not drop you as some other insurance companies do when you reach 65.

Senator LONG. Does Blue Cross cancel policies or put restrictive clauses on them of any kind?

Mr. BERGER. Not in most cases. They have been very good, but they just had a very sizable increase.

Senator LONG. There has been some question about this type of legislation being socialistic and so on. Do you know where the first medical program of this kind first originated?

Mr. BERGER. Well, many of the people are trying to compare this with the program in England, but this has no bearing on it, has no resemblance to it whatsoever.

Senator LONG. Do you know where in our country the first plan similar to this originated?

Mr. BERGER. Well, unless you mean hypothetical, in New York or something like that.

Senator LONG. It occurred in 1798 when Alexander Hamilton organized it. The sailors would come in on the boats in Philadelphia and those who were ill became dependent on the public for assistance there, and Hamilton arranged a plan and passed it whereby part of their wages were paid into a common fund by the sailors so that they would have proper care and hospital care there and not be a burden on society and be charity patients. As a result the Marine Hospital, which is quite a noted institution there, was organized and this plan there is the basis today of the U.S. Public Health Service, so it is nothing particularly new in our country because it was originated by Alexander Hamilton in 1798.

Mr. BERGER. I think the word "socialism" is a very unfair word to throw into this thing. We all contribute to it; it is not something we get for nothing.

Senator LONG. Socialism is something we all don't want certainly.

Mr. BERGER. Correct, but this plan has nothing to do with it.

Senator LONG. Thank you very much, Mr. Berger.

Mr. Del H. Siewert, research associate, Missouri State Chamber of Commerce.

**STATEMENT OF DELANO H. SIEWERT, RESEARCH ASSOCIATE,
MISSOURI STATE CHAMBER OF COMMERCE**

Mr. SIEWERT. Mr. Chairman, members of the committee, I am very happy to have this opportunity to appear before you. We have presented a survey of private employee benefit programs in Missouri in 1960. My statement which has been filed concerns this survey. Since we are running real late I won't go into any of it. It is all either in my statement or contained in the survey.

(The prepared statement of Mr. Siewert follows:)

**PREPARED STATEMENT OF DELANO H. SIEWERT, RESEARCH ASSOCIATE, MISSOURI
STATE CHAMBER OF COMMERCE**

Mr. Chairman and members of the committee, we have submitted for your consideration and information copies of a report compiled by the Missouri State Chamber of Commerce in cooperation with the Health and Welfare Council of Metropolitan St. Louis for the Missouri Committee of the 1961 White House Conference on Aging. This survey of private employee benefit programs in Missouri—1960 was fairly representative as to size and geographical distribution of responding firms. The survey covered 147,065 employees equaling nearly 16 percent of the average number of workers covered by unemployment compensation during the same year and slightly over 11 percent of the total labor force in the State. The survey covered four areas. They were retirement pension programs, hospital-medical-surgical insurance coverage, group life insurance, and retirement counseling.

I would like to call your attention to the most important findings of the survey. These findings apply to presently employed employees and do not necessarily apply to those who have been retired for some previous years.

In the area of hospital, medical, surgical insurance coverage, 45 percent of the responding firms, employing almost 76 percent of the covered employees, had such health insurance available for retired employees. A third of the companies paid the premiums on such insurance for retired employees; 6 percent of the responding companies which did not have a company-sponsored health insurance group indicated installation of such a plan was contemplated during the next year.

In response to that part of the questionnaire concerning company-financed retirement pension plans, 43.3 percent of the companies employing 75 percent of the covered employees indicated some retirement pension plan was available; 11 percent of the companies not having a plan in operation were considering the adoption of some such plan during the following year.

Group life insurance coverage was the most widely provided benefit. Seventy-five percent of the firms covering 83 of the covered employees provided this benefit. In over 30 percent of the cases when this coverage is provided, it is continued on retired persons at the expense or with help of the company.

Approximately 20 percent of the responding firms provided some form of preretirement counseling.

I would like to make one final observation. While this survey was representative as to size and geographical distribution, it did not include at least 7 of the 15 Missouri firms listed in Fortune magazine's top 500. It is not known how many of the remaining eight firms responded, as the survey did not have to be signed. However, the addition of these firms, all of which have a large number of employees covered by programs such as those included in the survey, would have undoubtedly increased the percentage of employees enjoying the various benefits surveyed.

Undoubtedly, however, there is a present need for some form of medical care for persons who do not have the benefit of such programs as are covered by this survey. The Missouri State Chamber of Commerce is in favor of a fuller implementation of the Kerr-Mills bill in Missouri. If the national administration would support implementation of the Kerr-Mills bill in all of the States instead of viewing it with antipathy, the unmet medical needs of the Nation's aged will be filled. The Kerr-Mills approach would permit private enterprise to continue to develop in this area and with the passage of time industry-provided benefits, the increases in medical insurance for those over 65, including "paid up at 65" coverage, together with a sound social security program no longer manipulated for political purpose, will make it possible for Government to withdraw from this aspect of our every day lives.

Mr. SIEWERT. I had planned and I will still, if the committee desires, to furnish the full statistical report. The survey which I submitted is more or less a verbalization statistical report which was compiled by the Health and Welfare Council of St. Louis, Metropolitan St. Louis. It may already be with the committee, I do not know, I had hoped to bring it with me, but the mails, I believe, are clogged. It didn't come.

Senator LONG. They get that way about this time of year, for which we are all very thankful.

Mr. SIEWERT. The Missouri State Chamber of Commerce is in favor of the implementation of the Kerr-Mills bill in Missouri. We believe that if the national administration would get behind the Kerr-Mills bill and support it, rather than viewing it with antipathy as they have done, that all States would find means of implementing it and that the Kerr-Mills approach would permit private enterprise to continue to develop in this area, and with the passage of industry provided benefits which are increasing because of high taxes and so on, and prodding our friends from the unions, increase medical insurance for those over 65, including paidup, which is now being proposed by Blue Cross. And the social security program, if it would remain sound, the manipulation of it for political purposes would be discontinued, it would meet the medical needs of our senior citizens.

Senator LONG. Mr. Siewert, you point out in your survey that you counted 11 percent of the Missouri labor force. That is generally just those covered by unemployment compensation, I believe.

Mr. SIEWERT. Well; no, sir. The 11 percent was those covered of the total labor force in the survey year. This was 1960. We covered approximately 16 percent of those covered by unemployment compensation.

Senator LONG. Then that leaves out all the laborers who are employed by small firms that aren't covered by unemployment compensation. There are many of those in the State, are there not?

Mr. SIEWERT. Well, many of these firms were of small types. Again I am sorry, it is not in the survey. They were representatives. The full survey or the full statistical tabulation makes the comparison between the number of firms of, say, 1 to 4, 4 to 25—I am not sure these are the breakdowns—and the percent of employees in each as compared to the State totals in each.

Senator LONG. Do you know how many firms were represented in your survey?

Mr. SIEWERT. We had between 600 and some, around 700 responses.

Senator LONG. What percentage is that of the firms in Missouri?

Mr. SIEWERT. That would run something around 1 percent. I am basing this on the total of the director of revenue's statement that they expected 70,000 employers to file income tax returns.

Senator LONG. I have two more points I want to ask you about. You mentioned you were in support of the Kerr-Mills bill. You are familiar, take Missouri for example, with the tax situation and our revenue situation in Missouri?

Mr. SIEWERT. Yes.

Senator LONG. And you do know that there is the possibility of the talk of additional increased taxes in the State?

Mr. SIEWERT. I realize this. Mr. Berger brought this statement up. However, the same statistics can be shown, and I think it is generally accepted, that Missouri is a low tax State. Now this is not saying that we are wanting to increase taxes, but if they are necessary, if they are to meet a justified need, we will not oppose them.

Senator LONG. Half of the support of the Kerr-Mills bill would come out of general revenue, and whatever the cost might be, it would reduce our money we would have in general revenue in this State and it might possibly increase the need or the pressure for tax increase.

Mr. SIEWERT. It would.

Senator LONG. You mentioned another thing that I am concerned about, and that is Blue Cross. Did I understand you to say that there is a plan being considered to have a paidup policy in Blue Cross?

Mr. SIEWERT. I am not expert in Blue Cross coverage; however, I checked out a statement which was made at Kansas City, in the process the representative in Jefferson City called to my attention, and I read it in the newspaper, that it is being proposed to the doctors that a plan be implemented for paidup at 65 insurance under Blue Cross for those earning \$7,000, I think it was \$7,000, a year or less.

Senator LONG. Certainly, that is something that our committee would be very interested in, if we had such, because it is the type of paidup hospital and medical care that our senior citizens are interested in.

Mr. SIEWERT. I don't know if it is the St. Louis or Kansas City group. I believe it is by St. Louis, because I believe it was in the St. Louis paper in which I read the information.

Senator LONG. Thank you, sir.

Mr. Vinson L. Rueseler. If he is here, we will be glad to have him come forward at this time.

STATEMENT OF VINSON L. RUESELER, CHAIRMAN, LOCAL HOUSING AUTHORITY, CAPE GIRARDEAU, MO.

Mr. RUESELER. It won't take long, Senator.

I am the chairman of the local housing authority and the housing authority of Cape Girardeau is vitally interested in the problems and the welfare of the senior citizens. Many hours have been spent. We have made a survey of the city of the recipients of old-age assistance and I have come up with some statistics here which can be used as a basis for analyzing the problem. We do not recommend a solution

to it, but we only want to present the need as it actually exists on the ground here.

We were able to interview approximately 12 percent of the recipients in the city. We found that 12 percent of the city's population is 65 years of age and older. Of these 3.4 percent are receiving old-age assistance. Thirty-three percent are receiving both old-age assistance and social security.

We have found that 53 percent were widows or widowers.

All are living, almost all of these people, and we have tried to conduct our surveys in the different areas of town, not restricted to just one particular area which we might consider to be a little bit lower than the average, but we tried to make our survey in all areas of the city. We found that these people are living in poor to slum neighborhoods with the exception of only a very few that are living out of these areas. In fact, 56 family units are living in alleys or in converted garages and other buildings.

We came up with these, you might consider minute details, but 64 percent do not have bath facilities in their homes; 48 percent do not have toilets; 73 percent do not have running water; 15 percent do not have water of any kind in the house and must carry water.

We have made a chart up, which has been presented to you, broken down in age groups of 5 years, 65 to 69, et cetera, on up over 90, showing the age income, of individuals, the average income of family units, the highest income, the lowest, monthly medical expense, the average rent, monthly utility bills, and heating bills.

I would like to point out that the average income is \$105.66; that the average medical expense is \$19.73; the average rent is \$25.90; the average monthly utilities, not including heat, is \$6.64; the average heating cost is \$6.53. Now this means that they have a remainder of \$46.66 out of the \$105 remaining for the purchase of food, clothing, and other necessities of life.

Our investigation shows that the living conditions of these citizens in this group is deplorable. Living areas are crowded, insanitary, are often vermin infested firetraps.

We have no firm recommendation, but do believe that some consideration can be given possibly to tax incentives whereby relatives may be stimulated to aid these people. However, in our interviews we have found that most relatives of these recipients are not in a financial position to render them aid.

We feel that the increasing of the maximum benefit of earnings of those drawing social security from \$1,200, increasing that figure would not be of any appreciable assistance to these people in this poor income bracket. I realize it would assist others who are able to work, but we have found that those over the age of 72 have not been able to work or earn any money on their own. Therefore, that increase would not help the more or less indigent group of which I am referring to.

To exempt people 65 years of age from the capital gains tax—now this has not been brought up here, but it was mentioned in the hearing in St. Louis we read in the papers—would not prove any benefit to this group because most of them do not own any property, and, in fact,

they do not even have income to maintain property. Any property that they are living in is running down, is deteriorating, is practically falling down around them. We have in the interview come across families which have moved from one home to another in order to reduce their rent expense which would enable them to meet their bills more effectively. It wasn't uncommon at all to find people living in cardboard-lined shacks that you could hardly stand up in without bumping your head against the ceiling.

The recommendations that we might make are in view of the necessities. For example, the medical expense being 19 percent of their income, their rent representing 25 percent, their utilities representing 13 percent, giving them a remainder of approximately 44 percent available for food and other essentials. In an effort to solve these problems if they had better housing their health possibly would improve. You can imagine people of infirmed health, age, having to carry water, having to use outside bathrooms, not having properly heated buildings, are going to be demoralized, their health is impaired. We recommend and feel that a continuation of the present program of increased benefits for recipients requiring prolonged medical treatment, and possibly adding supplemental grants to cover any acute medical cases should be continued, and this should be provided at the local level where it can be governed and determined as to the exact needs. We certainly do not recommend or are in favor of an overall Federal insurance program. We feel that this program would be highly abused and would be taken advantage of.

Senator LONG. Thank you, Mr. Rueseler, for pointing up some of the very serious problems of the aging for your suggestions. Certainly housing, nursing homes, all tie in so closely with retirement income that it is entirely proper we hear a statement of your kind. We appreciate your statement.

(The prepared statement of Mr. Rueseler follows:)

PREPARED STATEMENT OF VINSON L. RUESELER, CHAIRMAN, LOCAL HOUSING AUTHORITY, CAPE GIRARDEAU, MO., DECEMBER 15, 1961

Mr. Chairman, I am Vinson L. Rueseler, chairman of the local housing authority.

The Cape Girardeau Housing Authority is vitally interested in the problems and welfare of the city's senior citizens. Many hours were spent in the study of their living conditions, their needs, and their incomes. Many exhaustive personal interviews, with the aged, were conducted by our organization.

Analysis of the data we gathered revealed: 12 percent of the city's population is age 65 and over; of these, 3.4 percent are receiving old-age assistance of which 33 percent receive both old-age assistance and social security. Only a handful receive other income, such as war pension, railroad retirement, and/or disability insurance payments. Fifty-three percent are widows or widowers. All are living in depreciating, poor, or slum neighborhoods, with exception of persons living in nursing homes. Fifty-six persons are living in alleys, in converted garages, and other buildings.

Out of economic necessity, we find: As high as five unrelated persons living in one housing unit; 64 percent have no bathtub or shower for exclusive use; 48 percent have no flush toilets; 73 percent have no hot running water; 15 percent have no water inside house (must carry from outside).

Recipients of old-age assistance are shown on following chart, by age groups, with incomes and certain living expenses for each group.

Income and expenses

	Age group						Average for all groups, average age 77
	65-69	70-74	75-79	80-84	85-89	90 and over	
Percent.....	19.5	25.1	30	20.397	5	0.003	
Old-age assistance (average).....	\$55.00	\$56.00	\$55.00	\$58.00	\$65.00	\$65.00	\$59.00
Other income (average).....	82.00	70.00	51.00	40.00	37.00		46.66
Total income (average).....	137.00	126.00	106.00	98.00	102.00	65.00	105.66
Lowest income:							
Unit of 1 individual.....	65.00	50.00	65.00	85.00	65.00	65.00	65.00
Unit of 2 or more.....	76.00	128.00	84.00	105.00	120.00		102.00
Highest income:							
Unit of 1 individual.....	119.00	128.60	116.00	118.50	94.60	65.00	106.95
Unit of 2 or more.....	190.50	230.00	130.00	130.00	120.00		160.10
Monthly medical expenses:							
Highest.....	22.00	25.25	20.00	36.20	25.00	(1)	25.69
Lowest.....	8.50	10.00	13.00	3.00	21.00	(1)	11.10
Average.....	15.25	21.23	16.20	23.00	23.00	(1)	19.73
Average rent.....	30.00	30.00	19.50	23.00	27.00	(1)	25.90
Average monthly utilities.....	8.40	6.70	5.33	6.30	6.50	(1)	6.64
Heating costs averaged over 12 months' period.....	4.50	6.20	6.13	7.12	8.70	(1)	6.53

¹ Information not available. Not included in averages in next column to right.

CONCLUSIONS

Some form of increased assistance must be given to the aged, especially in the age groups 72 and over. Our investigation shows the living conditions of citizens in these groups to be deplorable, living areas are crowded, insanitary, and often vermin-infested firetraps.

We have no firm recommendations to make, but do believe that some consideration should be given the idea of using tax incentives as a means to stimulate the rendering of more assistance by immediate relatives. Incentives could be in the form of one additional tax exemption, for relative already claiming the dependent, deductions for all medical expenses, including hospitalization and medical insurance premiums, property taxes, and payments for all other living expenses. Certain limitations on deductions must be established, of course. A sliding scale, such as is now in effect for child care expense deductions on Federal tax returns, would be a good basis to work from. All financial assistance by relatives, of course, should be substantiated by receipts or other documentations on Federal tax returns.

We believe this method would stimulate more assistance by immediate relatives who, after all, are most capable to determine the type and amount of assistance required, and would be far less expensive to the Federal Government, because need would be determined on an individual basis. We believe senior citizens would much prefer to live in their own homes, if financially able to do so, rather than in nursing homes. It is a proven fact, happy and contented persons have less sickness and consequently fewer medical expenses.

We feel that increasing maximum benefits or increasing the \$1,200 limitation on annual income which a recipient of social security might earn and still be eligible for maximum benefits, would be of very little immediate help to elderly persons now most in need of assistance—age 72 and over:

1. They are not able to work.
2. Present income from all sources is already less than \$1,200.
3. Other welfare grants, in all probability, would be reduced in proportion to increased social security benefits.

To exempt persons over 65 years of age from income or capital gains tax on any profit realized from the sale of a home in which they have lived over a period of years would only benefit individuals not in need of assistance. It would be of no help to the aged now in dire need. Individuals on welfare rolls have no funds to perform necessary maintenance; consequently, homes deteriorate more rapidly, and, if sold, even on a rising market, would more than likely produce a loss. Due to the housing situation, they have three alternatives if their home is sold:

1. Pay more on the purchase of a new home (no capital gains).

2. Buy a home much more deteriorated, in a slum neighborhood (not desired).
3. Move to a nursing home. (Majority prefer to live in own home.) Neither alternative would be good.

The average medical expenses consume \$19.73 (19 percent) of the average total income of old-age recipients, due to medical treatment, which require more or less permanent treatment. If we add average cost of shelter \$25.90 (25 percent), heat \$6.53 (6 percent), and utilities \$6.64 (6 percent), only \$46.86 or 44 percent is available for food and other essentials.

In an effort to help solve this problem, if the tax incentive plan would not be feasible, may we suggest better housing, continuation of present program of increased benefits for recipients requiring prolonged medical treatments, and possibly adding supplemental grants to cover the most acute medical cases. Services to be provided should be determined at the local level and based on individual needs. We certainly recommend this method over blanket coverage under any Federal medical insurance program.

Thank you for the opportunity of letting us appear to present our thoughts.

Senator LONG. I had hoped to have time to hear another witness. I had hoped to call Mr. O'Brien this morning but due to the lateness of the hour it is necessary that we recess shortly. We will not be able to hear him. We will be unable to hear any other witnesses at this time until 2 o'clock. At that time we will have the town hall for the aged where our senior citizens over 65 will be permitted to testify. Then if there is any time left after they testify we will be glad to hear the other members. Did you want something?

Mr. BLANTON. I thought maybe if you'd give me about 2 minutes I'd get back home.

Senator LONG. If you promise to stay and not go home I won't give it to you until this afternoon, I will just keep you here.

Mr. BLANTON. Well, I am kind of busy.

Senator LONG. Two minutes, it is a deal.

STATEMENT OF CHARLES BLANTON, PUBLISHER, SIKESTON STANDARD

Mr. BLANTON. I am Charles Blanton, Jr., publisher of the Sikeston Standard. While a member of the Scott County Health Board, I am not up here speaking for any association or conglomeration, I am up here speaking for myself and my business.

The problem that we are confronted with now is, I am interested in keeping my business solvent, and the Governments, both Federal and State, are just doing so damn much for me that I just can't hardly afford it.

Senator LONG. That's like the fellow that goes for the bargain and goes broke saving money.

Mr. BLANTON. That's right. I believe under the present setup there is adequate provision for the folks who are desperately in need of help. I believe that if there are insufficient funds in that category now that the pressure should be brought to bear locally on our State senators and representatives and let them match the funds that are available. I think it is a fine thing to take care of the babies, the middle-aged folks, the teenagers, the old folks, it is fine to bring them into the world and to bury them if we can just afford it, but I don't know when we are going to stop. A fellow that does a half a million dollars worth of business a year and winds up with \$4,000 net profit is in damn poor business. I have 37 employees, and of that 37 there isn't a one of them that knows how much money is charged to the

business as his salary, he doesn't give a damn. All he is interested in is the take-home check. That's what he works for, and this other business is going to pile on us and pile on us, and, of course, I am getting pretty close to the age to where it is not going to bother me much, it is going to worry my sons, but I really believe that we can do too much.

I think our child labor laws have prohibited the young folks from learning to work. As a result from the time that they are in high school they've got their hands out to their parents for money, and when they get through college, why, some of them go to work and some of them do not go to work.

I just want to be counted as not in favor of the present legislation and thank you for giving me this time.

Senator LONG. Thank you so much for coming up.

The committee will now 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.

It has been the practice of the committee, and it will be the practice today, at this time to have what we call a town hall meeting for the aged. By that we mean that the senior citizens themselves are permitted to tell the committee their problems, make any suggestions they desire. The only requirement that we have is that we try to limit the statements to 2 or 3 minutes because, due to the number of people that do like to be heard, to take more time than that would deprive some other senior citizen of his right to speak.

The committee is aware of the fact that our senior citizens are perhaps the most interested, have given more thought to the problems of the aged and have studied it more than anyone else. Among the senior citizens themselves, and we have 503,000 here in Missouri, there is a great reservoir of talent and experience and ability from which the committee is anxious to receive information and receive the valuable suggestions that we are sure they can make to us.

As I have indicated before, this is a factfinding committee. We are not concerned at this time about legislative matters. There has always been some discussion of medical care for the aged and the various parts of it. The reason I mention that is because that matter was considered by this committee last year—incidentally, before I was a member of it—and the recommendations were made to the Congress, and the King-Anderson bill that was referred to this morning a number of times is actually not before this committee, but is pending before the legislative committees of the Senate and the House, before the Finance Committee of the Senate and the Ways and Means Committee of the House. While it has been mentioned and we have discussed it, I say technically we have no concern about it other than how it would tie in with this.

The four phases of the problem of the aging with which this committee is particularly concerned are: Retirement income, nursing homes, housing for the aged, and the Federal-State relationship to determine how the State and Federal programs can better tie in together to eliminate any overlapping or matter of that kind.

At this hearing for the senior citizens, this town hall meeting, you are free to talk about anything you want to. We don't apply the rule of germane necessity to the retirement income. You senior citizens, this is your time, and the committee will be glad to hear your problems and your suggestions. The only requirement is that you be 65 years of age or over. I won't ask to see your birth certificate or look at your social security card, but we will assume that you are, unless there is a great discrepancy, such as my friend over here who might want to testify or raise a question as to his being 65.

But, if after that time is over and after all the senior citizens have had their time—we must recess by 4 o'clock this afternoon—after that, if there is time after the senior citizens are there and before the hour of 4 o'clock arrives, we will be glad to hear any other group, limiting them to 2 or 3 minutes, if they care to speak on any subject that they want to.

The town hall will then be open to all of us. I am mighty happy to have all of you here, and I am particularly delighted that many of the students of the school here are in attendance. We appreciate your interest. If you don't want to hear those bells when they ring, why, I won't tell the dean that you are here.

The members of our staff will be out there. If you are interested, you senior citizens, people over 65, in telling us of your problems or there is something you want to present to the committee, tell the lady here. I judge there will be another one here, so hold up your hand, and they will take your name, and we will try to take you in turn here and start our proceedings.

How many of you senior citizens now would like to be heard?

Here is a gentleman right here. While the hearing is going on, if you will give your names to the members of the staff, we will proceed. This is your meeting and your time to speak.

STATEMENT OF MONROE W. JACKSON, PRESIDENT, MISSOURI STATE FEDERATION OF CHAPTERS OF GOVERNMENT RETIREES

Mr. JACKSON. I am Monroe W. Jackson, president of the Missouri State Federation of Chapters of the Government Retirees. I would like to read into the record, in behalf of the retirees of southeast Missouri, a very short statement.

The Bureau of Labor Statistics has recently released the results of a study of the annual cost of an elderly couple for simple living in 20 large cities in the United States. The figures vary from \$2,641 in Houston, Tex., to \$3,366 in Chicago, and the average for the 20 cities is \$3,041 or \$253.41 per month. Very few Government retirees have retirement income of any such figures.

The latest Civil Service Commission report shows that of the 465,391 retirees on the rolls only 55,955 retirees are receiving retirement income over \$250 a month. Thus it will be seen that approximately 90 percent of all Government retirees receive retirement income below the Government's own compilation of what is necessary for simple living of an elderly couple.

With the cost of living rising month by month, it becomes increasingly harder for an elderly couple to live other than in substandard

conditions; and in many cases, employment, even on a part-time basis, for persons over 65 years of age is a figure of speech, not an actuality.

Therefore, our only recourse is to the Government of the United States, whom we served during our productive years. We urge the Congress of the United States to consider the above facts and have retirement income increased.

In conclusion, we are only asking that our retirement income be placed on a comparable basis, dollarwise, with the dollars we put into the retirement fund during our working years. This retirement fund has now reached the amount of \$12 billion. We do not ask for socialized medicine in any form, only that our retirement be made somewhere near a simple living scale in compliance with what we were led to expect during our lifetime of service to the country.

Thank you.

Senator LONG. Thank you very much. Your statement will be a part of the record, reported in the proceedings, and will receive our careful attention.

Senator LONG. Mr. John Young.

STATEMENT OF JOHN YOUNG

Mr. YOUNG. Thank you, Senator Long. I don't have much to say. I don't know why I held up my hand. I didn't figure on being the first one up. But all I have to say is this. I retired the first of March in 1949 under a low-scale retirement, and the retirement income is not sufficient. I would like, if possible, for something to be done to give the earlier retirees a little more benefit.

Senator LONG. Do you have a housing problem or anything like that, Mr. Young?

Mr. YOUNG. No, sir.

Senator LONG. Nothing that an increased income from your social security amounts—

Mr. YOUNG. I am getting social security. The entire income is just not adequate to meet the expenditures of life for a person to live like they would like to.

Senator LONG. Thank you very much. We have two or three more here. Do any of you other senior citizens now desire to be heard? Mrs. Lucinda Bishop.

STATEMENT OF LUCINDA BISHOP

Mrs. BISHOP. I am Lucinda Bishop. I am 66 years of age. I am employed here in Cape Girardeau. I am a member of Local 307, International Ladies' Garment Workers' Union. I began 20 years ago to work in the dress industry for 40 cents an hour. Now I am assured of \$1.32 under the Government regulation. I have worked nearly 20 years, and I am eagerly looking forward to the day soon when I will retire.

I am a little concerned about my future and how I will be able to get by. At the present time I have an average income of about \$2,000 a year. It is not easy at today's prices to get by on that, but I imagine when I retire—well, I know what I will get; I will get \$83 a month because it has already been figured up. It will be my social

security. Besides, I might be eligible for \$50 per month pension from the Dressworkers Union—not pension, but what do they call it—retirement pay.

The outlook is not so good for me, I guess, faced with a lower income. I realize I will have to pay the same prices for things as I did before. You know the storekeeper doesn't give me a reduction because I am on social security.

To add to my problems, I just received word my Blue Cross was raised from \$10.65 to \$12.30. With my reduced income, this will not help, of course.

I am concerned mostly about the time when I will get ill and how I will pay the doctor bills, the drug bills, and any extras that I might have to pay to the hospital. My expense at this time, I could not meet the budget.

I feel that the passage of some kind of a bill to help pay some of this cost would be beneficial to me and others of my age who are facing this same problem. I would rather have it this way than to become some sort of a deterrent case or have to ask my relatives for help or go down to the welfare office for aid.

I think retirement should be a happy time and a time we shouldn't have to worry and fret. I have heard a lot about national health insurance ideas, and it sounds good to me. Social security checks—I don't feel like is getting a handout. After all, I have paid many, many years into that fund, and now I feel I am entitled to get my share out of it.

Can you imagine how it would be if we didn't have social security? What would I do and how would I live? This insurance plan, I understand, works just like the social security. That's worked out good, and there is no reason why this should not be a success also.

I am for it, and I am sure others of my age will say they are for it, too. We need help if we are to live decently after retirement.

Senator LONG. Thank you, Mrs. Bishop, for a very helpful statement. Mr. H. D. Sturm.

STATEMENT OF H. D. STURM

Mr. STURM. I am H. D. Sturm, ex-railroad and social security—I draw both. Still the annuity is not enough to take care of hospital and high cost of doctor bills. I owe two doctors. I owe two hospitals. And out of my living income, I can only pay so much, so it will take quite a while to get them erased that I already owe.

The last one was a heart attack, and I don't know when I will have another one. It can be at any second. I am afraid to work; I am afraid to walk very far; I am afraid to climb any steps.

I would very much like for the Senators, Congressmen, and representatives of our great country to pass a law which, I believe, would be right, through social security to help pay the hospitalization and medical bills of the aged.

Of course, I know I draw lots more, quite a bit more than some that are on old-age assistance. If I can't pay my hospital and doctor bills, I know they can't even make an effort. But it will take time, if I live long enough. I thank you.

Senator LONG. Mr. Sturm, one of your great fears, I gather, then, is your feeling that you will possibly not be able to have proper medical or hospital care or be able to pay for those services?

Mr. STURM. At the present time, I can't pay it only over a period of time because if I'd go ahead and plank it down, I wouldn't have enough to live on.

Senator LONG. But if it was part of the social security system, why, it would be paid up for you, and you wouldn't have that worry then?

Mr. STURM. I wouldn't, or if they'd help, I could maybe bridge over the gap.

Senator LONG. Thank you, Mr. Sturm.

Mr. John Holtz. I believe it is H-o-l-t-z.

STATEMENT OF JOHN HOLTZ

Mr. HOLTZ. I may be out of order in what I am going to say since I think different than what the others say.

Senator LONG. Mr. Holtz, you can talk about anything you want to.

Mr. HOLTZ. Well, all right. I am not by any means old, I am 84.

Senator LONG. I hope I will still be going when I am 84.

Mr. HOLTZ. I've got the best house in Cape Girardeau. I am all by myself, I have no one to take care of. The children are all old enough to take care of themselves, and so I am living very good, and I enjoy it a lot better every day. I live on a hundred dollars a month, and I am living.

Senator LONG. Thank you, Mr. Holtz.

Is there any other senior citizen, anyone over 65 years, who desires to be heard at this time?

Here is a gentleman right here on the front row. There are two of them. Mr. Douglas.

STATEMENT OF O. C. DOUGLAS

Mr. DOUGLAS. I am a senior citizen. I live at 240 North Ellis in this city. I spent 42 years, over 42 years, nearly 43 years in the employment of the Missouri Pacific Railroad. I retired in 1948, and since that time I have been drawing an annuity which has done fairly well by me, and by being very economical I have managed to meet all my bills, and I have carried hospitalization for nearly 60 years, every month. That's the way that I get my hospitalization, is by paying into it. It didn't cost a great deal when I started, but it costs considerably now. I pay \$96 a year into a hospital for hospitalization whether I use it or not; that's the cost. But when I go to the hospital, I am treated very nicely. I have been going pretty often these last years. The retired people of my standing pay more into the hospital than any other kind of individuals. I guess it is because they need more of it. They pay more, and their income is the lowest. They stand among the lowest income people, I think.

If you may not be able to get to the hospital then you have to have a home doctor, then, to do the things that you need to have done. I have heard a great deal about the talk of the expense of living, and what I would like to impress on your mind is the expense of dying, which has got to be paid for the same as the expense of living. I

don't believe there is any provision for that at all, at least, I am doubtful if there is anyone whose income from annuity has figured in the cost of dying.

While I am getting along very well, I guess, I didn't come here to ask for anything. But I just wanted to tell you what the general condition is of people of my sort. I spent 42 years, I believe—maybe I told you that before—in the employ of the Missouri Pacific Railroad, and I once had very good action. I probably could be at more places on a train in less time than nearly anyone, but that day is over.

Senator LONG. Thank you, Mr. Douglas, we appreciate your statement.

Mr. Rufus Moore.

STATEMENT OF RUFUS MOORE

Mr. MOORE. Well, I haven't got much to say at all, only I am getting up to about 82 years old pretty soon now and getting along as well as could be expected. Of course, I'm not drawing much money. The social security does pretty well, that is the only one I draw from at all; welfare doesn't do any good.

When my wife was living, we did pretty well, but after she died, why, they cut me way down.

Senator LONG. What do you draw, Mr. Moore?

Mr. MOORE. Twenty-two on welfare.

Senator LONG. And social security?

Mr. MOORE. Sixty-three.

And then when my wife died, she had a big hospital bill. They said, "I'll tell you what I will do, I will pay part of that hospital bill for you." I told them if they would knock off some on the hospital bill, it took about \$500 on the hospital bill, my wife was in the hospital over a year, my wife was. The hospital bill run something over \$500. They said, "We will help you pay that." They said, "What we will do"—I owe a bill at the building on Main Street, you know, we will make that there billing at \$20 now a month. You pay \$20 a month. I was paying \$12 in, I was paying \$12 in a month. And they said they would give me enough to make it \$20. Right there, I guess that would be all right. So that's the way they did it. That's about what I know.

Senator LONG. Thank you very much, Mr. Moore. Mr. H. M. Andrews.

STATEMENT OF H. M. ANDREWS

Mr. ANDREWS. Mr. Chairman, it is always a pleasure for me to address a group of men and women, citizens of our State. I will be 70 years old in May. I am drawing social security. I am a Methodist minister, have been for 45 years. I have never drawn more than \$3,000 in 1 year, and only 2 years at that.

I am happy this evening for the simple reason that I can urge you people to feel that there is a responsibility greater to me than the social security which you are undertaking now. I feel that if anybody in the world needs more help, it is our senior citizens of our State, who are not drawing any compensation from the State whatever. I know a few of these in our State, and I am quite interested in that.

As the gentleman has said before, he is doing pretty well, and I think I am doing very well on what we are doing. We have in the last 4 or 5 years averaged about \$275 of medical care. We are taking care of that with our own means, is what I am trying to do.

So, I think in the big run, that we as citizens of the State of Missouri should feel that our senior citizens who are not receiving 1 cent and eligible for the old-age assistance, the assistance of the State, should be getting this. I think we would give them a square deal if we give them that. I thank you.

Senator LONG. Thank you, Reverend Andrews.

Are there any other senior citizens, now, that would like to be heard?

If you will hold up your hand—there's one.

Calling on you folks is like going to some of these Baptist meetings. When they want the money, they ask you folks to raise up your hand. The contribution we want is not money, we just want to hear from you.

I went up to Vandalia one time to dedicate a church. They had a big basket dinner for us. They started about 11 o'clock, and they didn't get enough money raised until about 3:30 that afternoon. Then we did go out to the banquet. Mr. C. B. Allbright.

STATEMENT OF C. B. ALLBRIGHT

Mr. ALLBRIGHT. Senator and gentlemen, after hearing some of these people, I don't feel that I should ever gripe. But when I read in the paper that you wanted the older ones to come up here, I decided that I might have a chance to say something, so I grabbed an old envelope and scratched down some things. What I may have to say might answer some of the questions or some of the gripes of some of the other elder citizens.

I have been paying on social security retirement for 25 years. Yet, receiving what is due me is dependent on what I make from now on. I am allowed only \$1,200 above that. Others can have interest, rents, and so forth, and thousands of dollars income, but it does not reduce their social security. Then, why penalize those of us who have not inherited a farm or rental buildings or have not been able to raise a family and educate them and acquire sufficient property to produce a good income?

The Internal Revenue Service does not consider social security or war pension as taxable income, so why tax us by reducing social security if we make more than \$1,200 per year?

I was in the First World War and would be entitled to pension, but your retirement, social security, is counted against that. I went down there the middle part of this year, and they said, "You are going to make too much money this year to be entitled to a pension." I would have to wait until the end of the year.

It seems to me that if serving in the Army in 1918 and being 68 years old and physically worn out entitles me to a pension, I should get it, regardless of what social security I receive or what I am able to make. I understand that isn't the law, but that's the way I feel about it.

My wife is 13 years younger than I, and our marriage is the first for either of us, but she cannot draw additional social security and

not be eligible until she is at least 62. Widows drawing social security and pension, the law is they lose it if they marry. My wife helped me during those almost 10 years before social security and these 25 years during social security, and I think if I should pass on that, she should be entitled to draw my social security as long as she lives, regardless of who might marry after I am gone.

For instance, a widow receiving anywhere from \$60 to \$90 a month trying to keep up a home and live out of it, has a hard way to go. If not penalized by losing it in case of marriage, she and her new husband could live better, and it would leave any needed houses to rent, and it would not cost the Government one penny more than if they stayed single, drew their social security and lived in two houses. But it would be a great help to the couple who could live better, even if his income was Missouri old-age pension.

Can you conceive of living on \$65 a month old-age pension? Yet they are trying to get the hourly wage up to a dollar and fifty cents. How far will old-age pensions and social security go then? Thank you.

Senator LONG. Thank you, Mr. Allbright. Your statement will receive careful attention of the staff and the committee.

Are there other citizens now over 65 who desire to be heard? Hold up your hands, if there are. In other words, you must speak now or forever hold your peace.

If that concludes all of the senior citizens who desire to be heard, then we will now take anyone 65 over or under, and we still have a limitation of 2 or 3 minutes per statement. Hold up your hands if you desire to make some statement. Tell the members of our staff, and we will call you. Mr. Luther Hahs.

STATEMENT OF LUTHER HAHS, MEMBER, MISSOURI LIFE UNDERWRITERS

Mr. HAHS. Senator Long, members of the panel, I appear here as a member of the Missouri Life Underwriters. I am an insurance agent. I appreciate the opportunity to be here. We thought we weren't going to get to, but I suppose you want to hear what we have to say, after all, so I would like now to say my piece.

You said this morning that this was to deal with retirement income, and I believe, although we are not experts, I believe that the life underwriters have had at least some experience with the problem of retirement income. Our views should have some bearing on the situation.

Senator LONG. I am sure that people of your profession have devoted a great deal of their time to retirement income, studying and working with it. Your suggestions will be valuable to the committee, and we are very delighted to have your views.

Mr. HAHS. Thank you.

This morning in your introductory remarks, you made the statement, "We want the senior citizens to enjoy the fruits of their labor." I assume you meant it when you said their labor, and then a space, and you further said, "with dignity and self-sufficiency."

Now, if that isn't double-talk, then, I'd like to proceed, because there is a difference between the fruits of their labor and the fruits of the generation of labor yet unborn.

In the first place, I should like to ask the question of whether or not your committee is aware of what has been done—I believe a member of our association has handed you two booklets, the first of which is a report of the National Health Commission of Insurance Companies. It shows what has been done—or have you given him only one? You can have the other one.

Senator LONG. I was going to suggest to you maybe that's double-talk because he handed me only one.

Mr. HAHS. The one that you have in your hand is the booklet on companies now offering coverage after age 65. I believe you will find that there are a number of companies giving guaranteed renewable coverage after age 65, and also there are some companies that provide paid-up policies at age 65.

Were you aware of that?

Senator LONG. You are asking me the question, now?

Mr. HAHS. Yes.

Senator LONG. I was not until one of your men told me. Hurriedly looking through this, I can't see that such is indicated in this particular booklet that you have.

Mr. HAHS. Well, then, look closer.

Senator LONG. Of course, the one problem that I am glad of your comments on—and let me suggest I am not particularly interested in your antagonistic attitude toward the committee, that doesn't impress us at all—we would be happy to have your views, but I would like for you to touch on the possibility of those citizens who have such limited income that they have difficulty in paying this type of insurance.

I think our committee is particularly interested in a type of insurance that when they retire at 65, it is paid up, because many of them, or half of them have incomes less than a thousand dollars, which is quite a burden.

Mr. HAHS. I have that in my remarks.

I should like to continue with a little country thinking, because I came from the area of Missouri of which the gentleman spoke this morning, the Ozark area. I grew up on a farm in Bollinger County. I was one of eight children, and I can remember times when we hardly knew where the next food was coming from. My parents paid for 14 major operations, and that didn't count 6 tonsilectomies, and we paid every doctor bill. Now, we didn't pay them to the fullest. We paid one appendectomy with a haystack that was worth \$20, and I am very proud to say that the man is in this room who fed part of that hay to his horses, but we paid. They made it possible for us to pay with dignity whatever we could.

So, I should like to put in a plug for the medical profession because I have firsthand information of how they treated my parents when I was a child. I appreciate that, and I believe they are still doing that today.

Now, I think that in view of this question which you mentioned about what should be done about our senior citizens, I believe that we live in an area that is cognizant of the fact that we have an obligation to our senior citizens. In fact, I believe we try to base the premise with our Government and our lives on the 10 rules laid down a long time ago, and one of them said, "Honor thy father and thy mother, that their days might be long on the land which the Lord gives you."

But I think there are instances where people have changed that to say to exploit thy father and thy mother and take from them the property they have so that they might go on relief.

In this area where I came from, I know of people who have deeded their property to their children so that they are under the limit and are now actually living a higher standard of living than they have ever lived before in their lives. I don't think we ought to set up a premise which is conducive to a person not trying to take care of himself.

I have men with me who can verify the fact that as we try to talk to people in this younger generation about retirement income, they can have two cars in the driveway and a boat and a trailer in the garage, and they will say, why should we pay that, let the Government take care of us, and that's the attitude that many of the younger people have. If we are going to foster that attitude, then maybe we'd better remember one of the other commandments in this set of the Old Testament which says, "Thou shalt not steal," because there has never been a pie in the sky. Somebody has to pay for something, and it comes back down to the fact of our children yet unborn.

I think that some time ago I heard a man from the social security say that the trust fund had \$20 million in it. Now, the gentleman, the first speaker, said it had \$12 billion. I meant \$20 billion, and the first speaker said it had \$12 billion. I don't know. But regardless of what it has in it, I would like to cite this for the information of the committee.

The social security benefits to a man and his family are the equivalent of about a \$40,000 life insurance contract. According to the statistics put out by the National Association of Life Underwriters, the average American family is covered with less than \$12,000 of coverage. Now, keep in mind, if you will, \$40,000 of coverage under one program, \$12,000 under the other.

One insurance company alone has \$17 billion in assets to back up its contingencies. So I ask you, if this social security is insurance, which it is played up to be, then where are the reserves to come from to meet the contingencies which will arrive if the contingency is \$40,000 per family under social security, and about \$15,000 under all insurance companies, and yet the top five have over three times as much reserve set aside as the entire social security program, if the \$20 billion figure is correct.

Now, I don't know if it is or not, but I am sure that the contingency reserve should be considerably more than all companies put together if this is insurance.

This brings me to my last point. We ought to maybe change the name of this and not call it insurance or a session on retirement income, but we ought to call it a session on retirement income and birth taxes, because for a youngster to be born into this country today, he is immediately assessed a sizable tax already to meet the contingencies that have already been set up, and if we are going to increase those, then we are going to increase that particular thing.

It is our opinion that if we take this commandment, "Honor thy father and thy mother," that's good, but if we were to set it up in such a way if a person wants the State to care for him, he would set down

what he has as a reserve against that care, a lien recover act, if you please, and then if he really needs help, he can get it.

If he has enough to cover it, fine; if he doesn't have enough to cover it, the Government goes ahead and covers it, but we would take away the temptation to exploit our elderly people for the purpose of passing something on to the younger generation through some kind of benefit, and then a tax come in the back door which is going to be a tremendous burden on my children and my children's children.

We would like to register a protest for two things. One of them is that you fellows stop calling this social security and insurance program, because it isn't. It is a birth tax. The second one is that you do something for the senior citizens, but you base it first on their ability to do for themselves, and then the State or the Nation takes over.

Thank you very much.

Senator LONG. Mr. Haahs, just two questions.

Mr. HAHS. Yes, sir.

Senator LONG. You suggest that these citizens do something for themselves. Citizens drawing \$65 a month social security, and that's all they have, there is not much chance for them to do much for themselves, is there?

Mr. HAHS. That's very true, but the thing you are talking about wouldn't take the ones that that's all he has, it would take everybody.

Senator LONG. What suggestion do you have of taking care of those that are in that situation?

Mr. HAHS. Let them turn over what they have to the Government.

Senator LONG. All they have is their check for \$65 a month?

Mr. HAHS. You may be surprised that's all they have or not.

Senator LONG. Assume it is, I don't know.

Mr. HAHS. Then they should be taken care of.

Senator LONG. These citizens that have a very small income \$750 or a thousand dollars a year, and out of that they must pay their rent, their clothes, and all their expenses?

Mr. HAHS. I'd say the old-age assistance program which is State run and jointly supported would be an adequate way of providing. To get under it a person had to set up the reserve that he has as a contingency against what he might receive.

Senator LONG. That would be on the nature of more of a direct relief. They would have no part of paying anything in that, other than the taxes they pay?

Mr. HAHS. It doesn't depend too much on what you call it.

Senator LONG. You raise a question about the young people. Incidentally, I was in India, just the other day, where there are 10 million children born each year. They only have an income of about \$65 a year. Taxes or not, I don't think any of us would want our children born and raised like that.

Mr. HAHS. That's right.

Senator LONG. But the suggestion that you have, you raise a question about paying it on the youth, isn't it the young aggressive youth that would be paying the taxes even in that system that you suggest to pay the old-age pension?

Mr. HAHS. It wouldn't be near as much as it is this way.

Senator LONG. Would our senior citizens be living in as good a condition or have the dignity that they have, or, if not, having to depend entirely on relief or matters of that kind?

Mr. HAHS. Mr. Long, this thing called dignity is a pretty funny thing. If the people can be dignified and still accept some of the underhanded handouts, then I am not so sure that even the method we have is a method of self-sufficiency, which you said you were interested in.

Senator LONG. I am curious, that if a plan where the man himself, as in the social security plan, pays half of the cost of his social security or half of his medical plan and so on, and that's paid to him each month, and he can still go ahead and live on it, isn't he much more in an independent position and still a dignified citizen much more than one that doesn't have to do that and has to go to the relief office each month to get them to give him groceries or the \$65 a month check?

Mr. HAHS. The question is: Who put the money in that he is receiving? The social security program was started as a base. It wasn't started as a coverall, yet the generations today are beginning to think that the Government is supposed to take care of everything.

Senator LONG. But he put half of it in.

Mr. HAHS. But not nearly what he is getting back out of it.

Senator LONG. But he has made half the contribution. In the direct relief he is not making any contribution as an individual, just what he has paid in taxes back in years gone by.

Mr. HAHS. That's why not nearly everybody would come under this. There are some indigent, some people that have to care for themselves, and that has to be charity.

Senator LONG. For the record, and not an attempt to argue the matter with you, do you feel that any senior citizen or any older person who is unable to care for himself should depend entirely on charity and as a charitable base and not any type pension or plan?

Mr. HAHS. I didn't necessarily say that.

Senator LONG. I am asking you.

Mr. HAHS. No. Something should be worked out; call it pension, call it social security, call it charity, call it what you will, but something should be worked out for the benefit of the person who is in true need, because I believe with all my heart that we should care for the older people. But I don't believe in across-the-board handouts at the expense of our youngsters.

Senator LONG. Back to the one more thing that I am interested in; that is, the insurance angle. I don't know whether you suggested it to me or one of the other gentlemen, that there were companies that had paid-up health policies, in other words, where a man during his working years can pay that in just like a life insurance policy, could be paid up at 65 so that from then on out, no matter how long he lived, he would have his hospitalization paid, and medical.

Mr. HAHS. Those haven't been available too long, and so, of course, there couldn't be too many people under those now. You are right; something would have to be done between now and the time people have a chance to get under a thing of that kind.

Senator LONG. What companies are they? Actually, they are not in this book, are they?

Mr. HAHS. Prudential is in there; it is not my company, so I am not plugging.

Senator LONG. What company do you represent?

Mr. HAHS. Northwestern Mutual; thank you. I will buy you a steak dinner.

Senator LONG. I wanted to be fair to you, and I will take the dinner.

Mr. HAHS. Good, good, and it will be tough.

Are you through with me?

Senator LONG. I think I am. Is there anyone else who desires to be heard? Mrs. John L. Buck.

STATEMENT OF MRS. JOHN L. BUCK, PRESIDENT, BLOOMFIELD COMMUNITY COUNCIL ON AGING

Mrs. BUCK. Senator Long, I am Mrs. John L. Buck, of Bloomfield, Mo., president of the Bloomfield Community Council on Aging. I represent quite a percentage of senior citizens down in our community, and we have a statement here I would like to leave with you. I believe it is a little too long to read.

We have a membership of about 75 people representing about 35 clubs, churches, leading business people, and the senior citizens themselves.

We believe that some type of legislation may be necessary to meet the needs of the senior citizens, but we are opposed to the present King-Anderson bill. We feel that it is impractical in many ways. A few points here I will mention, and the rest are in the statement.

We feel that this bill will not meet the needs of the most needy. It will create an unbearable tax burden to the growing families who must furnish housing and medical care for their growing families. Many do not need or want medical care under social security or any other way who will be covered. There will be a soaring tax and benefits that perhaps are undesirable.

The deductibles would defeat early diagnosis, which we all know is very desirable, especially in these older people. Benefits, some benefits, will not be available to millions of rural and small urban towns, such as outpatient clinics, home nursing care, rehabilitation services, and other things that these people would be paying for but cannot receive because they are too far from these clinics.

The greatest need, we believe, is for an increase in social security benefits and old-age assistance to pay for the office calls and for drugs and their home situations. If a patient is able to visit his private physician at the proper times, many times long hospitalizations could be avoided.

We would like to see better cooperation between State and community efforts with cooperation between Federal and State agencies. We need more practical leadership on all levels. We need to recognize more clearly the efforts of the medical profession, hospitals, and other professions that are doing a great work for our senior citizens, many times at no cost whatsoever. We should better recognize this and encourage these groups and others who are giving so much of their time for the senior citizens. Thank you.

Senator LONG. Thank you, Mrs. Buck.

(The statement referred to previously follows:)

STATEMENT OF BLOOMFIELD COMMUNITY COUNCIL ON AGING

We think some Federal legislation may be needed, but—

(1) The Bloomfield Council is opposed to the present King-Anderson bill for the following reasons:

- (a) Impractical and fantastic.
- (b) Will not meet needs of most needy aged.
- (c) Force social security tax for medical care for persons who do not need or want Federal aid.
- (d) Pressure Congress for soaring benefits to increasing numbers of population.
- (e) Tax to become unbearably high for young families who must provide, in addition, health care for growing family.
- (f) Deductible rule would prohibit the most needy from seeking hospitalization or diagnostic services in early stages when long illness might be prevented.
- (g) Other benefits would not be available to millions of rural and small urban aged, such as outpatient clinic, home-nursing care, dental and rehabilitation services which are nonexistent or the shortage of professional personnel would be such as to limit or preclude services to many.
- (h) King-Anderson bill, if passed in present form, would create a dangerously powerful force in one branch of the Federal Government and would need a fantastic force of workers to execute, thereby necessitating an extremely large payroll which could be used to spread and broaden existing legislations and private plans for assistance to the sick aged.

2. We recommend and urge—

- (a) Broadening of present legislation, both State and Federal, to care for those who urgently need assistance now (Kerr-Mills bill and health services to old-age assistance clients).
- (b) Increase old-age assistance and social security benefits (so they can buy drugs and pay for office and home calls of their family doctor or dentist).
- (c) Establish a permanent State committee on aging (nonpolitical).
- (d) Encourage and assist present or future efforts of private or professional individuals, groups, or communities (loans; leadership).
- (e) Relax tax burdens of aged on income or capital gains; increase social security benefits; and extend work rule.
- (f) Tax relief for relatives who assist in the support of their aged relative.
- (g) Permit aged to live with relative or others without income penalty.
- (h) Encourage by loans and other means the use of good existing dwellings which may be repaired or remodeled and may be more desirable to the aged in his own community.
- (i) Domiciliary, boarding, nursing homes should be more strictly supervised and a long-range program of building multiresidential and nursing homes.
- (j) Many individuals and groups of doctors, hospitals, and other professionals are doing a major job of caring for a large number of aged patients. These and others who are making a great contribution to the well-being of our aged should be better recognized and encouraged to increase their efforts.

3. We respectfully urge the President, Congress, and the Health, Education, and Welfare Department, both Federal and State, to use more fully the ability and strength of the community, individual, and State in meeting the need of our aged. This is the American way. Give us the leadership we need. We can and will meet the need. The great need is now. Let us meet it now—then plan for the future.

BLOOMFIELD COMMUNITY COUNCIL ON AGING.
MRS. JOHN L. BUCK, *President*.

Senator LONG. Is there any other citizen now who desires to be heard?

STATEMENT OF VICTOR H. GRIMM

Mr. GRIMM. Senator Long, my name is Grimm. I am a retired Lutheran preacher. I retired this summer after 42 years of ministry.

I was here this morning and enjoyed the various presentations and have listened with interest this afternoon. All through the various presentations, there came to my mind a statement which is now classic in American history which was made at the beginning of this year by President Kennedy when he stated in his inaugural address, "Ask not what your country can do for you, but rather ask what can I do for my country."

It seems to me that the program which we are following in old-age assistance is good in its various aspects, helping those where help is needed, but I know from my own experience through 42 years in the ministry, that as Mr. Hahs said a moment ago, there are too many of our people today who are shifting the responsibility for the care of aging parents upon the Federal and State Governments.

There was a time when it was considered a privilege to provide for an aged parent, to give them the best care possible. But it seems that that great virtue, like many other American virtues, has gone down the drain. I feel that it is high time that we stop asking Washington for all the help, and first of all, try it on the family level and the local level to provide for needs. It can be done, and where that cannot be done, Mr. Long, there, of course, I feel that the charities in the community, as well as the various organizations, State aid, if needed, and Federal aid come in.

But let's first use the family and the church and the community to provide for the needs on the local level.

So, I would like to reiterate President Kennedy's statement, let's not always ask what can your country do for you, but let's ask ourselves, can't we do something for ourselves. Let's start also by providing for our own loved ones as best we can. Thank you.

Senator LONG. Reverend Grimm, I appreciate your statement, and I am sure we all know that the family unit is one of the things that's made this country great.

Our committee has heard this kind of testimony. We have heard a great deal of it from the senior citizens themselves. I am convinced that many of the children who want to take care of their parents and would willingly do so, do not, as we have heard in testimony in our hearings, because the parents don't want them to take care of them.

I am sort of defending the children a little on this, because many of the senior citizens have testified that they wanted to be independent. They didn't want to feel that they had to go live with their son or their daughter.

Now, it is the same approach as you have suggested to the problem, but perhaps it is mother and dad's fault a little as well as it is the children's.

Mr. GRIMM. Then I question, just what does it mean to live with dignity? Does it mean to take it from the Government rather than from the children, who have the moral obligation? "Honor thy father and mother," as Mr. Hahs said, and, of course, I feel there is where the basis—I feel all these issues are something that is just undermining the moral basis of our whole American life.

We realize that something needs to be done here. America's foundations are not what they were, and I just feel, it is my own conviction

tion—I think others share it—that we don't want to undermine this foundation of America more than it has been. I feel that by leaving so many loopholes so that the family doesn't provide for its own, it is just making us a weaker nation. I feel that our children owe us that.

I am happy that I have children. I was only a humble preacher. I was like the Methodist preacher a little while ago; my salary was never big, but fortunately I was able to educate three children. One is a lawyer in town, another is an electronics engineer, and the other is a medical technician at Yale, and that was done on a preacher's salary.

You can do something for your future with the help of the Lord. So I feel that we shouldn't always be grabbing. Let's be outgiving just a little bit more.

Senator LONG. Reverend Grimm, thank you for a very helpful statement.

Is there anyone else who desires to be heard?

I don't want to still get into a controversy with my insurance friend, but guaranteed renewable means they still have to go ahead and pay their premiums?

Mr. HAHS. The bottom line, right under that.

Senator LONG. I see, I have you right there. There are several companies that do that, then. That is something relatively new, then?

Mr. HAHS. Yes; there are actually more than that.

Senator LONG. Linda Henley is a student who would like to speak. Linda, we will be glad to hear you.

STATEMENT OF LINDA HENLEY

Miss HENLEY. As you know, I am just a student, and, of course, I am not as well versed in this as a good many people are who have spoken here. But since I have been here, I haven't heard this view expressed, and I think it is something to be considered.

I agree with some of these people who have spoken and said that it is not good to give assistance to old people when they can help themselves. I am assuming that a program or a bill or something like this would take this into consideration, and the help would go to those who really need it.

But for those who cannot help themselves and go to the hospital and then cannot pay their bills for one reason or another, this, to my point of view, is putting our medical institutions at a great disadvantage. They, of course, need the money. This is obvious with all the drives that we have these days. We are trying to get more and more money for research and this sort of thing.

I think this is just something else that we might look at. For a senior citizen who can't pay his bills, you could sue them, but then who can get blood from a turnip?

So, I think maybe this is something else to consider, just the idea that we also have, I think our senior citizens should consider these to be happy years, but we have our medical institutions and things like this that we have to consider also. Thank you.

Senator LONG. Thank you, Linda. Is there anyone else who desires to be heard? Apparently not.

This gentleman here asked for a minute a while ago. Do you still want your minute?

FURTHER STATEMENT OF H. D. STURM

Mr. STURM. Gentlemen, a while ago the insurance man spoke about a dole, a handout. We earned our social security, we earned the railroad annuity. The railroad annuity was passed before the social security was. Then they changed it. At first it was going to be 65 years you had to retire, then they changed it because there was other railroaders that were senior men—I was in train service, one of the tops in the train service that went up and down the rails. They changed it. They wanted to work longer.

Then they extended as long as you were able and the doctor passed you as medically able, you could go ahead and work. Some I know that have worked up as much until they are 75 years old before they took their retirement.

I took the retirement when I became 65, also took the social security. I had social security points. So it is not a handout, and we are not asking for doles.

We are absolutely asking for assistance as to the high medical bills and the insurance at my age. Does it go far enough to pay your hospital bills and doctor bills and the medical bill?

Senator LONG. Thank you very much, sir.

Apparently everyone has spoken who desires to.

Is there any more?

I can't make out the first name. Roger Preston, I believe it is.

STATEMENT OF ROGER PRESTON

Mr. PRESTON. I am only a student, and I am a good 46 years a junior of most of these men back here. I have been here all day, and I have constantly heard the remark that the older people don't want handouts and they don't want charity. But if I am to understand the bill that is before the Congress at the present time, this increase or this extra benefit would be much like our social security, being a fund that is paid into during our working years.

Well, as I see it, this new legislation, if it is going to increase the benefits of those already on retirement, since they can't build into it, can't pay into it, we are merely giving them money, saying, "Here you are retired, you need some extra money so we will give this to you."

It doesn't seem to me that this is anything but charity.

They may not be going to the welfare office to ask for it, saying, "I need extra help, I can't afford to support myself, but at the same time please give me more money than what you are now giving whether I add anything to it or not."

If such a program were to be initiated in the future, where if a bill was passed where we would get added benefits, I would necessarily consider the fact that our withholding from our wages would increase too. Now, if this were so, I see no reason why a person, while he is working, if he is going to have to pay this extra money into the Federal Government, could not merely take this withholding money that would be withheld and buy, say, an insurance policy, as we have heard in the past, and be receiving—I know there are retirement plans where a person can receive as much as a \$3,000 annuity a year.

Now, if this is true, and the average, I believe the average necessity income, the average necessity expense of each person a year was

something like \$3,041. Well, it seems to me that this could easily be covered by an insurance policy.

We have quite a load on our Federal Government already. We hear this every day, that the Federal Government is spending more money than they can afford to spend, so why not take a little more load off the Government, instead of adding onto it?

Senator LONG. Thank you very much, Mr. Preston.

As we said earlier this morning, it is a great country when we can assemble at meetings of this kind. Many people have many different views, and you can discuss them and still remain friends and share views.

Legislation is a matter that is worked out with many people sharing many different views. I doubt if there was ever a bill passed of any kind that suited everybody exactly.

Your committee is grateful to you for your attention today and for permitting us to be here. We are grateful to you for permitting us to share your views and your suggestions.

As I say, this is a factfinding committee. Our staff and the full committee is composed of many leading Senators on both sides of the aisle, so it is not a political question. Our Republican friends get as old as fast as we Democrats. They have the same problems, so it is a problem that we will take back to Washington and recommendations will be made to the full Congress for their consideration.

That's the American way of doing things. That's the way all of us would want it done. We wouldn't have it any other way.

It was nice to be here with you, we appreciate your courtesy. May I say to my staff that has been with me, this is the seventh hearing, I am grateful to each one of them for their help and their assistance. They have been very courteous.

They tell me that Dr. Skully, president of the college, and Mr. Bryce March, or doctor, I am not sure which it is, made it possible for the committee to use this room. We are grateful to you for it. We appreciate their interest, too, in the problem.

If any of you have a problem or have some information you would like to give the committee that you haven't told us, members of the staff will be glad to visit with you, have you write it and become a part of the permanent record and be considered.

At this point I will insert in the record communications received by the committee.

CAPE GIRARDEAU, MO.,
December 15, 1961.

DEAR SENATOR LONG: Here is what I would have said at the hearing of your subcommittee of the Special Committee on Aging if there had been time for everyone to speak:

The premise of my opinion lies in simple mathematics and not in numbers but in percentages.

In the first place, I am strongly opposed to any and all social legislation of this nature. However, it looks like some of it is here to stay. And one of the main problems with past legislation is the haste with which it became law. A giant, such as government, must move slowly and carefully so it can watch its own progress.

About 8 percent of our population is over 65 years old. Not more than one-half of this 8 percent need Federal Government help. This is 3 to 4 percent of the population of this country; this is a pretty small number. Of this 4 percent that may really need help, there are many who can get, and do get, help from churches, charities, parents, and States.

Why make, through law, everyone pay for and receive benefits which only 3 or 4 percent need? Why, if you must, don't you make a stopgap law to care for the very and truly needy right now, and then plan a program that is designed to aid only those that can't help themselves and that can't get help from other sources as mentioned above? The 97 percent should not have foisted upon them, and this type of legislation is a real thorn in the side of private enterprise, a law helping only 3 to 4 percent of the people.

With better education in all its aspects, we as individuals are continually becoming more able to take care of ourselves. The Government should never do anything for the people unless it is absolutely necessary—and this is not absolutely necessary. These types of legislation encourage leaning and this is not good. We as Christians should help the stupid but not the lazy and thoughtless.

When you weed out the people who don't need help and the lazy ones who won't work to help themselves, you don't have that many left to help with Federal legislation.

Thank you for your time.

KARL L. NORDYKE, JR.,
530 N. Pacific.

January 29, 1962.

HON. EDWARD LONG,
Washington, D.C.

SIR: Recently I listened to a speaker on the radio who declared "the millions of Americans over 65 constitute the biggest political bloc in history." This bloc has votes.

Americans under 65 can move about as they wish, and are free to plan their own lives. Past 65, without income, the States place them under the espionage of an army of investigators. The upkeep of this army would pay the pensions to many needy oldsters. What is necessary to be investigated? After one is 65 years old, he certainly will not become any younger.

These oldsters are in a worse position than convicted criminals. Men in prison know they are going to eat, have a place to sleep, and clothing. The warden keeps his charges reasonably contented, in order to avoid costly rioting. They are confined to the premises. Elderly citizens also are confined within State lines. Whether they eat or starve depends entirely on the whims of their investigators, who are mere nobodies working for a living, but who hold the power of life and death over their helpless charges. Our elderly pensioners are humiliated, insulted, frightened, afraid to say even their souls are their own. The thought of their pensions being cut off keeps them in constant fear. They expect to starve to death if their investigators are in anyway displeased with them.

What we have here, beyond what the Indians left us, has been created by the labor of my generation and those who lived before us. Our elderly people are entitled to a decent living, free from fear, and to live their last years in peace and comfort. Our taxpayers are asked to feed the whole world. We are taxed to provide for our elderly Americans, and we intend that they shall be taken care of. These people have worked hard for many years, and are perfectly capable of planning their own lives without interference by any army of investigators that exists for the sole purpose of making life miserable for our elderly citizens. I doubt if Russia practices any worse mental torture than is inflicted upon our old-age pensioners in America. Their treatment is a national disgrace.

Lincoln freed the Negroes. Who will be brave enough to free our elderly Americans? The men who can get legislation passed to send our people their pension checks from Washington and take this army of buzzards off their necks, will thereby earn the gratitude of millions of Americans, and win several million votes.

Sincerely,

WINIFRED E. EVANS;
1302 W. 26th Street, Joplin, Mo.

Senator LONG. This is the last of the 30 hearings that will be held. So, at this time, then, the committee will be adjourned.

(Whereupon, at 3:10 p.m., the committee adjourned.)