

HOUSING PROBLEMS OF THE ELDERLY

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
HOUSING FOR THE ELDERLY
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
EIGHTY-SEVENTH CONGRESS
FIRST SESSION

Part 5.—St. Louis, Mo.

DECEMBER 8, 1961

Printed for the use of the Special Committee on Aging



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1962

SPECIAL COMMITTEE ON AGING

PAT McNAMARA, Michigan, *Chairman*

GEORGE A. SMATHERS, Florida	EVERETT MCKINLEY DIRKSEN, Illinois
CLAIR ENGLE, California	BARRY GOLDWATER, Arizona
HARRISON A. WILLIAMS, JR., New Jersey	NORRIS COTTON, New Hampshire
OREN E. LONG, Hawaii	FRANK CARLSON, Kansas
MAURINE B. NEUBERGER, Oregon	WALLACE F. BENNETT, Utah
WAYNE MORSE, Oregon	PRESCOTT BUSH, Connecticut
ALAN BIBLE, Nevada	JACOB K. JAVITS, New York
JOSEPH S. CLARK, Pennsylvania	
FRANK CHURCH, Idaho	
JENNINGS RANDOLPH, West Virginia	
EDMUND S. MUSKIE, Maine	
EDWARD V. LONG, Missouri	
BENJAMIN A. SMITH II, Massachusetts	

WILLIAM G. REIDY, *Staff Director*

SUBCOMMITTEE ON HOUSING FOR THE ELDERLY

JOSEPH S. CLARK, Pennsylvania, *Chairman*

HARRISON A. WILLIAMS, JR., New Jersey	PRESCOTT BUSH, Connecticut
ALAN BIBLE, Nevada	JACOB K. JAVITS, New York
OREN E. LONG, Hawaii	
EDWARD V. LONG, Missouri	

NOTE.—Five hearings on housing were held and they are identified as follows:

- Part 1—Washington, D.C.
- Part 2—Newark, N.J.
- Part 3—Philadelphia, Pa.
- Part 4—Scranton, Pa.
- Part 5—St. Louis, Mo.

CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

	Page
Senator Everett McKinley Dirksen, of Illinois.....	406
Senator Stuart Symington, of Missouri.....	409
Vernon Mayfield, regional counsel, Housing and Home Finance Agency, region V, Fort Worth, Tex.....	413
Harry A. Sieve, assistant chief underwriter, St. Louis insuring office, Federal Housing Administration.....	422
William J. Stelpflug, chairman, Planning Committee on Aging, Health and Welfare Council of Metropolitan St. Louis; accompanied by Mrs. Ellen Lee Brashear, housing committee chairman.....	429
George Kassabaum, chairman, Committee on Housing for the Aging, American Institute of Architects.....	435
Rev. Harry Phillips, president, West End Community Conference, St. Louis.....	445
M. Leo Bohanon, executive director, Urban League of St. Louis.....	448
Joseph Pollock, president, St. Louis Park Area Improvement Association ..	453
Irvin Dagen, general counsel, St. Louis Housing and Land Clearance Authority.....	456
Monroe W. Jackson, president, Missouri State federation chapter, National Association of Government Retirees.....	464
Guy Hardin.....	465
Mrs. Fullmer.....	468
Clausey Heppner, member, Alton Adult Citizens Commission.....	469
Harold Downey, chairman, Alton chapter, Association of Retired Persons..	476
George Wulff, president, St. Louis County Medical Society.....	478
Mrs. T. H. Stauf.....	481
Mrs. Doris Wheeler, health and welfare department, International Ladies Garment Workers Union.....	482
Louis Haas.....	484
Ruth Scrivner.....	485
Mrs. Edward Helbings, women's auxiliary, St. Louis County Medical So- ciety.....	485
Freda Leschke.....	486
Mrs. William Bowey.....	486
Dr. Allen Klippel.....	487
Richard Smith.....	489
Gretchen Koob.....	490
Simon Blada.....	491
David E. Gamber.....	491
Mr. Benton.....	492
Emil E. Brill, chairman, Missouri committee, White House Conference on Aging.....	493
Dr. A. Repetto.....	495
Daniel W. Witt, chairman, St. Louis County Federal Civic Association....	498
Dr. F. A. Koetting.....	502
S. J. Neuberger.....	502

STATEMENTS

Beattie, Walter, planning director, committee on aging, Health and Wel- fare Council of Metropolitan St. Louis, and president-elect of American Gerontological Society, prepared statement.....	443
---	-----

	Page
Benton, Mr.....	492
Bethune, Roderick A., regional administrator, region V, Housing and Home Finance Agency, prepared statement.....	410
Supplemental statement.....	421
Blada, Simon.....	491
Bohanon, M. Leo, executive director, Urban League of St. Louis.....	448
Bowey, Mrs William.....	486
Brill, Emil R., chairman, Missouri committee, White House Conference on Aging.....	493
Dagen, Irvin, general counsel, St. Louis Housing and Land Clearance Authority.....	456
Prepared statement.....	458
Dirksen, Senator Everett McKinley, of Illinois.....	406
Downey, Harold, chairman, Alton chapter, Association of Retired Persons.....	476
Prepared statement.....	477
Fullmer, Mrs.....	468
Gamber, David E.....	491
Haas, Louis.....	484
Hardin, Guy.....	465
Helbing, Mrs. Edward, women's auxiliary, St. Louis County Medical Society.....	485
Heppner, Clausey, member, Alton Adult Citizens Commission.....	469
Jackson, Monroe W., president, Missouri State federation chapter, National Association of Government Retirees.....	464
Kassabaum, George, chairman, committee on housing for the aging, American Institute of Architects.....	435
Prepared statement.....	436
Klippel, Dr. Allen.....	487
Koetting, Dr. F. A.....	502
Koob, Gretchen.....	490
Leschke, Freda.....	486
Mayfield, Vernon, regional counsel, Housing and Home Finance Agency, region V, Fort Worth, Tex.....	413
National Council of Jewish Women, St. Louis section, prepared statement.....	504
Neuberger, S. J.....	502
Phillips, Rev. Harry, president, West End Community Conference, St. Louis.....	445
Prepared statement.....	444
Pollock, Joseph, president, St. Louis Park Area Improvement Association.....	453
Repetto, Dr. A.....	495
Scrivner, Ruth.....	485
Sieve, Harry A., St. Louis office of the FHA.....	422
Prepared statement.....	423
Smith, Richard.....	489
Stauf, Mrs. T. H.....	481
Stelpflug, William J., chairman, planning committee on aging, Health and Welfare Council of Metropolitan St. Louis; accompanied by Mrs. Ellen Lee Brashear, housing committee chairman.....	429
Prepared statement.....	431
Symington, Senator Stuart, of Missouri.....	409
Wheeler, Mrs. Doris, health and welfare department, International Ladies Garment Workers Union.....	482
Witt, Daniel W., chairman, St. Louis County Federal Civic Association.....	498
Prepared statement.....	499
Wulff, George, president, St. Louis County Medical Society.....	478

ADDITIONAL INFORMATION

Article entitled "New Ideas Sought in Public Housing," by Martin Arnold, in the New York Times of November 26, 1961.....	462
Foreclosures in the St. Louis office, 1959-61.....	428

CONTENTS

Letters to Senator Long from:	Page
Bean, Estella, Belleville, Ill.....	505
Burgess, Martha J., St. Louis, Mo., dated January 7, 1962.....	507
Floescher, Fred J., St. Louis, Mo., dated December 8, 1961.....	505
Hagen, Rosemary, St. Louis, Mo., dated January 6, 1962.....	507
Linstrom, Robert C., Clayton, Mo., dated December 11, 1961.....	506
Luten, Leo C., St. Louis, Mo.....	505
Maly, Mr. and Mrs. Charles A., St. Louis, Mo., dated December 12, 1961.....	504
Ostmeyer, Joseph, University City, Mo., dated December 11, 1961...	513
Poelker, Rev. Carl C., St. Louis, Mo., dated December 16, 1961.....	506
Weidner, Mike, Lemay, Mo., dated December 15, 1961.....	506
Memorandum submitted by George Wulff, president, St Louis County Medical Society.....	507
Report of Alton Adult Citizens' Council.....	469

HOUSING PROBLEMS OF THE ELDERLY

FRIDAY, DECEMBER 8, 1961

U.S. SENATE,
SUBCOMMITTEE ON HOUSING
OF THE SENATE SPECIAL COMMITTEE ON AGING,
St. Louis, Mo.

The subcommittee met at 10 a.m., in assembly hall No. 2, Kiel Auditorium, with Senator Everett M. Dirksen and Senator Stuart Symington present, and Senator Edward V. Long presiding.

Committee staff members present: Dr. Frank Atelsek, research director; Frank C. Frantz, professional staff specialist on housing; and John Guy Miller, minority counsel.

Senator LONG. The meeting will be in order.

We are delighted to be here this morning, and particularly happy that my distinguished colleague from the Senate, the minority leader, Senator Dirksen, is with us this morning.

Last February the U.S. Senate created this Special Committee on Aging. This committee is now holding a series of more than 30 hearings around the country. The record of the testimony and discussion taken at these hearings will provide the basis for reports and recommendations to the Congress next year.

We are holding six hearings in Missouri, each of which takes up one of the subject areas selected by the special committee as deserving special attention.

Wednesday we were in Kansas City and took testimony and recommendations on the Federal and State activities and programs in the field of aging. Next week we will be in St. Joseph, Hannibal, and Cape Girardeau, with retirement income as our subject, and in Springfield we will take testimony on nursing homes, as we did in Minneapolis, Minn., earlier this week.

This morning we will hear from a group of distinguished witnesses who will discuss the housing problems of our elderly citizens and the Federal, State, and local programs which are now being developed to meet the inadequacies in this field.

In Missouri we already have more than a half million people past their 65th birthday. This is almost one-fifth of our adult population here in this State. In Metropolitan St. Louis alone there are more than 150,000 people 65 years and over.

This segment of our population is a heterogeneous group. Their housing needs and desires vary widely. But our older citizens do tend to have certain things in common which bear on their housing problems.

First of all, most of us after retirement have very much reduced incomes, and for many it is difficult to maintain the housing arrange-

ments they have had or to find suitable housing at a price they can afford. Secondly, our older citizens live in smaller family units, that is, they live alone or as a couple. Also relevant is the fact that they tend to have reduced physical strength and, as age advances, they are increasingly subject to illness and chronic conditions which require that they have some kind of special care.

These are among the factors which warrant, in my mind, giving special consideration to housing for the elderly, apart from the general problem of housing.

Many of us tend to think of housing for the elderly in terms of public housing with certain special physical features. Certainly public housing plays an important part in meeting the needs of a segment of our older population. Physical features which contribute to convenience and safety in the home are worthwhile. But the field is much broader than this.

Our approach should be one which recognizes the desire of people to live independently and to have a place in a neighborhood or community. This desire is just as true of older people as it is of any age group.

We would like to hear about the problems our elderly citizens face in maintaining a maximum degree of self-sufficiency in their living arrangements, maintaining themselves in their own homes with access to the services and facilities they need, and preserving their accustomed relationships with their communities. We would like to hear how successfully present Federal programs are working and what further steps might be taken to assist individuals and to facilitate community action toward these objectives.

As I said in a statement a moment ago, I am particularly happy that my good friend Senator Dirksen, from Illinois, our neighbor across the river, is with us this morning.

Senator Dirksen, we would be happy if you have a statement to make at this time.

STATEMENT OF SENATOR EVERETT MCKINLEY DIRKSEN, OF ILLINOIS

Senator DIRKSEN. Senator Long, it is good to see you; it is good to pay my neighbors a visit. I do not get here as frequently as I did in other days. But I am glad to join with you in this hearing and I am glad to see this good outpouring of people, which is an indication of the interest in this all-important matter.

This is a housing hearing, and I am sure it will be fruitful and constructive and I am sure it will be objective.

Housing for older people, as for the young, is extremely important. Along with proper food, recreation, medical care and meaningful activity, it is a major factor in the health and happiness of any individual.

That Congress has recognized this is shown by the wide variety of programs it has approved: Public housing for those of extremely low income, grants-in-aid and mortgage insurance for nursing homes, Federal Housing Administration loan programs for individuals to buy homes and for the construction of apartment and group living projects.

That churches and other philanthropic groups recognize a responsibility in housing is shown by their many projects.

That business and other forces of private enterprise, which are America's most consistently effective avenues for meeting our people's needs, recognize their role is attested by the phenomenal growth of privately constructed villages and homes for older people across the land. Lending agencies are giving new emphasis to financing such homes because they have learned that older people are among the best credit risks.

This might suggest that all that is necessary is being done to meet the housing needs of older people. There is, however, at least one major area in which additional Federal action seems appropriate.

It should be remembered that often the greatest help the Federal Government can give to people is in reduction of the burden it imposes on them. With this in mind, it would seem wise to provide older homeowners with relief from the capital gains tax when they wish to sell a home which no longer meets their needs.

Two-thirds of the couples over 65 and many single or widowed older people now own their own homes, mostly mortgage free. Some are living in houses which they bought early in life for their families. Now with their children out on their own, the original home may be too big for their needs, may, indeed, be a burden. Should they want to sell the home, however, they find themselves confronted with a sizable loss through the combined impact of inflation and the Federal capital gains tax.

Suppose a couple bought a home for \$5,000 30 or 40 years ago. They have spent a lifetime paying for it. Now it has a market value of \$20,000 or \$30,000. It is bigger than they need. Its maintenance is not easy. They would like to sell the house and buy a smaller one for \$5,000 or \$10,000, possibly in a rural community where their retirement income will go farther. Conceivably, they may want to add this \$20,000 or \$30,000 to their income-producing capital and move into an apartment. They may even want to use it to buy a life-care contract in one of the church-sponsored retirement communities. At this time they find that \$15,000 to \$25,000 of the sale price is subject to the capital gains tax. Now, as a matter of fact, thanks to prolonged inflation, this \$20,000 or \$30,000 is really worth no more in purchasing power than was the \$5,000 30 or 40 years ago. Yet, if they sell, they must give up a substantial portion of their equity because of this so-called gain.

It would then seem that this impediment to the individual's freedom to take care of his own needs should be removed. One way to do it would be to change the Internal Revenue Code so that after age 60 or 65 the seller of a house, occupied as a home for 5 years or more, would be exempt from income or capital gains tax on any paper profits resulting from such sale.

Republican members of this committee have discussed such a proposal. It is our hope that such a tax relief measure will be introduced and passed at the next session of Congress.

Other kinds of tax relief for older persons or relatives on whom they depend, too, may constitute the best way to assure them the opportunity to meet their own needs in their own way. A thorough study of this approach, along with renewed efforts to combat the

scourge of inflation which hits hard at all people on fixed income, should be undertaken.

While this hearing is on housing, it is appropriate that the total needs of older people be considered. In previous hearings many witnesses have said that housing is the No. 1 need. Others have said it is medical care. Interestingly enough, the need for proper food has been mentioned but rarely. From older people themselves the plea for the opportunity to work has been a recurring refrain. This demand for the right to participate fully in life is also seen in many letters we receive in Washington.

The truth of the matter is, no one kind of need can be described as the most important for the 16 million widely different Americans who are over 65. As individual circumstances differ, so do needs. One of the dangers in government is that in trying to meet one type of problem, we may merely create new ones by reducing the ability of people to meet those needs which they, themselves, feel should come first.

Older people do, however, have physical, mental, and spiritual needs, as do we all.

The spiritual needs, of course, are the special province of church and family.

Most of our public concern has been with physical needs. To meet such needs, what is required is income.

For those to whom medical care costs are a problem, the basic need is for income. For those unable to secure adequate housing, the need is for income. And for the large number of older people with adequate incomes, the need is for preservation of income integrity by maintaining a stable dollar.

Given income, the individual can make his own choice as to what his primary physical needs are. I am one of those who happen to believe that such personal choices usually will be more intelligent than any we in Washington can make.

Now, where can and should this income come from?

Many older people have accumulated resources which will permit them at 65 or 70 to retire in comfort. They constitute no problem, except that we have a responsibility to see that inflation and rising taxes do not destroy that income.

Many older people, regardless of finances, prefer to continue working. Such employment, full- or part-time, produces income. We must see that these people have a chance to work. We must get rid of our preoccupation with retirement at 65. Competent authorities predict that in the near future life expectancy at 65 will be increased from 14 years to 20 or 25 years. These years will not be years of incapacity, but can and should be years of productive vigor and enjoyment.

At previous hearings older people have repeatedly described the emotional vacuum that is created by denial of work opportunities.

I would suggest an all-out national effort to give employment opportunities, full- or part-time, to older people. The National Advertising Council and others might embark on an "employ the senior" campaign similar to the successful educational crusade on behalf of the handicapped. This type of campaign, coupled with the growing trend of flexible retirement in the business world, could be very helpful in meeting the economic needs of able-bodied seniors while simul-

taneously satisfying their emotional need for a participating role in society.

Another source of income is from children and other relatives. My own observations have convinced me that family responsibility in America is not dead. The concern of the family for all its members, including the elders, is deep and genuine. Tax relief measures for contributing relatives, especially as they apply to emergency situations, should be given careful study as a possible way of reinforcing this commendable concern.

Income and direct aid is also provided some persons by church groups, fraternal bodies, and other community institutions.

Now undergirding all these sources of income for most people is the social security system. Because of the role it plays in providing a minimum floor of protection for so many persons, the social security system and benefits must be reevaluated constantly by Congress.

It is quite conceivable that major amendments would be desirable to give social security greater flexibility in meeting individual needs. It would seem wise, however, that it continue as a cash benefit program so its beneficiaries will have maximum freedom to use the money it provides as they, themselves, see fit.

For those whose extreme personal situations create special income inadequacies there is a complex of State-aid programs which the Federal Government subsidizes heavily.

For the vast majority, however, income is the preferred answer. In housing, for example, whenever possible it is far better for older people to choose their own rather than to be herded into even the most attractive Government unit. With income the senior citizen is free to exercise his own initiative, and freedom is as important to him as to anyone.

My study of aging has convinced me that older people want opportunity. Opportunity to work; opportunity to retire with confidence that their income will not be eroded by rising taxes and inflation; opportunity to live as free and independent citizens. It is in assuring such opportunity that the challenge to America lies.

Senator LONG. Thank you, Senator Dirksen.

We are delighted to have also with us this morning Senator Symington, my distinguished colleague from Missouri.

Senator Symington, do you have a statement you care to make?

STATEMENT OF SENATOR STUART SYMINGTON, OF MISSOURI

Senator SYMINGTON. Mr. Chairman, I came here this morning primarily to listen and learn. I regret being late. I was in Joplin this morning and I have already made a talk to the State ASC and county ASC committeemen at the Hotel Jefferson.

I appreciate the honor of being allowed to be here as you preside in these hearings and I am glad to see you and especially to see the distinguished minority leader and to have had the opportunity to listen to his most interesting and constructive statement.

Senator LONG. Senator, we are glad you are here. I hope you will spend as much time with us today at the hearings as it is possible for you to do.

Senator SYMINGTON. I appreciate that also, Mr. Chairman. I am going to be in New London this afternoon and Hannibal tonight. So after this morning I will not be in a position to benefit.

Senator LONG. You are going to be in a good section of the State.

Senator SYMINGTON. As long as you brought it up, I am delighted you have come to about the finest place right now yourself.

Senator LONG. Our first witness this morning is to be Mr. Vernon Mayfield, regional counsel, Housing and Home Finance Agency, region V, Fort Worth, Tex., who is representing Mr. Roderick Bethune, the regional administrator.

May I suggest to this witness and to our other witnesses this morning—I believe most of them have filed prepared statements with the committee—these statements will be carefully studied by the staff and the committee and will become a part of the permanent record. Due to the shortness of the time we have, we must recess this morning at 12 o'clock. We have, I believe, eight or nine witnesses. We hope that you will not read your entire statement into the record, but, as I say, it will be made a part of the permanent record, and we will appreciate it if you will comment briefly on the highlights of your statement, which we have.

(Prepared statement of Roderick A. Bethune follows:)

PREPARED STATEMENT BY RODERICK A. BETHUNE, REGIONAL ADMINISTRATOR,
REGION, V, HOUSING AND HOME FINANCE AGENCY

It is my understanding that the purpose of this hearing is to elicit information on the character and magnitude of the problem of Housing for the Aging, the effectiveness of present Federal programs in this field, and the possible need for modifications or additions to these programs.

The character and magnitude of the problem are indicated, in general terms, by two short paragraphs in the introductory statement in the Fact Sheet entitled "Federal Programs for Housing the Elderly," copies of which are in the packet that has been distributed to you. These paragraphs state:

"Today more than 24 million Americans are age 60 plus, a number greater than the entire population of the Nation in 1850. By 1970 this figure will climb to more than 28 million."

"Unfortunately, many of them still share another common problem—the need for housing in their senior years when, as a general rule, they are beyond their major earning period. Housing generally, in the past, has not been designed or located to meet the special needs and habits of our older people, nor to contribute to dignity, independence, and meaningful activity in retirement years."

As you gentlemen know, the White House Conference on Aging developed considerable information regarding the character and magnitude of the problem. As you also know, data now available—and becoming available—from the 1960 census provide additional evidence. For example, according to a special tabulation of 1960 Census of Housing Data prepared by the Census Bureau for the St. Louis Housing Authority, one-third of all owner-occupied substandard dwellings and one-fifth of all renter-occupied substandard dwellings in St. Louis were occupied by families whose household head was 65 years of age or over. This one fact indicates the tremendous magnitude of the problem.

While the HHFA regional offices did not participate in the White House Conference on Aging in Washington, several of our people served as consultants in the preceding Governors' conferences. These consultants report that housing was invariably considered to be one of the major problems. They also report that all discussions of ways of coping with the housing problem invariably resulted in the conclusion that more Federal aid is necessary. The brochure "Retirement Housing and Nursing Homes—A Guide to Federal Financing Aids," which is also in your packet, is, in itself, impressive evidence of the importance placed on housing by the Governor's committee in Texas and on the role of Federal housing programs.

Some significant figures regarding the low-rent public housing program in Texas appear on page 25 of this brochure. You will note that approximately 1,000 dwelling units of housing especially designed for occupancy by elderly persons were in some stage of planning or construction as of October 1, 1961. This does not include projects already completed or dwellings not especially designed for—but nevertheless occupied by—elderly persons.

Perhaps the two biggest problems that have been encountered in the administration of the public housing program for senior citizens are (1) financial feasibility and (2) proper planning, so that the projects will meet all needs of the elderly tenants, for example, their sociological and health needs as well as their shelter needs.

The additional subsidy of up to \$120 per year for each dwelling unit occupied by an elderly family, as authorized by the Housing Act of 1961, represents a great step forward in solving the problem of financial feasibility. It is undoubtedly encouraging local housing authorities to house more elderly families, when suitable accommodations are available in existing projects, who could not heretofore be housed because of the extremely low incomes and rent-paying ability.

The additional subsidy should also encourage local housing authorities to develop new public housing especially designed for low-income elderly by insuring financial feasibility. A problem of administration arises here, however. The law provides that the additional subsidy will be available to a local housing authority only after the end of the authority's fiscal year to make up a deficit incurred during the preceding fiscal year. This presents a difficult operating problem since a local housing authority generally has no other funds on which to draw to meet deficits during the fiscal year. In analyzing the economic feasibility of proposed projects, however, the regional office of the Public Housing Administration is assuming that this problem will somehow be solved and is utilizing the full \$120 per unit per year, if necessary, to demonstrate financial feasibility.

In the 5 years since provisions for housing especially designed for the elderly were first incorporated in the U.S. Housing Act, the Public Housing Administration has become acutely aware of the need for total planning in connection with projects for the elderly. The Housing Authority of the City of San Antonio, under the capable direction of Mrs. Marie McGuire, now Public Housing Administration Commissioner, led the way in such planning in this region. Evidence of this planning is contained in the brochure entitled "Victoria Plaza Apartments," which is in your packet. Local housing authorities in smaller communities, however, do not have the staff and facilities necessary for this planning, although it is needed in small communities just as in larger places. By total planning, we mean planning to take care of all the needs for the aging—not just shelter, but sociological, health, and other such needs. Your packet includes a brochure entitled "Six Conversations on Housing for the Elderly," which was prepared by the committee on housing for the elderly of the southwest regional council of the National Association of Housing and Redevelopment Officials. Please note that this brochure recognizes the need for total planning. Because smaller communities need assistance in this field the Fort Worth regional office of the Public Housing Administration has assigned to an employee, on an experimental basis, the responsibility of working with the housing authority of a medium-sized city in Texas for the purpose of formulating comprehensive plans for taking care of all needs of the tenants of a 75-unit project for low-income elderly families now under development. Advisory service such as this may well be a very proper function of agencies responsible for administering Federal programs of housing for the elderly.

Interest in the relatively new program of direct loans for housing for senior citizens is increasing in this region at an amazing rate. The responsibility for processing applications in this program was transferred from Washington to the regional offices in mid-October, and applications initially field in the central office are now being transferred under this decentralization. As you may know, applications for public facility and college housing loans are processed in the Community Facilities Branch of the Housing and Home Finance Agency regional offices. Because of certain similarities between these loans and loans for senior citizens housing, applications for the latter are also being processed by the Community Facilities Branch.

In view of the fact that we have made no special effort to publicize the direct loan program since assuming operational responsibility, the tremendous interest that we have seen is indeed surprising. Inquiries are coming to us from many

sources. We have telephone calls, visits, and letters from architects, lawyers, public bodies, church groups, fraternal orders, and many others.

Since October 20, or about 7 weeks ago, we have received more than 100 letters of inquiry; in addition, we receive an estimated 5 to 7 telephone calls a day from interested persons and groups. We have held 30 planned conferences, with each of the eight States in this region having been represented, and have held discussions with more than 20 drop-in groups. These statistics clearly indicate that the direct loan program is extremely attractive to those who are interested in providing suitable housing for senior citizens in the lower middle-income brackets.

The problems that have been encountered thus far in the administration of the direct loan program in the regional offices seem to concern primarily the following three major areas:

A. Determination of the motives of applicants and the determination of their competence to effectively plan, develop, and manage the proposed housing.

B. Market analyses: Determination of the proper number and type of dwelling units to be developed at proposed sites to meet the need and demand by those persons for whom the program is designed.

C. Proper planning, which should include not only architectural design, but the marshaling of all community resources to insure that the physical and sociological needs of the tenants will be adequately met.

Some of the problems being encountered in the administration of the direct loan program are similar to the problems that have arisen in connection with the public housing program. For this reason, the experience of the Public Housing Administration in solving these problems is being drawn on heavily in some instances. In other instances, however, different approaches are being taken. For example, whereas the Public Housing Administration is experimenting with direct assistance to communities in planning for the sociological and health needs of tenants, as previously mentioned, the Community Facilities Branch is encouraging sponsors to assume this responsibility and is requiring them to demonstrate that they are capable of performing such planning.

There have been a few instances in which the motives of applicants for direct loans have been questionable. In most of these instances apparent land speculation was involved. In order to insure that maximum benefit is obtained from the program, and that it operates in the manner intended, we have adopted the policy of investigating quite carefully the characteristics of applicants. It seems particularly important to us to preserve the 100-percent loan concept of the program in order to encourage the maximum development of housing for senior citizens in the lower middle-income brackets. This concept inherently attracts certain types of promoters who envision the organization of a nonprofit corporation to obtain a 100-percent loan for the development of projects, without any personal financial risks. In addition to preserving the 100-percent loan concept, we think that it is equally important to insure that sponsors of this type housing are of unquestionable character who are capable of operating projects successfully throughout the loan period—and who are determined to do so. Accordingly, we have adopted a policy of encouraging broad-based community participation by leading citizens. It is our considered opinion that interest in this program is so intense that all funds authorized by the Congress can be utilized by sponsors of unquestionable integrity, capability, and determination. We are convinced that such sponsors will cooperate with us wholeheartedly in achieving the objective of the program through prudent market analyses and proper total planning. We are likewise convinced that the problems that we have encountered thus far can and will be satisfactorily worked out.

There is also evidence of intense and increasing interest in the FHA programs for senior citizens, particularly the rental housing program. While not restricted to senior citizens, the FHA nursing home program is more and more being considered as an essential part of the total program of housing for the elderly in a community. The public housing and direct loan program for senior citizens are intended to serve the elderly who are capable of taking care of themselves. Adequate provisions, however, should be made to take care of those tenants of such programs who inevitably become unable to take care of themselves. Skilled restorative nursing homes seem to provide an answer.

Summarizing, we believe that the Federal programs for housing for the elderly, as authorized by the Housing Act of 1961, when properly administered—which we

are earnestly attempting to do—can be eminently effective in providing suitable housing for our deserving senior citizens. The increasing interest that we are seeing in all of the programs, which are designed to meet the needs of the elderly in all income brackets, certainly indicates the desirability of continuing the programs. We believe that the few problems that have arisen can be handled administratively without unnecessarily restricting the intended scope of the programs and without interfering with achievement of the basic objectives.

I might add one additional thought in conclusion. We are noting an increasing desire among various groups for more Federal aid in connection with facilities to take care of those senior citizens who are not physically capable of taking care of themselves but who cannot afford most nursing homes under present costs. One of the major problems confronting local housing authorities operating or contemplating facilities for the elderly, as well as sponsors of direct loan housing for senior citizens, is what to do with tenants when they reach the inevitable stage at which they can no longer live independently. This may be an area that needs to be explored.

STATEMENT OF VERNON MAYFIELD, REGIONAL COUNSEL, HOUSING AND HOME FINANCE AGENCY, REGION V, FORT WORTH, TEX.

Mr. MAYFIELD. My name is Vernon C. Mayfield, and I am regional counsel of the region V of the Housing and Home Finance Agency.

I wish to express the Regional Administrator's appreciation, as well as my own, for this privilege to state our views with respect to housing for the aged.

It is my understanding that the purpose of this hearing is to elicit facts on the character and magnitude of the problem of housing for the aging, the effectiveness of present Federal programs in this field, and the possible need for modifications or additions to these programs.

We have presented a packet which contains four documents the committee will be interested in reviewing.

As you also know, data now available, and becoming available from the 1960 census provides additional evidence of the magnitude of this problem. For example, according to a special tabulation of 1960 Census of Housing Data prepared by the Census Bureau for the St. Louis Housing Authority, one-third of all owner-occupied substandard dwellings and one-fifth of all renter-occupied substandard dwellings in St. Louis were occupied by families whose household head was 65 years of age or over. This one fact indicates the tremendous magnitude of the problem.

While the HHFA regional offices did not participate in the White House Conference on Aging in Washington, several of our people served as consultants in the preceding Governors' conferences. In your packet you have a brochure entitled "Retirement Housing and Nursing Homes—A Guide to Federal Financing Aids," which is made up by the Governor's committee in Texas on the role of Federal housing programs.

Perhaps the two biggest problems that we have encountered in the administration of the public housing program for senior citizens are (1) financial feasibility, and (2) proper planning so that the projects will meet all needs of the elderly tenants, for example, their sociological and health needs, as well as their shelter needs.

The additional subsidy of \$120 per year for each dwelling unit that was passed by the Congress in 1961 represents a great step forward in solving the problem of the financial feasibility. The additional subsidy should also encourage local housing authorities to develop new

public housing especially designed for low-income elderly by insuring financial feasibility.

By "total" planning, we mean planning to take care of all the needs of the aging, not just shelter, but sociological, health, and other such needs. Your packet includes a brochure entitled "Six Conversations on Housing for the Elderly," which was prepared by the Committee on Housing for the Elderly of the Southwest Regional Council of the National Association of Housing & Redevelopment Officials. Please note that this brochure recognizes the need for total planning.

Interest in the relatively new program of direct loans for housing for senior citizens is increasing in this region at an amazing rate. The responsibility for processing applications in this program was transferred from Washington to the regional offices in mid-October, and applications initially filed in the central office are now being transferred under this decentralization. This process is handled by the community facilities branch of the Housing and Home Finance Agency regional offices. Because of certain similarities between these loans and loans for senior citizens housing, applications for the latter are also being processed by the community facilities branch.

In view of the fact that we have made no special effort to publicize the direct loan program since assuming operational responsibility, the tremendous interest that we have seen is indeed surprising. Inquiries are coming to us from many sources. We have telephone calls, visits and letters from architects, lawyers, public bodies, church groups, fraternal orders, and many others.

Since October 20, or about 7 weeks ago, we have received more than 100 letters of inquiry. In addition, we receive an estimated five to seven telephone calls a day from interested persons and groups. We have held 30 planned conferences, with each of the 8 States in this region having been represented, and have held discussions with more than 20 "drop in" groups. These statistics clearly indicate that the direct loan program is extremely attractive to those who are interested in providing suitable housing for senior citizens in the lower middle income brackets.

We have run into three problems: The determination of the motives of the applicants, the market analyses, and the proper planning.

Some of the motives of the applicants for direct loans have been questionable. In most of these instances apparent land speculation was involved. In order to insure that maximum benefit is obtained from the program, and that it operates in the manner intended, we have adopted the policy of investigating quite carefully the characteristics of applicants. It seems particularly important to us to preserve the 100-percent loan concept of the program in order to encourage the maximum development of housing for senior citizens in the lower middle income brackets.

There is also evidence of intense and increasing interest in the FHA programs for senior citizens, particularly the rental housing program.

In summary, we believe that the Federal programs for housing for the elderly, as authorized by the Housing Act of 1961, when properly administered, which we are earnestly attempting to do, can be eminently effective in providing suitable housing for our deserving senior citizens.

We are noting an increasing desire among various groups for more Federal aid in connection with facilities to take care of those senior citizens who are not physically capable of taking care of themselves but who cannot afford most nursing homes under present costs. One of the major problems confronting local housing authorities operating or contemplating facilities for the elderly, as well as sponsors of direct loan housing for senior citizens, is what to do with tenants when they reach the inevitable stage at which they can no longer live independently. This may be an area that needs to be explored. Thank you.

Senator LONG. Thank you, Mr. Mayfield.

I notice in your statement, and your comment on it briefly, on the new program for direct loans for housing to senior citizens, you indicate that there has been a great deal of interest in this program. Can you tell the committee what, how many, and give us some idea as to what has been the result of all these inquiries and interest in it?

Mr. MAYFIELD. At this reading there has been approved two projects in the region V. There is one in Louisiana and one in Dallas that were approved in Washington. We have had the program approximately 7 weeks and have not approved an application at this time.

Senator LONG. What size units are those?

Mr. MAYFIELD. They are units, I believe, the one in Louisiana has around 70 units, and the one in Dallas has 40.

Senator LONG. What kind of organization sponsors these?

Mr. MAYFIELD. The one in Dallas is a Methodist Church group and I believe the one in Louisiana is an independent corporation.

Senator DIRKSEN. Would that be a nonprofit corporation?

Mr. MAYFIELD. Yes, sir.

Senator LONG. Are there many nonprofit corporations that are interested? Is that who most of your inquiries are from?

Mr. MAYFIELD. Yes. You have certain promoter-type individuals that would like to form these nonprofit corporations to take advantage of this law, but we do not wish to see the Federal Government get into the management end of this program, so we want to make sure that the corporations as formed will stay together during the entire loan period.

Senator LONG. What types of organizations can handle this type loan?

Mr. MAYFIELD. Any corporation can be formed if they qualify.

Senator LONG. What qualifies them?

Mr. MAYFIELD. Well, the proper interest, the ability to prove to us that they can—

Senator LONG (interrupting). Are they all nonprofit?

Mr. MAYFIELD. Yes, sir.

Senator LONG. In view of all of the interest that you have shown would you care to make any projection as to what might be the demand for this type of loans within the next 4, 5 years; what the future holds for this type program?

Mr. MAYFIELD. I am sure that from the small amount of money that the Congress has appropriated, it can be utilized properly in probably the next 18 months. And in the future there will be much more need for this type of loan.

Senator LONG. That \$120 million?

Mr. MAYFIELD. 125; yes.

Senator LONG. Do you recollect what they estimate the average cost of these per unit, per room, of this type structure is?

Mr. MAYFIELD. We are using a rule of thumb now of 2,000—trying to keep it down to \$2,000 per room.

Senator LONG. And they will be occupied by single people or couples?

Mr. MAYFIELD. That's correct.

The program, as we envision it, is right above the income level of the public housing and right below the income level of the people that can afford FHA.

Senator LONG. What do you propose to rent that type unit for?

Mr. MAYFIELD. Well, in a given area we would like to have it below what an FHA mortgage—what a person could get a mortgage for. In other words, if it is \$65, we would like to rent it for less than \$65 in that particular area.

Senator LONG. By "FHA" do you mean the unit or maybe what they can have their home for and pay monthly payments of \$65?

Mr. MAYFIELD. That's correct. In other words, if the man has the income he might want to exercise his own judgment and build his own home under one of the other programs.

Senator LONG. What is the minimum rental? Have you set a minimum on any of them?

Mr. MAYFIELD. No. That would be governed by the initial cost and their loan situation.

Senator LONG. Senator Dirksen.

Senator DIRKSEN. Mr. Mayfield, there are eight States in region V, I take it.

Mr. MAYFIELD. That's correct.

Senator DIRKSEN. What is the overall population of the eight States? Do you have a figure in mind?

Mr. MAYFIELD. No, I don't.

Senator DIRKSEN. Do you have in mind a figure of the number of people over age 65 in these eight States?

Mr. MAYFIELD. No, I haven't checked on that.

Senator DIRKSEN. It would probably run into the millions; wouldn't it?

Mr. MAYFIELD. Oh, yes, sir.

Senator DIRKSEN. Obviously, by any rule of thumb?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. You now have two projects for which plans have been approved. I assume building has not begun?

Mr. MAYFIELD. That is correct.

Senator DIRKSEN. That is a total of 175 units?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. Under this program, what is the area of these apartments in square feet? Are they small?

Mr. MAYFIELD. They vary for different types. In other words, they have two bedrooms or one bedroom, depending on the occupancy. In other words, for a couple they will have more square footage; they will vary, yes, sir.

Senator DIRKSEN. When the sponsors, namely, one church group and one nonprofit corporation, filed their plans, didn't they indicate what the rental would be?

Mr. MAYFIELD. Yes, sir. There is no requirement that the rent be a certain amount but we would like it to fall into this particular range, and if you go into large land cost, well, it is obvious that you can't get into this particular range.

Senator DIRKSEN. Before a plan is approved do you set a rent ceiling in these?

Mr. MAYFIELD. The rents are scheduled for the payment of the loan; yes, sir.

Senator DIRKSEN. Well, I am speaking of the limitation on the amount of rent that a senior couple would have to pay. Would it be \$40, \$50, \$60? I would think that in any plan that the sponsor would certainly have to assure you as to what the limitation on the rental would be.

Mr. MAYFIELD. Yes, it would be fixed, but this program in theory could be available to people that would want to pay \$150 if the accommodations were that nice. But I mean the Congress has indicated that this is not supposed to be out of proportion to the—in other words, it can be conservative architects.

Senator DIRKSEN. Well, now, this nonprofit corporation that has filed this application, do I take it from your testimony that these rentals might run up to \$150 a month? Is that the idea?

Mr. MAYFIELD. No, we would not approve anything like that.

Senator DIRKSEN. Well, I am trying to find out what you are going to approve.

Mr. MAYFIELD. As I said, the rule of thumb that we are using right now is this \$2,000 figure per room.

Senator DIRKSEN. Per room. But that's the cost?

Mr. MAYFIELD. Yes, sir; and this will determine the rent.

Senator DIRKSEN. Does that include the cost of the ground, namely, the real estate?

Mr. MAYFIELD. Yes.

Senator DIRKSEN. So is there an arbitrary limit of \$2,000 limit per room?

Mr. MAYFIELD. It is not arbitrary. We have set this administratively to try to come up with this proper range as we see it.

Senator DIRKSEN. Do these follow a standard pattern, two bedrooms, living room, kitchen, closets, utility room, let us say? I am just trying to find out what you are trying to do under this program.

Mr. MAYFIELD. Yes. More along the more efficiency type. We have had application for people bringing in hotel type that might be converted into this. I mean we haven't approved any of this at this time, but I believe there are some people who own preexisting type hotel structures and are trying to convert those into housing for the elderly under this program.

Senator DIRKSEN. Which is to say, that a hotel owner can come to you with a plan, or any corporation organized under these features of the act could come in and suggest that a hotel now in existence might make a splendid place for elderly housing with modifications, of course. Now, does that mean you would buy the hotel or they would buy it and then the subsidy would attach? Can't you tell us a little more about this program? You are in it; we are not.

Mr. MAYFIELD. Yes, sir. Say the hotel owner has a hotel and he forms a corporation—

Senator DIRKSEN. He, the hotel owner, forms a corporation?

Mr. MAYFIELD. He could.

Senator DIRKSEN. He could.

Mr. MAYFIELD. He could; yes, sir. We want to get a broad based community interest in leading citizens to come in and be members, board of directors of his corporation, and if it is possible, then where it would make an adequate place or shelter for the aging, if they could put game rooms, they could put the food facilities, in other words, if it could be used, well, this could qualify. If the rents would be what we would feel would be in line; yes, sir.

Senator DIRKSEN. Is the agency interested in this plan? Does this hold great possibilities for you and your associates in this region? I mean the kind of thing you described, the possibility of hotel owners organizing a corporation and so managing to sell his hotel and make it available for elderly housing?

Mr. MAYFIELD. It has possibilities; yes, sir.

Senator DIRKSEN. Oh, well, tell us how many possibilities.

Mr. MAYFIELD. I would say out of the applications we have received, we have received one of this nature.

Senator DIRKSEN. One. But it has been discussed as a possibility?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. Is Florida in your region?

Mr. MAYFIELD. No, sir.

Senator DIRKSEN. What region is it in?

Mr. MAYFIELD. I believe it is in region III.

Senator DIRKSEN. But whatever obtains in your region would obtain in region III also, wouldn't it?

Mr. MAYFIELD. Yes.

Senator DIRKSEN. That is to say, you operate under the same legislative authority?

Mr. MAYFIELD. That's correct; yes, sir.

Senator DIRKSEN. Well, what you say about hotels interests me for a reason. Are you familiar with Miami Beach?

Mr. MAYFIELD. Yes, sir; the Strip there, yes, sir.

Senator DIRKSEN. Yes, Collins Avenue. You know that starts way off at one end that was first developed a great many years ago. Then there was a kind of depreciation in those properties. And that's where people with more slender means go, is that a correct statement?

Mr. MAYFIELD. Yes, I would agree.

Senator DIRKSEN. Then they began to build farther up these fancy citadels like the Fontainebleau and the Americana and others. Now there are a lot of those hotels on the lower end of Collins Avenue. If I owned one of those do you think the agency would look with favor upon a proposal that I might submit to organize a corporation and according to your plan, and your approval, of course, make it available for elderly housing?

Mr. MAYFIELD. Yes, sir; that's a possibility.

Senator DIRKSEN. It is a possibility. Is this a serious program? I mean are you quite intent on it? There is a reason, Mr. Mayfield, for my asking the question. It must be as transparent as anything. I might own a hotel that is run down and it is not doing very well,

so I see a chance to get out of it and if I can, I am going to sell it to you. I think that's the most natural thing in the world. So if you are predisposed in that direction, why, that would be just dandy. I am not casting any aspersions on the program. I am just trying to find out what you are going to do, and Florida is a lovely place to live, anyway, it is warm, groceries are cheaper, you don't need any coal and, generally speaking, a pretty good place to live.

Mr. MAYFIELD. I think if this is one of the problems, as I said in the prepared statement, we are investigating the character of these sponsors very carefully, and if we find that they are trying to profit through this program, well, they would be turned down, and this would be one of the methods in which somebody might try to unload a rundown hotel, but I do not think this would—these are investigated by the engineers and it has to be economically feasible, has to pay off. We really look into it quite thoroughly.

Senator LONG. You could not buy a hotel if you are dealing with \$2,000 a unit?

Mr. MAYFIELD. That is correct.

Senator DIRKSEN. That would depend, of course, but there are a lot of properties down there, I suppose, that are available at that kind of a price. I am just trying to find out what you are trying to do under this program.

Mr. MAYFIELD. I think the possibility of using the existing structures and converting them to this has great possibilities under this program, yes, sir.

Senator DIRKSEN. For \$2,000 a room, depending, of course, on the area, how many facilities can you put in and to what extent can you make it reasonably modern? Offhand it just seems to me, building costs being what they are, and labor running up to \$3.54 an hour, what do you get for \$2,000 per room? Of course you have not got anything yet, these have not been built. You have just got two on which the plans have been approved. Does that mean specifications have been approved? Have they laid it out in detail, floor plans, financing, and all the rest?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. Well, you would be familiar, then, with what you get for \$2,000 a room?

Mr. MAYFIELD. Senator, I have only been in this position for 2 months and these, as I said, these plans were approved in Washington and I am not familiar with these two particular ones. But at this reading I say we have not approved any ourselves in the region due to this exhaustive investigation that we are going to make into the sponsors.

Senator DIRKSEN. Well, is Louisiana in your region?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. I thought you just said you have not approved any in your region yet.

Mr. MAYFIELD. Washington has approved. The program has just been sent down to us within the last 7 weeks. It has just been decentralized, this program.

Senator DIRKSEN. Oh, it does not initiate, then, in your office?

Mr. MAYFIELD. It does not; yes, sir.

Senator DIRKSEN. I would gather that it would have to originate locally and then get the approval of the regional office and then go to Washington for approval.

Mr. MAYFIELD. That is the process now; yes, sir. But up to 7 weeks ago they went directly to Washington at the central office.

Senator DIRKSEN. You are a lawyer; not a builder, not an architect?

Mr. MAYFIELD. That's correct.

Senator DIRKSEN. Well, we shouldn't expect you to know too much about building, and we don't.

Senator LONG. It is my recollection that here in St. Louis several years ago there was a church or a religious group that purchased one of the downtown hotels here and now maintain it as a home.

Senator DIRKSEN. Oh, I think there are instances where it would be a grand thing, but I suppose there would be instances where it wouldn't be so good either.

Mr. MAYFIELD. That's correct.

Senator LONG. Senator Symington.

Senator SYMINGTON. Just a couple of questions I would like to ask you. You say there have been two projects approved at \$2,000 a room. How many rooms are in these projects that have been approved?

Mr. MAYFIELD. There again I am not too familiar with it. They will vary according to—there will be efficiency apartments, maybe three rooms or maybe four rooms.

Senator SYMINGTON. If you had three rooms you would amortize the loan on the basis of 3.6 percent at around \$21 a month. That wouldn't be possible; would it?

Mr. MAYFIELD. No, sir.

Senator SYMINGTON. So there must be something besides, there must be some figure different, then, than \$2,000 a room. You would be renting it on the basis of the 3.6-percent amortization. If there were three rooms you would be amortizing it for \$21, and you say you hope to rent it for \$65.

Mr. MAYFIELD. What length of time are you using, Senator?

Senator SYMINGTON. Forty years.

Mr. MAYFIELD. No; that would not be possible under your figures there.

Senator SYMINGTON. Then on the three-room apartment it must be more than the distinguished Senator from Illinois is bringing out, \$2,000 a room. It must be more than that; mustn't it?

Mr. MAYFIELD. Well, now, I have in back of my mind this figure of a rule of thumb of the \$2,000 per room.

Senator SYMINGTON. Would you make a statement on this?

Mr. Chairman, if the witness would make a statement for the record as to just what is the mathematics of this rental, I would be interested to know and I would ask unanimous consent that it be included at this point in the record.

Senator LONG. Do you have this information?

Mr. MAYFIELD. No. I can get it for the committee, though.

Senator LONG. If you will do that, it will be filed with the permanent record.

(The material requested follows:)

SUPPLEMENT TO STATEMENT BY RODERICK A. BETHUNE, REGIONAL ADMINISTRATOR,
REGION V, HOUSING AND HOME FINANCE AGENCY

In the hearing held on December 8, 1961, questions were raised regarding the use of a rule of thumb project cost limitation and regarding the establishment of rents in connection with the direct loan program for senior citizens' housing.

Attention is invited to statements in the fact sheet, "Senior Citizens Housing Program—Direct Loan," under the following headings:

- A. What design and construction requirements are there?
- B. What costs will be covered by a direct loan?
- C. What rents will be charged?

Attention is particularly invited to the following excerpts from the statements cited above.

A. Under citation A above, "No definite ceiling has been set on project costs, but these will be evaluated in the light of their effect on rental charges."

B. Under citation B above, "A loan may cover the total development cost, including the cost of construction, the cost of land, and necessary site improvement."

C. Under citation C above: "The program is designed for people in the lower middle-income brackets. Borrowers will be required to show that the project can meet its costs, including repayment of the loan, through rents that such people can afford to pay."

Studies we have made indicate that in most parts of HHFA region V rents should be in the range of \$70 to \$110 per month in order to be within the financial reach of senior citizens in the lower and middle income brackets. Our studies further indicate that such rents will generally not produce enough revenue to cover debt service and operating expenses for projects in which the total development costs exceed approximately \$10,000 per dwelling unit (based on 100-percent loans).

The \$10,000 rule-of-thumb project cost limitation, therefore, results from our analyses of debt-service requirements, operating expenses, and rent-paying ability of elderly persons in the lower middle-income brackets in most parts of region V. It is not a hard and fast rule, but is simply a convenient guide, developed from these analyses.

We wish to emphasize the statement quoted above to the effect that no definite cost limitation has been established and that all costs will be evaluated in the light of their effect on rental charges. Furthermore, all proposed rental charges will be evaluated in the light of the rent-paying ability of senior citizens in the lower middle-income brackets in the particular communities for which the projects are proposed.

Senator SYMINGTON. One of the major problems confronting housing authorities contemplating facilities for the elderly, as well as sponsors of direct loan housing for senior citizens, is what to do with tenants when they reach the inevitable stage at which they can no longer live independently. This may be an area that needs to be explored.

I would like to ask the witness to what extent can community health and social agencies fill this need through cooperative relationships with local housing authorities. What is your opinion about that?

Mr. MAYFIELD. I feel that they can help very much and should. This has got to be a local approach. The Federal Government cannot take care of the whole problem, and when this situation arises I feel that the community should come in, maybe with some Federal assistance, but they must meet this program, meet this problem, with their means available on the local level.

Senator SYMINGTON. You say it's got to be a local program. You mean it should be a joint program, don't you?

Mr. MAYFIELD. Yes, sir. Because these, this whole housing program without local cooperation doesn't function well at all.

Senator SYMINGTON. I have no further questions, Mr. Chairman.

Senator LONG. Senator Dirksen, I believe you said you had something.

Senator DIRKSEN. Yes.

Mr. Mayfield, local housing authorities can take advantage of this program also, can't they? St. Louis has a housing authority. The city of Peoria has a housing authority, so does Chicago. Can't they take advantage of this?

Mr. MAYFIELD. Of this direct loan, no, sir.

Senator DIRKSEN. They can't?

Mr. MAYFIELD. No. This is done with private, I mean corporations formed.

Senator DIRKSEN. In other words, it has got to be a sponsoring group like a church or a nonprofit corporation to undertake this?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. But not a local housing authority?

Mr. MAYFIELD. That's the way I understand it.

Senator DIRKSEN. Now, there is a subsidy involved here, is there, there is a subsidy available for these houses or these units?

Mr. MAYFIELD. On the direct loan program?

Senator DIRKSEN. Well, you mentioned in your statement several times that there is a subsidy up to \$120.

Mr. MAYFIELD. That's under PHA.

Senator DIRKSEN. Is that under this program?

Mr. MAYFIELD. No, sir.

Senator DIRKSEN. You say no?

Mr. MAYFIELD. No, sir.

Senator DIRKSEN. So what you have in mind here is unsubsidized housing that is not entitled to up to \$120 a year per unit?

Mr. MAYFIELD. That's correct; yes, sir.

Senator DIRKSEN. That is correct?

Mr. MAYFIELD. Yes, sir.

Senator DIRKSEN. Very well.

Senator LONG. If there are no further questions, then, thank you so much, Mr. Mayfield.

Our next witness is Mr. Michael Galli, director of St. Louis Insuring Office, Federal Housing Administration.

STATEMENT OF HARRY A. SIEVE, ASSISTANT CHIEF UNDERWRITER, ST. LOUIS INSURING OFFICE, FEDERAL HOUSING ADMINISTRATION

Mr. SIEVE. My name is Harry Sieve and I am with the St. Louis Office of the Federal Housing Administration. Our Director, Mr. Galli, instructed me to appear here.

FHA under its various programs insures mortgages on houses and apartments which provides housing for many elderly families in addition to the younger families.

Under section 231, which is what I am going to discuss at length, or I mean briefly, briefly as requested by the Senator, but all of my remarks will be with reference to section 231 of the National Housing Act as you gentlemen passed it. As you know, the FHA does not lend money or build houses. We insure the loans of private capital made by private lending institutions and the projects are built by

private builders and we only insure the mortgage. The projects are in no way Government projects or Government-sponsored projects, but as we are insuring the lender against loss we carefully analyze all propositions submitted to us. To date, the St. Louis office, which has jurisdiction over the eastern half of the State of Missouri, has not issued any commitments under section 231. However, at this time we do have several projects in what we call the preapplication stage, and I believe one or more of these will materialize into some very fine buildings.

The fact that we have not issued any commitments is not a sign that the legislation that you gentlemen have passed is inadequate, and it is not a sign that we have not been performing our task properly here. Rather, I believe, it indicates that a large segment of our population has had the foresight to provide for its own housing after it reaches the age of 62 without the aid of any of our special assistance programs.

St. Louis as well as the entire State of Missouri has long been known for its conservative approach to many things, and this same conservative approach, I believe, motivates many of our people to provide for their old age during their more productive years.

Under section 231 of the National Housing Act, the Federal Housing Administration is authorized to insure loans up to 100 percent of our estimate of cost for the nonprofit sponsor; up to 90 percent for the profit-motivated sponsor. Both these sponsors would get a maximum term amortization period of 40 years. This program, I feel, is sound and at the same time it is generous. We, of course, expect the mortgage to be satisfactorily retired over this 40-year amortization period, and as long as we keep this concept in mind, that is, satisfactorily retire the mortgage, I do not feel that any further liberalization of this legislation is recommended.

I am not going to make any reference to nursing homes, as nursing homes we consider available to all segments of the population, young as well as old, although the old are the principal users.

That, gentlemen, concludes my presentation and I should like to file my written statement with the committee.

(The prepared statement by Mr. Sieve follows:)

PREPARED STATEMENT OF HARRY A. SIEVE

My name is Harry A. Sieve. I am with the St. Louis office of the Federal Housing Administration and I have been instructed by the Director, Mr. Michael Galli, to appear before you today.

FHA under its various programs insures mortgages on homes and apartments which provide housing for many elderly families in addition to younger families. Under section 231 of the National Housing Act, FHA has a program especially designed to help private enterprise to provide housing for the elderly. This program encourages the development of homelike projects where elderly residents can live normally among familiar surroundings. As you know, FHA does not lend money or build the housing. We insure the loans of private capital made by private lending institutions, and the projects are built by private builders and they are in no way Government projects or Government-sponsored projects. As we are insuring the lenders against loss, we carefully examine propositions presented to us.

To date, the St. Louis office, which has jurisdiction over the eastern half of the State of Missouri has not issued any commitments under section 231. However, at this time we have several projects in what we call the preapplication stage and I believe one or more of these will be carried through.

The fact that we have not issued any commitments is not a sign that the legislation which you gentlemen passed is inadequate, and it is not a sign that we are not performing our task adequately; but rather I feel it indicates that a very large segment of our population had the foresight to provide for their housing after they attained the age of 62 without the help of our mortgage insurance programs.

St. Louis has long been known for being conservative in its approach to many things and it is this same conservative approach which motivates the many people in our area to provide for their old age during their more productive years.

Section 231 provides for insured mortgages of 100 percent of our estimate of cost for the nonprofit sponsor and 90 percent of our estimate of cost for the profit-motivated sponsor, and for both provides an amortization period up to 40 years. This program, I feel, is sound although at the same time it is generous. We, of course, expect the mortgage to be satisfactorily retired over the 40-year amortization period, and as long as we keep that concept in mind, no further liberalization appears to be desirable at this time.

Builders and others have from time to time complained that the mortgage money is not readily available, and if available a discount is required. You may wish to consider ways and means of making the mortgage money available without any discount.

Senator LONG. I have no questions, Mr. Sieve.

Senator DIRKSEN?

Senator DIRKSEN. Mr. Sieve, maybe you can give me a little authentic information generally about the FHA program. I saw a statement the other day from what I thought was a rather credible source that if you take the new homes that have been built and not sold, plus housing vacancies generally in the country, that there are now 2 million vacancies. Is that wide of the mark or isn't it?

Mr. SIEVE. Sir, I have no idea what the vacancy nationwide might be. We in the city of St. Louis, I don't feel, have a serious vacancy problem.

Senator DIRKSEN. I attended the National Home Builders convention this week in Chicago—now, I can only draw upon those I talked to, they were mainly Chicago builders—and I think every one of them told me there was quite a surplus of housing there. Now, I haven't seen an overall figure except from a private source, so that's the reason I am asking you now.

Mr. SIEVE. Sir, it is the opinion of our underwriting section in the FHA, St. Louis office, that we do not have an oversupply of rental housing or an oversupply of for-sale housing in the eastern half of the State of Missouri. We are conscious of keeping tabs on that, too, because once an oversupply develops a strong depreciation in the market results, so we are conscious of it at all times, and at this time we do not feel there is an oversupply of rental housing or for-sale housing.

Senator DIRKSEN. I saw what purported to be a statement by Mr. Weaver the other day, the Administrator, to the effect that the insurance claims on the agency now are about three times what they were last year. Is that wide of the mark or would you say that is correct?

Mr. SIEVE. That is probably correct for St. Louis also.

Senator DIRKSEN. Is it?

Mr. SIEVE. Yes, sir.

Senator DIRKSEN. Well, it was a figure that was advanced for the whole country.

Mr. SIEVE. Yes, sir, and it would probably hold true for St. Louis also.

Senator DIRKSEN. That means that the people who have put up the money to build these houses under Government's guarantee are now asking Government to make good on its guarantee?

Mr. SIEVE. If I may substitute the word "insurance"; yes, sir.

Senator DIRKSEN. Yes, thank you; that's a proper word.

Mr. SIEVE. We are primarily an insurance agency; that is, we often think of ourselves as such. We charge one-half of 1 percent insurance premium and occasionally the property goes to foreclosure, the mortgagee submits it to us for debentures, we then honor our insurance contract and make good.

Senator DIRKSEN. Now, I saw another statement attributed to Mr. Weaver, and I hope I do him no injustice, that he saw no reversal of this trend, meaning that the claim for the insurance benefits by those who put up the money; namely, savings and loans, banks, and so forth, would continue. Do you think that's correct?

Mr. SIEVE. I think so.

Senator DIRKSEN. Do you think there will be a continuance there?

Mr. SIEVE. I think so.

Senator DIRKSEN. Now, I saw still another figure, that foreclosures in the second quarter of 1961 a little over 18,000 as compared with 12,000 for the second quarter of 1960, meaning that foreclosures had gone up very sharply. Is that the experience of your office here?

Mr. SIEVE. Our foreclosure rate has increased but, and if you want to put in the percentage basis it could be a phenomenal figure, because up until just 3 years ago we had practically no foreclosures at all. So if you want to put it into percentages it is a phenomenal figure but in actual numbers it is a very small number of properties and in the eastern half of Missouri it has been limited to one- to four-family properties. No projects have been submitted to us for debentures for several years, many years.

Senator DIRKSEN. Now with special reference to elderly housing, you have authority under existing law to approve the insurance of a loan for a home for elderly where the downpayment is zero and there is 40 years to pay; is that correct?

Mr. SIEVE. I think the term is less than 40 years for the home you said, sir.

Senator DIRKSEN. Well, didn't you say 40 years just now?

Mr. SIEVE. I was speaking of projects at the time. I can make reference.

Senator DIRKSEN. Doesn't it include both individual and multi-family?

Mr. SIEVE. Yes, sir, but it is limited to 35 years for the single-family property.

Senator DIRKSEN. And 40 years for multiple?

Mr. SIEVE. That's right.

Senator DIRKSEN. That could be 4 apartments, 6 apartments, 8, 12?

Mr. SIEVE. Eight or more to be eligible for the 40-year term.

Senator DIRKSEN. Now, since that has been put into law how much demand is there presently, how many applications have you received

either for individual or multifamily dwellings with more than eight families?

Mr. SIEVE. For individuals, first of all, it has to be submitted to the bank, and the banker is a little bit hesitant to accept an application from a person who qualifies, he has to be over 62 years of age.

Senator DIRKSEN. Over 62?

Mr. SIEVE. Over 62; yes, sir. This applicant is applying to a banker. He is over 62 years.

Senator DIRKSEN. Or a savings and loan or an insurance company?

Mr. SIEVE. Yes, sir. But a banker by training, in that he has to in his own mind analyze that credit risk, he has to determine whether or not his institution wants to accept that servicing problem. And although I hate to say it, I have the feeling that many of our bankers, savings and loan associations, and others hesitate to make a loan to an elderly person who after having attained this mature age of 62 has to borrow the down payment on the home as well as assuming a 97-percent loan.

Senator DIRKSEN. Well, do you think, Mr. Sieve, that age is the factor, or is it the responsibility that we place on him? I have been identified with savings and loan institutions ever since I can remember, and, frankly, I serve on one that is the second largest in the United States, that's the First Federal in Chicago. I sit with the board and I am confident that the age factor isn't the determining factor at all. You are loaning somebody else's money who comes and deposits it every month and therefore you are a trustee and you have to be mindful of your trusteeship. So all that you are concerned about mainly is, is it a good risk and will the money be returned, because if it isn't you've got to get it back from the Federal Government and there you have a responsibility also.

Mr. SIEVE. That's true.

Senator DIRKSEN. Isn't that correct?

Mr. SIEVE. That is true, and it boils down to this, Senator Dirksen. The loan officer in this savings and loan association or this bank is sitting right across the room from another officer who is going to have to service that loan, and the servicing of the loan consists of making regular monthly collections, and he is not going to deliberately make the job of a fellow officer more difficult by accepting this applicant before him who for 40 years of his employment history has not been able to accumulate enough to make a down payment on this home, or if he has the money he thinks so little of the home that he refuses to put his own money into it.

Senator DIRKSEN. And, if a savings and loan association made a loan and felt through its loan officers that it was not a good loan, you can imagine how they would be scolded by the housing and home financial agency in this area. You would probably be the first one in the bank to say, "Why did you make this loan when you knew that probably it was not a good risk?"

Mr. SIEVE. I don't think we would be the first, sir.

Senator DIRKSEN. But the point I want to make here is that I thought it was the age factor. Many years ago when I was a director of a savings and loan in my hometown every month I went out with a handful of applications. Why, it runs in my mind that nearly all of them were 60 years of age and over, and you just regarded the

fellow then as getting his second wind. We always thought he was a good risk if he was a church member and the husband was good to his wife and he had a family. You looked at the moral risk, you didn't think about his age at all, you just thought, "he is a good guy, he is a good fellow in the community, he is OK, he is good for a loan," but I don't know that age ever made any consideration.

Mr. SIEVE. In our analysis of the individual applications on single family properties we do not go into the man's age. However, we do carefully analyze the man's income and we attempt to estimate whether or not it is going to continue through the tender years of a mortgage or through the first few years when it is a very high ratio loan.

Senator DIRKSEN. Are the applications that are rejected at the source, like an insurance company or a bank or a savings and loan association, reported to you or do you have a way of knowing?

Mr. SIEVE. No, sir, they are not reported to us and we have never, to the best of my knowledge, even asked the question or even thought of asking the question.

Senator DIRKSEN. So there are no figures to show how many applications may be rejected?

Mr. SIEVE. No, sir. We can tell you the number we reject but that is only a partial answer as that we reject only those that have been screened and considered acceptable by the man who is actually going to lend the money.

Senator DIRKSEN. Now, we sort of got off track. The answer I wanted was how many of these multifamily dwellings that are eligible for elderly have either been constructed or planned or approved in your area?

Mr. SIEVE. None have been constructed, as a matter of fact, we have issued no commitments as yet. We have several of them in the preliminary discussion stages and I do feel that some of these will materialize.

Senator DIRKSEN. You can't estimate, of course, how many?

Mr. SIEVE. No. We hope we have a few.

Senator DIRKSEN. That's right.

I think, Mr. Chairman, that is all.

Senator LONG. Thank you, Senator.

Senator Symington.

Senator SYMINGTON. I have just a couple of questions I'd like to ask.

You mentioned foreclosures, Mr. Sieve. How many foreclosures did you have last year and how many the year before and what percentage of your outstanding mortgages were those foreclosures?

Mr. SIEVE. Senator Symington, that was in answer to a question from another Senator and I do not have those figures available.

Senator SYMINGTON. Well, would you supply for the record how many foreclosures you had in 1959 and what percent that was of the total outstanding loans and how many you had in 1960 and what percent that was and how many you have had so far in 1961 and what percent that is of the total? Would you just supply that for the record later?

Mr. SIEVE. I will have to depend upon our statistical department to get those figures, and if they are tabulated in that fashion, I really don't know.

Senator SYMINGTON. Will you get the figures?

Mr. SIEVE. Yes, sir.

Senator SYMINGTON. May I ask unanimous consent that those figures be inserted at this point in the record?

Senator LONG. Yes, sir.

Mr. SIEVE. What years now, sir?

Senator SYMINGTON. 1959, 1960, and so far up in 1961.

(The figures requested follow:)

FEDERAL HOUSING ADMINISTRATION,
OFFICE OF THE DIRECTOR,
St. Louis, Mo., January 9, 1962.

MY DEAR SENATOR SYMINGTON: You requested that we furnish for the record the number of foreclosures we had in the jurisdiction of the St. Louis office for the years 1959, 1960, and 1961 and what percentage, that is, of the total mortgages outstanding.

Answer: In the 3 years referred to no projects have gone to foreclosure and none have been submitted to us for debentures. For one and two family properties, the figures are as follows:

Year	Home mortgages FHA insured—jurisdiction of St. Louis office	Properties submitted for debentures	Percentage of mortgages outstanding
Dec. 31, 1959.....	41,958	6	0.014
Dec. 31, 1960.....	43,683	21	.048
Dec. 31, 1961.....	(¹)	² 67	-----

¹ Tabulated annually. 1961 data will not be available for about 3 months.

² 1st 11 months.

Please let me know if you desire any additional information.

Yours very truly,

MICHAEL L. GALLI, Director.

Senator SYMINGTON. Let me ask another question. What is the reason for the Federal Housing Administration?

Mr. SIEVE. Their primary function is to insure mortgages or properties. We do not lend money, we merely insure mortgages for private builders to build the buildings. Our prime negotiation is with the mortgage company, the bank.

Senator SYMINGTON. And there are no private insurers at this time offering comparable service?

Mr. SIEVE. Of housing for elderly projects, we have insured none in the St. Louis area to date.

Senator SYMINGTON. Have you insured any anywhere?

Mr. SIEVE. In other parts of the county there have been several insured; yes, sir.

Senator SYMINGTON. How many?

Mr. SIEVE. I do not know.

Senator SYMINGTON. And are there any private insuring companies that insure this type and character of housing?

Mr. SIEVE. Recently there have been one or two private insurance companies enter into the field. I am not acquainted with their names or their locations.

Senator SYMINGTON. Then, your basic purpose, in insuring such building is in effect to enable mortgages to compete with business loans on the money market. Is that correct?

Mr. SIEVE. Yes, sir; and in addition to that, it makes them negotiable so that they can be traded nationally. St. Louis mortgages can be traded in New York and Fort Worth and so forth.

Senator SYMINGTON. Thank you, Mr. Sieve.

Senator DIRKSEN. I have one question.

Senator LONG. Senator Dirksen.

Senator DIRKSEN. Mr. Sieve, for elderly housing these mortgages can be sold to the Federal Mortgage Association, can't they?

Mr. SIEVE. At a favorable figure. I understand it is a special assistance program and whether or not FNMA has the funds available is always a question that I advise a sponsor to check into as promptly as possible.

Senator DIRKSEN. But FNMA also has authority to sell these mortgages, doesn't it?

Mr. SIEVE. Yes, sir.

Senator DIRKSEN. To keep a fluid market?

Mr. SIEVE. Right.

Senator LONG. Thank you, Mr. Sieve.

Mr. William J. Stelpflug, chairman of the Planning Committee on Aging, Health and Welfare Council of Metropolitan St. Louis; accompanied by Mrs. Ellen Lee Brashear, housing committee chairman.

May I ask, too, that you curtail your statement as much as you can. We are getting very short on time. You may proceed.

STATEMENT OF WILLIAM J. STELPFLUG, CHAIRMAN, PLANNING COMMITTEE ON AGING, HEALTH AND WELFARE COUNCIL OF METROPOLITAN ST. LOUIS; ACCOMPANIED BY MRS. ELLEN BRASHEAR, HOUSING COMMITTEE CHAIRMAN

Mr. STELPFLUG. My name is William J. Stelpflug, I am chairman of the committee on aging under the auspices of the Health and Welfare Council of Metropolitan St. Louis.

Incidentally, just a side remark, I would like to comment that I am a retired businessman, so that in our work we probably try to keep it to a practical—

Senator LONG (interrupting). You mean you are over 65?

Mr. STELPFLUG. Well, it could mean that; yes, sir.

The council is a community welfare planning agency which devotes its efforts to welfare needs of Metropolitan St. Louis. It plans and works with both public and private agencies in dealing with social problems. The committee on aging is charged with the responsibility of carrying out the purpose of the council as concerns social problems which are or may be the result of aging.

We are filing with the Senate committee a statement of our overall program.

In connection with our work we appointed a subcommittee to study housing for the aged in Metropolitan St. Louis with particular emphasis on public housing. The chairman of this subcommittee is Mrs. Ellen Brashear, who is with me, and I am going to ask her to give you some of the highlights of the subcommittee findings. Mrs. Brashear.

Mrs. BRASHEAR. Thank you.

You have been given the testimony of our Health and Welfare Council's Committee on Aging. It is a statement of principles regarding housing for the aging. This statement while more or less general in scope refers primarily to public housing and specifically to the Webbe unit which of this date is St. Louis' only public housing unit designed exclusively for its elder citizens, although two other such units are soon to be constructed.

Our first question in the statement submitted to you is, "Why special housing for older persons?" Well, first there is greater need for emphasis on safety, such as grab bars, nonskid floors, electric ranges, and so forth; secondly, there is greater need for living arrangements which provide security, not only for present needs but also for possible changes in the future when more severe disabilities and infirmities may occur. And, thirdly, as has been pointed out here before, it must be recognized that the majority of the aged, due to reduced incomes or to fixed incomes which cannot meet inflationary trends, are unable to compete on the open market for well-designed or suitable housing, and in urban centers unfortunately there seems to be a lack of responsible family members concerned with the older person's welfare. With out suitable housing to meet their special needs more and more older persons are relying on institutional care with about 40 percent of the elderly living in nursing homes or homes for the aged, not necessarily because they are sick, but more because they cannot find the appropriate housing to suit their needs.

Our testimony provided in the statement presents various other statistics, but I am going to go faster, in accordance with your request.

The second question in our statement asks, "Who should provide housing for the aged?" And we believe that this provision should be through both public and private financing. Getting older apparently has nothing to do with how much money you have. The older person financially secure or financially indigent still has the same mutual problem of loneliness, of feeling unimportant. I have seen so many of these old people sitting there, nothing to look forward to, just sitting in what might be termed "God's waiting room."

The third question in our statement asks, "What should be considered in housing for the aging?" Well, physical features, of course, adequate shelter, adequate sanitation. But what about basic health and welfare services? what about leisure time activity? what about transportation? and what about the emotionally disturbing adjustment of moving to a new neighborhood where there is no old and familiar grocery or drug store or nearby church? And what about the old cronies with whom you could exchange neighborhood gossip and the cribbage games or the sewing circle? And what about that bench in the park where you could sit and watch the world go by? And now all you are apt to see are persons of your own wrinkled age, replicas of the withered face you come head on with daily in your mirror. Life is all ages, not just old or young or middle-aged, and these elderly people we are talking about are still living, still alive. Certainly they need privacy and protection, but they also need a sense of adventure, a challenge to their special skills, a self-mastery over their own lives. They are still individuals and not paper dolls on a statistical population line. Fortunately the St. Louis public housing authority places its units for the elderly in the midst of other all-age units so that these older persons here are not isolated.

In our statement we ask, "Is public housing a community responsibility?" We believe that the answer is definitely "Yes." In St. Louis many agencies are ready and willing to help. So far the public housing authority is unable, legally or financially, to provide a coordinated administrative structure. The disruption resulting from an uncoordinated program of community service might be disastrous to the peace and security of the residents. There could be competition among the agencies. There would undoubtedly be duplication of service.

Who is responsible for developing and carrying out such an administrative structure and how should it be financed? That's the question that we are most anxious to have answered, and we trust you will look into this matter and you may be assured of the community's cooperation.

Senator LONG. Thank you very much.

I am not going to have any questions for you at this time. We do have your statements here on record and there is a possibility that the committee will have some inquiries we would like to make of you. We would like to do that by mail perhaps and your answers will be made a part of the record.

(The prepared statement of Mr. Stelpflug follows:)

PREPARED STATEMENT OF WILLIAM J. STELPFLUG, HEALTH AND WELFARE COUNCIL
OF METROPOLITAN ST. LOUIS COMMITTEE ON AGING

A Statement of Principles Regarding Housing for the Aged With Special
Reference to Public Housing and the Webbe Unit

I. INTRODUCTION

A. This statement represents a first step toward the development of a total community plan for the provision of adequate housing and living arrangements for older persons. It is recognized that while much of this statement emphasizes public housing, such emphasis is due to the almost total lack of suitable housing for all older persons in our community (there are more than 150,000 older persons over 65 years residing in Metropolitan St. Louis) and many of the hard-core problems existing with aging are related to the lack of low-cost housing in the community. The committee congratulates the public housing authority for its farsightedness in planning well-designed housing for older persons. It considers the public housing authority as the primary public agency carrying the responsibility of providing suitable low-cost housing for older persons. It further recognizes that other agencies in the community, although each is autonomous, has a responsibility of working with the housing authority toward the provision of services for residents of public housing units.

1. The committee further recognizes the need for periodic review and possible revision of this statement in order that it be kept up to date with the experience and knowledge which is developing in providing housing for older persons.

B. Why "special" housing for older persons?

1. Greater need for emphasis on safety (grab bars, nonskid floors, electric ranges, etc.) and protective (alarm bells or signals, emergency assistance, etc.) features.

2. Greater need for living arrangements which provide physiological as well as sociopsychological security.

(a) Implies that housing not only meets present needs, but also makes provision for possible changes in future, especially as related to disabilities and infirmities.

3. For majority of aged—inability to compete on open market for well designed or suitable housing due to income reduction.

4. For large proportion of aged, especially in urban centers, there is a lack of responsible family members to be concerned with older person's welfare.

(a) For largest proportion of aged, especially women over 75 years, this is a period of widowhood.

5. Due to reduction in mobility with older population, there is a need for housing to be located near shopping areas as well as to provide recreational and leisure-time opportunities.

6. Without suitable housing to meet the special needs of older persons as indicated above, the older person must increasingly rely on institutional care as the substitute to appropriate housing.

(a) In studies of residents of nursing homes and homes for the aged made throughout the country, it has repeatedly been shown that about 40 percent of the persons residing in such institutions do so for the lack of appropriate housing and living arrangements rather than due to medical or health needs.

C. Who should provide housing for the aged?

1. A responsibility of the public (through tax dollars) as well as private (voluntary and nonprofit) dollars.

(a) The need for such housing is not restricted to the low income aged (about 75 percent of unrelated aged living alone had incomes of \$1,500 or less in 1958); it must be provided—or be made available for all socioeconomic levels.

(1) Disability and infirmity are found among aged of all income levels and special housing requirements are inherent in the aging process.

D. What should be considered in providing housing for the aged?

1. Today most emphasis in the area of housing for older persons has been on physical features of such housing such as safety, sanitation, etc. Those areas of living which are generally left to the considerations of social planning, such as basic health and welfare services, leisure-time activities, etc., have been given a secondary place. This emphasis should be reevaluated with physical planning and social planning entered into jointly by all concerned—housing authorities, architects, contractors, social planners, etc.

(a) All decisions regarding housing for the aged, such as site selection, physical plan, and services to be provided, should be considered from the knowledge, insights, and skills of those concerned with the many aspects of providing a suitable living environment for older persons.

2. To the greatest extent possible, housing for the older person should be integrated into the existing neighborhood.

(a) Where this is not possible, such housing must be considered in relation to availability of transportation, marketing, recreation, churches, parks, etc.

(b) With increased emphasis on rehabilitation of existing neighborhoods through urban renewal programs, increasing attention should be given to the development of suitable housing for older persons within the rehabilitated areas. This could include cottage type housing or row type housing whereby the older persons could be part of a normal neighborhood comprised of all age groups and services and facilities.

3. Housing for older persons must avoid isolating the individual from the life of the community.

(a) Privacy and protection should be major considerations—not segregation or isolation.

(b) Such housing should provide a sense of security but not deprive the individual of self-mastery over those areas of living in which he is capable of functioning.

4. Housing for older persons requires the availability of health, welfare, and personal services to a greater degree than to any other age group in the community.

(a) This does not mean that all services must be "built-in" to the housing arrangement. For those not available within the housing arrangement on a regular basis, a plan must be developed to provide needed services on an emergency basis.

II. PUBLIC HOUSING—A COMMUNITY RESPONSIBILITY

A. The role of the Public Housing Authority

1. To provide the possibility and opportunity for safe and well-designed living arrangements for the lower income segments of the older population.

2. When the basic decision of providing housing for elderly persons is reached by the Public Housing Authority it has the responsibility of consulting with the Health and Welfare Council which in turn, should be responsible for:

(a) Developing a plan of health, welfare, and leisure-time services for residents of the public housing units; and

(b) Applying knowledge of social requirements to physical planning.

(1) Such joint consultations should begin prior to site selection for elderly housing units and should continue as a mutual concern as long as special housing units for the elderly are sponsored by the Public Housing Authority.

3. In view of increased housing for the aging sponsored by the Public Housing Authority, there is need for special administrative emphasis designed to better relate physical and social planning around the requirements of older persons.

(a) This would include:

(1) A specialized method of processing applications for such housing including methods of interviewing, preparing persons for residence in public housing units, following up on those who have moved into public housing units.

(2) The development of management skills and responsibility which would provide around-the-clock security and protection of older residents, and handle emergency situations.

(3) Be responsible for, or work toward the establishment of, an administrative structure to coordinate services available to older residents of public housing units.

(4) To bring to the attention of the community through the Health and Welfare Council, those concerns, needs or interests of the Public Housing Authority in regard to its housing provisions for the aged, which cannot be solved either by the Public Housing Authority or agencies cooperating with it.

B. The role of the Health and Welfare Council

1. To work closely with the Public Housing Authority in developing housing units for the aged. This would include, but not be limited to—

(a) Defining the range of health, welfare, and leisure-time services which should be available to residents of such units.

(b) Site selection.

(c) Architectural designs as related to social service areas.

2. To work with all agencies of the community, both public and voluntary, in defining and promoting their appropriate role in relation to the provision of services to those residing in public housing units for the elderly.

3. To coordinate the planning of housing for the aged under Public Housing auspices with planning of housing for older persons by other community groups both private and nonprofit, in order to develop a sound community plan of housing for the aged.

4. To develop a sound structure of services to older persons throughout the community to be available in all types of housing and living arrangements.

C. The role of specific agencies

1. Although this will vary from agency to agency, each has the responsibility of working with the Health and Welfare Council and the Public Housing Authority in identifying and promoting its possible contribution in providing services to residents of public housing units.

III. SPECIFICS IN REGARD TO THE WEBBE UNIT

A. What appears to be the major problems in regard to meeting the needs of older persons who will reside in the Webbe unit?

1. The need for a plan to provide part-time housekeeping services.

2. The lack of provision for someone to be responsible for emergency situations on a 24-hour basis.

3. The need to provide the possibility of a nutritional diet, even for those on the most minimum income level.

4. The need to develop a plan whereby residents can obtain groceries, drugs, and sundries.

5. Which social services should be provided on a regular basis within the housing unit and which services should the older person seek out in the community?

6. The need to develop a working pattern of health services for residents of this unit.

B. What resources now exist in the community, especially in relation to the Webbe unit?

1. Transportation. (Could an arrangement be made for buses to stop at building?)

2. Churches. (What denominations are within walking distance, i.e., about two blocks?)

3. City hospital medical center.

4. City recreation department.

5. Public library. (Could the library arrange for books to be made available to residents and perhaps plan discussion group meetings?)
6. Visiting Nurse Association.
7. Family and children's service.
8. Kingdom House (as well as other group work agencies).
9. Social Security Administration.
10. State employment service.
11. Volunteer Service Bureau of the Health and Welfare Council.
12. (Other?)

C. *What resources do not exist at present, but which will probably be needed by residents of Webbe unit?*

1. Part-time housekeeping services.
2. Friendly visitors.
3. Hot meal service.
4. Day-center activities.
5. (Other?)

D. *Who will be responsible for coordinating services to residents?*

1. Does this point to the need for an administrative structure?
- (a) If so, who should develop and be responsible for such a structure?
- (1) Financing?

Senator DIRKSEN. Mr. Stelpflug, you have a public housing authority in St. Louis, I am sure.

Mr. STELPFLUG. Correct.

Senator DIRKSEN. And there must be projects here that have been constructed over a period of time, I suppose others in contemplation, aren't there?

Mr. STELPFLUG. Yes, sir.

Senator DIRKSEN. To what extent are those facilities available to elderly persons? Is there any rule or is it first come first served? How does the housing authority here operate in that field?

Mr. STELPFLUG. I am sure that the housing authority, of course, could give you more accurate information than I will, but my impression is that people who have a certain minimum income can qualify for rooms in those projects, and many of these older people with these low qualifying incomes are scattered about in various of the projects. Only in the one instance, as Mrs. Brashear indicated, have they put up a unit which is exclusively for the older people who also qualify.

Senator DIRKSEN. How big a project is that?

Mr. STELPFLUG. 128 units.

Senator LONG. Is that the Webbe project?

Mrs. BRASHEAR. Yes. There are two more going up.

Senator DIRKSEN. But I had a different question in mind. Here are two people, let us say a man 55 and his wife, they are applicants, and here is one 65 and his wife, they are applicants. Now let's just assume their income level is the same. Would they give the older person priority or not or is there no rule for it?

Mr. STELPFLUG. I will not attempt to answer that question because I positively can't say.

Mrs. BRASHEAR. In the elderly unit naturally it would be the older person because they don't take the younger people in there, but in the other parts—

Senator DIRKSEN. I am generally speaking about your housing authority projects. Now, I am delighted to see that you have emphasized some things like protective devices and safety and so forth. I wonder if you won't go a little further. I am going to do it some time if I get around to it, but older people have impaired eyesight.

I don't think of myself as an old person but I do have to wear bifocals to read the signs along the highways, and by jove it really slays me to see a sign with the letters about that high [indicating] in the dark with an arrow going off where you want to go and you can't see it. They ought to put the letters that high [indicating] so people like me and older people can see it. So good signs in there is one of the things that has to be kept in mind, too. If I were an advertising man I would have that in mind in view of the growth of the number of older people in our country.

There is one other thing in your statement I like. You say that to the greatest extent possible housing for the older person should be integrated into existing neighborhoods. This idea of pulling up older people from a place where they have lived a lifetime and carting them off 10, 12, 15 miles in a strange neighborhood, if it can be avoided, certainly it should be avoided, in my judgment.

Mrs. BRASHEAR. I think so, too, Senator.

Mr. STELPFLUG. We are very much agreed on that and we feel that where the isolated unit is set up like in this Webbe unit, the builders overlooked the fact that these people are too far away from shopping centers, theater, places of recreation. They are too much alone without people to be responsible for them. If someone in there gets ill or something goes wrong, they are not going to have available to them the same kind of resources that they might have if they were in a more mixed neighborhood where the people are younger next door and might take a friendly interest and so on.

Senator LONG. Senator Symington.

Senator SYMINGTON. Mr. Chairman, I first would like to greet an old friend, Mrs. Brashear, a fine citizen of our great town for many years and whom I have had the privilege of knowing for more years than either of us care to remember.

And I notice in your statement, sir, that you refer to the almost total lack of suitable housing for all older persons in your community. You also say many of the hard-core problems existing with the aging are related to the lack of low-cost housing in the community. I simply state that for the record because it seems to negate some of the previous testimony that we have had this morning with respect to the problem of this community on housing.

I have no further questions, Mr. Chairman, or comments.

Senator LONG. Thank you, Senator.

Thank you, Mr. Stelpflug and Mrs. Brashear.

Mr. George Kassabaum—Mr. Kassabaum, chairman of the Committee on Housing for the Aging, American Institute of Architects.

STATEMENT OF GEORGE KASSABAUM, CHAIRMAN, COMMITTEE ON HOUSING FOR THE AGING, AMERICAN INSTITUTE OF ARCHITECTS

Mr. KASSABAUM. I am an architect in St. Louis and I was also the chairman of the subcommittee on housing of the 1961 White House Conference on Aging as well as representing the whole profession nationally at this meeting. I am also the architect of the Webbe project which has been mentioned several times and which I understand you visited yesterday.

You have my statement, I will not attempt to really even summarize it. I only would like to say that I do not feel that the present programs are creating the number of housing, or the quality of housing that is needed if we are going to successfully solve the problem. I feel that the governmental programs are, in a sense, encouraging mediocrity in housing and I don't think this does good for the older people nor do I think it does good for the cities. There are five factors which effect this. Senator Symington touched on it very cogently a minute ago when he pointed out that it was very difficult to build adequate housing within the sums of money that were being talked about. Now, I personally feel that the solution to this problem and the method that should be attacked is not necessarily of trying to restrict the facility that's built. This leads to cramped quarters when cramped quarters can be terribly disastrous to the mental and physical health of the person living there. I feel that probably there isn't a great deal that we can do about land costs in an urban area other than is possible under our present urban redevelopment laws. I feel there isn't a great deal we can do about the length of loan which affects the cost of housing to the tenant. Forty years is a long time. I am not enough of an economist to say whether the interest rates are what they should be. I do feel that the solution, and the possible area that should be investigated is tax relief or tax benefit to these people who are willing to undertake to attempt to solve this very serious problem. This is not a technical problem. This is an economic problem. There are plenty of architects in the country and there are plenty of builders who know how to build and what to build. What is needed is the chance to build it. I personally feel that rehabilitation is really the answer to the problem. It is not really feasible to expect to be able to build 16 million new homes under any program and we have to look to the used-house market for this sort of answer. I think the rehabilitation of existing neighborhoods, and the homes that are in them, should be encouraged by the programs. I look at the governmental programs as being primarily one of encouraging and stimulating activity. I think the direct loan program is theoretically a very sound program. It has not led, in my experience, to the development of the type of housing that we need. The 100-percent loan is a misnomer. It is 100 percent of a certain figure and this varies from town to town, but it is still very difficult to build the type of facility that is needed within this figure: So that while you could say 100 percent of the maximum allowable loan, this might drop to 50, to 60 percent of the actual cost of construction. So these are the problems that I think that the professional architects and the builders face in trying to solve and to provide housing that the older people need.

Now, my statements are perhaps a little better organized in the official testimony that I have given you, but I would be glad to answer any questions.

(The prepared statement of Mr. Kassabaum follows:)

PREPARED STATEMENT OF GEORGE E. KASSABAUM

I am an architect who has some familiarity with the various housing programs covered by present legislation, having worked with the Public Housing Administration in the development of low-rent housing for older people, and having worked with the local staff at FHA to try to take advantage of their

programs that are intended to encourage private capital to invest in such facilities. This experience has led me to reach certain conclusions which I hope will be helpful.

First, let me say that the best home for an older person is their own home. It is if it is in a neighborhood that is not deteriorating and if it is suitable for the needs of a person with declining physical abilities and economic powers. It is impossible to conceive that 16 million Americans can have their housing problems solved by the construction of new facilities, and we must look to the "used-house" market for the answer, just as we look to the used-car market for inexpensive, but satisfactory, transportation. Rehabilitation of existing structures must be encouraged by easing the obtaining of loans and by allowing tax relief for such improvements, but other witnesses will cover this need more thoroughly, and I only wish to state that it is in this type of program that the large numbers of our answers are to be found. And so I will confine the rest of my remarks to new housing, for we need that as well.

It's not my intent to defend or condemn the Government for being in the new housing field. With varying degrees of success they are already in it in a big way, and my concern this morning is to suggest ways that present programs might be modified to result in the creation of a better total environment for our older people.

Under the guise of protecting the taxpayer's dollar, present Government housing programs encourage mediocrity, and this helps neither our cities nor our older people. It should be clearly understood that the problem of providing better housing is primarily an economic problem, and not a technical one. As chairman of the National Committee on Housing for the Aging of the American Institute of Architects, I can assure you that there are more than enough men in the architectural profession and in the building industry that already know what to build and how to build it. All that is needed is the opportunity.

The problem is one of building the proper accommodations that can be bought or rented at a price that those on fixed incomes can afford. As these incomes are normally low, the challenge becomes extremely difficult since there are technical considerations which inherently make such accommodations cost more to build. More area is required due to the possible need for a wheelchair during at least some part of the occupant's life. The wheel chair requires wider doors and more space for door swings and circulation. Also, safety features, while important in any house regardless of the age of the occupant, become even more essential where reaction time and physical dexterity decline. Hardware with lever handles rather than door knobs costs more. Grab bars cost more than towel bars, or soap dishes with handles. The heating system must be a little better. The lighting must be a little better. There are many other considerations and they all cost more.

Too many governmental housing programs have tried to achieve economical cost to the occupant by relying on rigid restrictions of the area that can be built and the cost per unit. The trouble with the first is that it encourages cramped quarters when being cramped can disastrously affect an older occupant, both mentally and physically. The trouble with the second is that if we agree that the independent should stay in their own homes, then new facilities must aim at those who are no longer independent. Some care is needed, and restricting the cost per bed encourages the providing of only shelter. The answer to the second is to eliminate altogether, or at least raise, the present limitations of cost per unit and require each project to stand on its own on the basis of its services and its economics. Only when this is done will governmental programs begin to encourage the provision of the proper social and physical facilities that are needed in new construction.

The answer to the tendency to restrict area is to eliminate the dependence upon a written manual as the only yardstick by which a project can be measured. Area is certainly a factor in the first cost of construction, but it is only one factor affecting the daily cost to the occupant, and too often it has been treated as if it were the only determinant.

Rigid area restrictions take the form of a table of minimum room size. Originally, they are just that—minimums. But they quickly become standards that measure the skill of the architect. Regardless of beauty or livability, the best architect is the one who can provide the most rooms that have the exact area set forth in the manual. This discourages the qualities that are most needed if our problems are to be solved—ingenuity and imagination. Such a practice gives top priority to sameness and no priority to beauty, and when efficient management requires relatively large numbers of units to be grouped together, the

result is the monotony which has become the trademark of too many Government housing programs.

Another disastrous effect of setting up many rigid standards is the tendency to also standardize concepts of what housing for older people should be. They need variety—single houses, row houses, apartments, clusters—plus some degree of freedom of choice if our programs are to permit them to live in dignity and self-respect. Only when a man can say, "I decided to move from my old house, and I looked at many places and chose to live here"—only when he can say that will he get a feeling of self-respect from his new home. Unless he can say that, he will feel "stored" away, and if this is the feeling of our occupants, our programs are bound to fail.

The answer to this is to stop trying to achieve an economic end by relying on a control of only one part of the problem. There are five factors that affect the cost of housing as far as the individual is concerned. One of these is the cost of construction that we have been talking about, and, if these costs are to be reduced, ingenuity and imagination must be encouraged in both planning and methods of construction. As I have said, this is presently being discouraged by the present method of measuring the merit of a design, as well as by restrictive building codes and zoning ordinances. Some good remains to be done here, but not enough to solve our problem by itself.

Of the five factors affecting the cost of an individual's housing, three have formed the basic contribution of past Government programs. One is the high cost of land, particularly in urban areas. I have mentioned the cost of land first, but I do not wish to imply that this is the most important factor to consider in the selection of the proper site. It is important in that it affects the daily cost of living, but our existing urban renewal laws do provide a means of attacking land costs if economics are the only problem.

It isn't, for there is the very real social problem, and our programs should aim at solving the emotional and social needs of each individual, and not only provide shelter. To do this, it is absolutely essential that any new project must be closely related to the health, religious, and commercial facilities of an existing community. The best designed buildings, even if providing rents that can easily be afforded, will not satisfactorily satisfy the emotional needs of an older person if it is built on a remote site just because the land was cheap. Subdivision restrictions and zoning laws must give way to permit the construction of housing for older people in mixed residential neighborhoods, and unless some way is found to privately make such sites available, limited urban renewal programs should be undertaken. The selection of a suitable site must be written into any Government program or else it is certain to fail.

Another of the five factors is the length of the loan which has recently been extended to 40 years and that should be long enough. Still another, the rate of interest, is so tied in with our national economy that it is beyond my ability as an architect to judge whether current rates are too high or too low. All I know is that, except for some success in the public housing field, the Government's participation in these three factors has failed to produce any significant quantities of housing for the older citizens who need it. This would seem to leave only the fifth factor as one holding out any new hope—that of the effect on the cost of housing of taxes.

Because of the pressing need of properly housing our older people, some stimulus is needed to encourage them to take care of their own needs and some stimulus is needed to encourage others to provide suitable housing so that those who want it can find it. One program that I feel should be carefully studied is that of relieving the capital gains tax connected with the sale of a home that is owned by a person over 65. Today many people are investing in their home as a means of having some security after retirement. The trouble is that many of these homes will be too large, have too many steps to climb or be otherwise unsuitable for their needs in their later years. If the house could be sold without losing a large part of the investment of their earlier years in taxes, this money could go a long way toward giving these people confidence in facing the future and enabling them to solve many of their own problems.

Another possible aid to solving our need is to reward the investment of risk capital in rental facilities that seek to accommodate the needs of an older person. This could easily be in the form of allowing real estate tax relief on the part of the cities and States and further allowing a tax-free income in return for limiting that income to say 8 percent per year as is now done in urban renewal programs. The next 2 percent could be set aside for improvements, and

all profits over that amount would be returned to the occupants in the form of reduced rents.

Subdivision developers who mix smaller homes specially designed for older people in with their other developments should be so rewarded. Builders of row houses or apartments should be rewarded for their willingness to try and meet the new demands of their society. There seems to be something healthier about this approach than looking for a direct handout, and I feel that the investors in our society should be given the chance and the necessary encouragement to meet the need. If they fail to meet the challenge, they can at least not complain when governments enter into the field, for everyone recognizes that the need must be met.

Because of the short time allotted, I have had to restrict my comments to those things that I feel are the most important. There are many other considerations which have been and will be discussed by others today, but until we can get all segments of our society to work together to seek the solution to the economic aspects of the problem, much else of what we do will be in vain.

Not being an economist, I am somewhat limited as to the number of suggestions that I have been able to make in this area, but I am sure that others can find many refinements and ways of encouraging the investment of risk capital in solving this vital need.

Encouragement and stimulation are needed. Where they have been supplied, we have always been able to solve our problems. When we needed to find oil for our machines, those who took a risk were rewarded, and we found more oil than we now need.

What worked for oil should work for houses, for surely we all recognize that the needs of machines are nowhere near as important as creating the proper environment for millions of Americans.

Senator LONG. Thank you for a very fine statement and a very fine presentation of it.

I am sure the committee feels that rehabilitation is one of the answers to our problem. There are many facets to it. The committee has heard testimony in some of the hearings in regard to rehabilitation, and it is in line, I am sure, with the desires of many of the senior citizens, that they would much rather be helped to rehabilitate their homes so that they can still enjoy them.

I am particularly impressed with your statement, too, where you say that while trying to build for many of our older people we have not spent the additional money necessary, and as a result we have produced some mediocre buildings and houses for them. As you pointed out, many of the special features are rather expensive.

Mr. KASSABAUM. Everything that you do costs more, and this is the problem, especially if we assume that the independent, able to take care of themselves economically and physically, will live in their own homes. That means the new homes we build should anticipate those who need some type of care, and when you do this it just costs more money.

Senator LONG. I noticed in the Webbe project yesterday, when I was there, your handrails and many of the facilities there did cost more money than an average bidding of that type would cost. I think you did a fine job there.

Mr. KASSABAUM. Thank you.

Senator LONG. Senator Dirksen.

Senator DIRKSEN. Mr. Kassabaum, you mentioned something a moment ago about increased tax benefits. Do you have anything specific in mind?

Mr. KASSABAUM. Well, I am an architect and this is not my line, but it does seem to me that some encouragement in the way of income tax relief for people who are willing to invest risk capital in this type

of facility. I propose in my testimony that possibly 8 percent of the income on their money might be tax free. On rental property possibly another 2 percent could be set aside for maintenance and improvement. Therefore, in return for limiting the investor's income on his investments and any money made over that would be passed back to the tenant in the way of reduced rents. Now, you limit the possibility of income, so therefore there should be some reward, and I would propose that this reward be some tax relief be given on this money. I take this from the very obvious type of thing that was used in that in order to encourage investment when our machines needed oil. We encouraged people to go out and find more oil and now we have more oil than we can use, and it would seem the same thing should at least be tried when we are dealing with human values. It certainly would deserve a try to see if this wouldn't stimulate the construction of the facilities that we so badly need.

Senator DIRKSEN. Did you hear my initial statement?

Mr. KASSABAUM. Yes, I did.

Senator DIRKSEN. I made the suggestion there that if a home has been occupied by the owner for 5 years and he sells it, that he ought to be relieved of the capital gains tax.

Mr. KASSABAUM. I covered that in my testimony and skipped it when you covered it; yes, sir. I agree with you 100 percent. I think this is a very big factor that would enable people to independently take care of themselves.

Senator DIRKSEN. You heard Mr. Mayfield's testimony about costs. I saw a figure the other day that unit costs and, of course, you have to handle these factors carefully, it depends on the size of a room in a house.

Mr. KASSABAUM. And services supplied.

Senator DIRKSEN. Yes. But I saw in New Jersey they had an estimate of about \$4,750 a room. Mr. Mayfield used a figure, a round figure of \$2,000. Is that in line with building costs here?

Mr. KASSABAUM. No, sir. Of course, it depends on the things that go into the cost per room. It has been some time since I worked this out, but it is my understanding that land costs, for instance, are not a part of the cost per room. It is made up of construction and fees and so forth, but \$2,000 would be very difficult to build.

Senator DIRKSEN. I want to be sure we have an accurate record. I thought Mr. Mayfield said \$2,000 included land costs.

Mr. KASSABAUM. It is my understanding that there are two yardsticks which are used. First, in the cost per unit which does include land costs and all costs. The cost per room is basically cost of construction, and it is my understanding—I could be mistaken in this—that cost per room does not include land costs.

Senator DIRKSEN. And then what do you think would be a fair estimate of costs per room here?

Mr. KASSABAUM. Well, again, Senator Dirksen, it depends so much upon the services that you hope to provide. If you hope to provide central cooking or food for your tenants or residents.

Senator DIRKSEN. Is the Webbe project complete?

Mr. KASSABAUM. Yes, sir.

Senator DIRKSEN. Is it occupied?

Mr. KASSABAUM. Yes, sir.

Senator DIRKSEN. You were the architect there?

Mr. KASSABAUM. The cost per room at Webbe was approximately, as I recall it, I would like to qualify only, I am not trying to hedge, I am trying to point out that it is part of a larger project and it has always been impossible to pull out precise figures, but it is my recollection that the cost per room in the Webbe project was \$2,750, exclusive of land and other costs, I am sure.

Senator DIRKSEN. If you added land cost, do you have a speculative figure in mind?

Mr. KASSABAUM. If you look at these types of programs, one of their functions is to clear substandard land in your bad areas and that costs a great deal. To go out in the country where land costs are low, to me, doesn't solve the problem. I am very sorry that I just can't give you any land cost figures. I think there are people from the public housing authority here that could.

Senator DIRKSEN. You said present programs "encourage mediocrity."

Mr. KASSABAUM. That is my opinion; yes, sir.

Senator DIRKSEN. Could you tell us what you would do about it?

Mr. KASSABAUM. Yes. In this sort of approach, I understand as well as anyone the importance of taking great care in handling public moneys. This is a real trust and I recognize that. But I do feel that there are other things that are equally important. I think beauty, if you are going to think about the total environment of the person, beauty is something which deserves consideration, as well as economics. I think ingenuity on the part of architects and builders should be encouraged rather than discouraged. This is not discouraged always by governmental programs. This is discouraged by building codes and subdivision restrictions and these other factors. But I think that great ingenuity and great freedom of imagination should be given to those people who are planning these facilities and that actually we are not so concerned here in the actual space that is built. When you put such emphasis on this you have a tendency to restrict your thinking, not only restrict your area, but you restrict the beauty that can be brought in. So that I feel that a little different emphasis on the part of those administering the program—I am sure this is something not written into the law—I think that there should be different emphasis on the part of those who are administering the law to recognize that sometimes economy is not the only yardstick by which suitable housing should be measured.

Senator DIRKSEN. I assume that you are pretty familiar with the rules and regulations of HHFA under which you have operated?

Mr. KASSABAUM. Well, reasonably so at least, yes.

Senator DIRKSEN. Would you say they are too restrictive, they confine and curb imagination and ingenuity?

Mr. KASSABAUM. Well, of course, you can exercise imagination and ingenuity at a low-cost project as well as a high-cost project. This isn't really dependent on economy, but I do feel that the upper limits that they are working under and the maximum amount that they can loan has a tendency to restrict this, yes.

Senator DIRKSEN. Of course, I think you will agree that if a Federal Administrator, and I can understand why, sees the words in the book and says "I am sorry but this is what the words say to me, therefore, that is the way it has got to be", and if the rules are too restric-

tive and specifically define what the limits are, then, of course, you have your hands tied. So you think there ought to be a little more freedom?

Mr. KASSABAUM. I do, yes.

Senator LONG. George, was it your firm that designed the air terminal?

Mr. KASSABAUM. Yes, sir.

Senator LONG. One of the outstanding in the country.

Mr. KASSABAUM. Thank you.

Senator SYMINGTON. Mr. Chairman, first I would like to ask of Mr. Mayfield, if he is still here, what about this: Is the land included in the \$2,000, or is it not?

Senator LONG. Is Mr. Mayfield still here?

Mr. MAYFIELD. Yes, sir. That is my understanding, but I will check on that.

Senator LONG. Will you do that, then, and advise the committee?

Senator SYMINGTON. What is your understanding?

Mr. MAYFIELD. My understanding is that it is. I say I will check on that and make sure that in determining the rent whether you have that in there.

Senator SYMINGTON. Mr. Chairman, I would like that to be included at this point in the record. I ask unanimous consent.

(See supplement to statement of Roderick A. Bethune at p. 421.)

Senator SYMINGTON. Mr. Kassabaum, I am very much interested in your statement. It is cogent and I think wise, and in my opinion if this is true, that the land is included in the \$2,000, this fact further emphasizes the point you are making, does it not, sir?

Mr. KASSABAUM. Very much so, yes, sir.

Senator SYMINGTON. And if it is correct that the cost of the land is relatively unimportant, and that you did the Webbe job for \$2,750, then, to fulfill the points which you emphasize as being important, with which I agree, the amount of money is not, relatively speaking, great.

Mr. KASSABAUM. That is correct.

Senator SYMINGTON. Can I infer that you believe that the Webbe development was done properly?

Mr. KASSABAUM. Well, within the limits that we were working under, we are quite proud of it, yes, sir.

Senator SYMINGTON. Do you think those limits are too rigid?

Mr. KASSABAUM. The Webbe unit provides basically only shelter. There is nothing else, and the Public Housing Administration's contribution is purely shelter. We were fortunate in being able to build the Webbe unit near the city hospital so that if something happens medical care is immediately available, and churches are in the neighborhood and recreational facilities, but some of the other projects and some of these other things that might possibly be built under the same laws would not provide these things. This is a rather chance thing there which works to our advantage, but it is not inherent in the program. That building could have been built very remote from any of these facilities.

Senator SYMINGTON. Well, I think you can see what I am getting at. In other words, what would be the figure, roughly, that you think should be—\$2,000, with land, is obviously, based on your prem-

ise, unsound, and \$2,500 is the Webbe figure. What figure do you think, roughly—

Mr. KASSABAUM (interrupting). In the public housing program are you talking about now?

Senator SYMINGTON. Yes.

Mr. KASSABAUM. Well, this is a freedom I have never been asked before, but I would expect, certainly I think, another \$500 per unit, say up to \$3,000.

Senator SYMINGTON. That is very interesting.

Thank you, Mr. Chairman.

Senator LONG. As you suggested, the Federal housing program only provides shelter. There is need for recreation and medical care and other items of that kind for senior citizens in those buildings?

Mr. KASSABAUM. Yes. I think it was Senator Dirksen that brought out, too, just because you became ill, and we all change, when you move into these projects your needs are satisfied by them, but you change, too, you change as you grow old, and if you have to move every time a significant change takes place, a real emotional hardship is placed on a person. I think some provision should be made, although certainly not have the Public Housing Administration take care of the senile or even the chronically ill—but to have to move if you become incapacitated, it seems to me a hardship.

Senator LONG. Thank you for a very fine statement.

We have a situation that has arisen where we have used our time for the morning, but we do have Rev. Harry Phillips, Mr. Leo Bohanon, Mr. Pollock, and Mr. Dagen and Mr. Beattie yet to testify. Senator Dirksen and I have an engagement at 12 o'clock, or shortly thereafter, that we must leave for. Senator Symington has very graciously consented to chair the meeting and continue these hearings during the noon hour, and if these four, five, gentlemen will stay here and discuss this matter, make their presentation during that time, then Senator Dirksen and I will be back as soon as we can, and we will definitely start the town hall meeting for the senior citizens at 2 o'clock, as has been originally planned. That way everyone will have their opportunity to get their statement into the permanent record of this committee.

Senator Symington, I am grateful to you for doing this for us.

Senator SYMINGTON. Thank you, Mr. Chairman. I would like to stay as long as I can, but I have an engagement to talk this afternoon a good distance from here, and I would hope that the witnesses still to come would be kind enough to follow the previous witnesses and, to some extent summarize their statements. In response to the wishes of Chairman Long, I am very glad to be a very inept substitute for him in hearing the witnesses.

Mr. BEATTIE. Senator, I understood I would be excused at this time.

Senator SYMINGTON. Would you file your statement for the record?

Mr. BEATTIE. It has been filed.

(The prepared statement of Walter Beattie follows:)

PREPARED STATEMENT OF WALTER M. BEATTIE, JR., PLANNING DIRECTOR, SERVICES TO THE AGING, HEALTH, AND WELFARE COUNCIL OF METROPOLITAN ST. LOUIS

Housing for the elderly, especially as conceived through federally sponsored or supported programs, such as those of the Housing and Home Finance Agency through its guaranteed and direct loan programs, as well as the housing for the

elderly provisions of the Public Housing Administration, has done much in providing for the shelter needs of an increasing number of our older citizens. In working with these programs, especially on the local community level where they are translated into housing structures, the major emphasis has been on the physical facility with little attempt to identify those basic considerations which may in the long run affect the role of the older person in community life.

This testimony is being provided with the hope that it will underscore and emphasize the lack of funds, including Federal, to support needed social welfare research as related to the provision of housing for the elderly. While millions of dollars may be spent on a particular project, it is not possible to point to the availability of funds which are related to the identification and evaluation of some of the more basic issues involved. These issues would include:

1. What are the effects of location within a community on housing for the elderly? It is important that this be evaluated for all housing for the elderly, but more particularly in regard to public housing. The tendency has been to concentrate such housing in parts of the city where the social and cultural life is nearly nonexistent. Such housing must consider, in addition to the basic transportation and shopping needs of the elderly, their past ethnic and social relationships. The present tendency is to uproot and transplant the older person with little evaluation as to what this may mean to maintaining his past relationships in the community.

2. In considering housing for the elderly there has been much discussion as to whether such housing should be age segregated or age integrated. By this I mean, should large-scale developments be only for the elderly? Or should they, while providing space designed especially for the older person, include all age groups? It would seem highly desirable and important to evaluate those age-segregated facilities which have now been built to establish the effects of such segregation on the emotional, psychological, and social life of its inhabitants. In addition, we have failed to identify the effects of concentrating several hundred older persons together in one area of living. Is it important to have someone responsible for emergency situations on a 24-hour basis especially in the absence of younger neighbors? Is it important to assure that health and welfare services be brought into such areas of living, or is it more important to provide ways of getting older persons out into the community for these services? To date, while there is much discussion on these issues, public housing does not provide funds either to identify the facts or to assure appropriate services.

3. Another broad area of concern for which we have little factual knowledge is the effects of urban renewal and consequent relocation on the older person. What happens to older persons who are uprooted from traditional neighborhood ties and relationships? What methods should be used in relocating them to strange environmental situations at the point in their lives when it is necessary for them to adjust to other basic physical, psychological, and sociological changes? What techniques are best in helping older persons to adjust to new housing and neighborhood situations? And what happens when it is financially impossible for the older person to afford a new location? Finally, what are the effects of relocation on the physical and emotional health of older persons?

4. Another area of concern to which we have given little or no attention and yet which appears fundamental in considering housing needs and living arrangements of older persons is the effects of highway construction in our cities on the lives of older persons. It is important that we attempt to understand the problems inherent in highway construction as such construction tends to limit the mobility of the older person in the community. It would appear that many of our major arteries of transportation have become, in a sense, "Berlin walls" or barriers to the relationships which many older persons have had with neighbors a block or two away, the corner grocery store, or the physician. In many of our areas of highest concentration of older persons, that is our inner cities, we are increasingly seeing the development of physical barriers to communication and social participation. This is particularly important in regard to older persons as we note the tendency of the aging process to isolate him from social life.

5. A broad area of concern is the Federal program of loans for the construction of nursing homes. While again there is much emphasis on physical structure, we have failed to identify the appropriate range of services which are essential for persons who require such institutionalization. We must better identify minimum criteria for services in our institutions for the elderly. Also, we must establish whether institutional care represents a basic requirement for

shelter needs among a large number of persons in such institutions, rather than nursing care. To date we have stressed these facilities in terms of nursing care, yet what knowledge we have suggests that we must develop better knowledge as to the ways in which these facilities may become environments for meaningful living, not as a place from which to isolate the older person from the life of the community.

6. In all Federal programs of housing for the elderly, including FHA insured loans, and as related to the above, there has been a lack of identification as to the importance of the provision of funds for research and demonstrations to better identify methods and steps of procedures for providing such housing for the elderly.

I urge the special committee of the Senate to reappraise current Federal housing laws and to assure that social welfare research and social planning be considered along with physical planning and design as an integral part of the provision of housing for the elderly. In addition, Federal programs while designating minimum space requirements, basic safety features, and so forth, fail to identify beyond physical shelter those requirements which make possible more effective and satisfying living for older persons. As our communities are beginning to give recognition to the fact that each older person must be viewed in his individuality, we are also realizing that we must provide alternatives in order to maintain those characteristics which are unique to each older person. In other words, we have moved a long way from the concept that a community's only obligation to the older person is to provide the choice of institutional living and institutional care when he can no longer remain in his own home. We now see the importance of alternatives, but we must determine the range of such alternatives according to the socioeconomic differences within our communities as well as the effects of disability on one's ability to live independently. This is important and must be based upon a research approach to assure sound information as a basis to sound planning.

Senator SYMINGTON. Is Rev. Harry Phillips here?

Reverend PHILLIPS. Yes, sir.

Senator SYMINGTON. Do you have a written statement?

Reverend PHILLIPS. Yes, sir. I have submitted that statement to Mr. Frantz and I will give only a brief summary of my concern.

(The prepared statement of Harry P. Phillips follows:)

PREPARED STATEMENT OF HARRY P. PHILLIPS, JR., CHAIRMAN, WEST END COMMUNITY CONFERENCE

Mr. Chairman, and distinguished members of the Senate Committee on Aging, I am Harry P. Phillips, Jr., chairman of the West End Community Conference, one of the many neighborhood associations in St. Louis to which senior citizens of this city look for counsel and help in meeting some of their housing problems. By vocation I am pastor of West Presbyterian Church, and like clergy of most faiths meet parishoners in the 65-and-over age group who find that keeping a roof over their heads can sometimes be a frustrating experience that tries their religion. St. Louis has a considerable and apparently significant number of such persons.

May I address myself to two aspects of their problem:

(1) The difficulty faced by aging people on retirement incomes in maintaining their homes; and (2) the added complications loaded upon them by urban rehabilitation and renewal processes.

(1) As to the difficulty of home maintenance, the city of St. Louis has attracted to its assortment of neighborhoods large numbers of senior citizens. A 1957 estimate by the health and welfare council placed 72.2 percent of city-county senior citizens within the city limits. The older a St. Louisan is, the better his chance of finding himself in an older residential area of this city, keeping company with a residence which, like himself, is getting ripe with years. And older housing along with older people have a way of running up doctor bills. What do generally rising maintenance costs mean to retired folks living on pensions, social security payments, and other forms of reduced income?

When the aged persons are renters, they can mean frustration. Renters do put roots down in a particular neighborhood after years of renting. At this point their living habits are frequently as resistant to change as the monthly checks on which they must live. All too often, the frustrating choice they

face is between remaining at the familiar location where more rent is charged and fewer repairs are made; between that or on the other hand pulling up roots but finding no comparable housing available at a rent that can be afforded. It is our experience in community organization that renters on retirement pay seem to furnish landlords with few incentives to work hard for sound housing and stable neighborhoods.

When the aged persons are property owners and must face the burden of home maintenance costs out of limited resources, we find that frustration is again the frequent result. When commercial loans are needed, securing them at humane rates of interest is well nigh impossible to pensioners. Bankers point out the hazards in the way of their making full payment. Even when family, friends, or institutions are willing to become cosigners on mortgage papers. It is our understanding that Federal regulations will not allow the Federal Housing Administration to insure cosigned loans for the aged. As a result neighborhood organizations can do little but commiserate with senior citizens who have no apparent choice but to live with slow deterioration and fond memories of better days.

(2) This brings me to the second aspect of the housing problem for the aged which we see in city areas subject to rehabilitation or renewal. If St. Louis is not to destroy itself, its physical blight must be eliminated and declining neighborhoods restored to soundness. But neighborhood organizations realize that retired persons in the over-65 group are among those who stand to suffer most of the sake of progress—on at least two counts. (a) We know aged homeowners who like everyone else are forced to meet the minimum standards adopted for the project. But as has already been pointed out, loans for financing the compulsory improvements may well be entirely out of their reach. (b) The second count is this: we know aged and honorable homeowners who fear—and not without cause—that urban renewal will deprive them of the homes in which they have invested not only their money but themselves. The low rental public housing offered in its place can hardly be a substitute for the intensely human satisfactions and quite personal attachments destroyed by the loss of the dilapidated home.

What Federal legislation might be considered to meet the housing needs of aged citizens? In the light of what neighborhood groups are finding concerning housing needs of the aging, I will list three questions which I believe merit special study and possible consideration for legislative action:

(1) Can Federal taxing and/or mortgage insurance policy be used positively to encourage the owners of rental housing to invest in adequate maintenance, introduce conveniences, and safety measures desirable for senior citizens, and maintain moderate rents? This question assumes the desirability of having senior citizens and sound housing lend stability to one another and to a neighborhood, as all continue to age together.

(2) Can changes be introduced in FHA regulations, making possible federally insured loans to senior citizens who have secured reliable cosigners of lesser age?

(3) Can federally assisted renewal programs make available loan funds at very low interest to aging homeowners for required home repairs, or possibly some form of direct subsidy, which might be recovered in part through liens against their property to be paid after their death.

These questions represent suggestions being discussed and not conclusions firmly held among representatives of neighborhood organizations.

STATEMENT OF HARRY P. PHILLIPS, CHAIRMAN, WEST END COMMUNITY CONFERENCE

Reverend PHILLIPS. I am Harry P. Phillips, chairman of the West End Community Conference. I am also a pastor. My concern is with the human element that is sometimes caught lost maybe in the midst of programs designed to aid a changing city and its people. I have addressed my testimony to the matter of the difficulties faced by aging people on fixed retirement incomes in maintaining their homes, and on the added complications that are loaded upon these people by urban rehabilitation and renewal processes.

As to the difficulty of home maintenance, the city of St. Louis has attracted a great number of older people, some 72.2 percent of all senior citizens in the city-county area are concentrated in the city, and a study of the health and welfare council indicates that these older St. Louisans have a better than even chance of living in an older section of the city in housing that is growing old and, therefore, which has growing maintenance problems; and on a retirement income this creates many frustrations.

If the older citizen is a renter he has certain frustrations. Older people do not like to change. When they have rented in a particular area for a length of time they find it extremely difficult to cope with growing deterioration and with the difficult choice of having to pull up roots and move to another section of the city where likely the housing available to them at the price they can afford to pay is not nearly comparable to that they have vacated.

I would simply comment further that in the rehabilitation and renewal areas—rehabilitation being a city program, renewal being a Federal program—it is evident that homeowners are facing all kinds of difficulties. As homeowners, older people are constantly being confronted with the need to make major repairs, and when they go to get loans from money-lending institutions, quite frankly, they do run into difficulty. I heard a banker say just the other day that his institute, a large one in St. Louis, has almost no applications for mortgages from people over 65 because he assumed that these folks knew that it was not likely they would get such loans. There is also the fact that Federal FHA insurance is not available in cases where loans are not made by private institutions and even when the elderly person can get someone, a member of his family or an institution to go with him as a cosigner for a loan, FHA regulations, I understand, do not permit this cosigning feature. There, too, in renewal and rehabilitation projects, the city or the federally assisted program requires elderly people, like everyone else, to bring their housing up to standard, but getting loans is, as I have already indicated, an extreme difficulty. And then there is the fear that many older people have, aged and honorable homeowners, who fear, and not without cause, that urban renewal will deprive them of homes in which they have not invested only money, but themselves, and the low-rental public housing that is offered in the place of the homes they have owned—dilapidated homes, to be sure, but their own homes—the low-rental public housing offered is hardly a substitute for the intense human satisfactions and quite personal attachments that are destroyed by loss of the dilapidated home.

In conclusion, I have listed four questions that are being discussed by neighborhood organizations, with old folks sitting in on the discussions. Three have been submitted in the testimony I have given; I would like to add a fourth. The first is: Can Federal taxing and/or mortgage insurance policy be used positively to encourage owners of rental housing to invest in adequate maintenance, introduce conveniences and safety measures desirable for senior citizens and still do this at moderate rents? The question assumes the desirability of having senior citizens and sound housing land stability to one another and to their neighborhood as all continue to get old together.

Secondly, can changes be introduced in FHA regulations, making possible federally insured homes to senior citizens who have secured reliable cosigners of lesser age?

Thirdly, can federally assisted renewal programs make available loan funds at very low interest to aging homeowners for required home repairs, or possibly some form of direct subsidy which might be recovered in part through liens against their property, to be paid after their death?

And fourthly, can Federal involvement in urban renewal include as a basic requirement for a total renewal program the provision of adequate social services to aged senior citizens in facing their housing and other needs, and in utilizing all available resources for resolving their multiple problems?

I am suggesting that this, as a requirement laid upon the local community and possibly in some measure supported financially by the Federal Government, would go a long way to fill a void that is existing because at the moment federally assisted programs provide shelter and little more.

May I say in conclusion that these questions I raise represent suggestions which are being discussed, and they are in no sense conclusions held among representatives of neighborhood organizations.

Senator SYMINGTON. I thank you very much, Reverend Phillips.

May I make a suggestion that you file for the record a little more detail, perhaps a plan in itself, or your fourth point. I think that would be a good idea if you have a definite plan. We would appreciate your testimony.

I thank you again.

Is Mr. Leo Bohanon here?

Mr. BOHANON. Yes.

Senator SYMINGTON. Mr. Bohanon, have you a prepared statement?

STATEMENT OF M. LEO BOHANON, EXECUTIVE DIRECTOR, URBAN LEAGUE OF ST. LOUIS

Mr. BOHANON. Yes, I have, sir.

(The prepared statement of Mr. Bohanon follows:)

PREPARED STATEMENT OF M. LEO BOHANON

Gentlemen, thank you for inviting me to come here today to appear as an expert witness.

May I establish my identity and present my credentials. I am M. Lee Bohanon, executive director of the Urban League of St. Louis. My professional training has been in sociology, economics, social work, and intergroup relations. For the past 14 years I have served as the executive director of urban league affiliates, first in Omaha, Nebr. and for the last 11 years in St. Louis. Prior to my employment with the urban league I served for 2 years as principal welfare officer for displaced persons in France and Germany under the sponsorship of the United Nations Relief and Rehabilitation Administration (UNRRA) and for 5 years I was director of social service for the Relief Department of the city of Minneapolis, Minn.

The urban league movement is national in scope with headquarters offices in New York City and affiliates in 63 principal cities of America. It began its operation in 1910 and is the oldest interracial social work organization in the Nation.

The St. Louis Urban League is a voluntary nonprofit social welfare agency which gets its major financial support from the United Fund of Greater St. Louis and from contributions and donations from interested individuals and organizations.

The urban league method of operation is fivefold, namely, factfinding, education, negotiation, community planning, and intergroup cooperation.

The work of the league falls into the areas of research, employment and guidance, housing, health and welfare.

The Urban League of St. Louis has provided 43 years of specialized professional leadership and experience in seeking to make Greater St. Louis a better place for all of its people by raising the economic, social, and cultural level of St. Louis' Negro citizens, thereby permitting the Negro to become less dependent on public and private charities and at the same time a greater contributor to the progress of his community.

This is the rationale for our testimony before the Senate Subcommittee on Aging.

Housing for the Negro aged in the St. Louis area is no better and is probably worse than it is for the general Negro population, where more than 75 percent of the total Negro population lives in either slum or blighted homes or neighborhoods.

That the housing and other socioeconomic conditions of the aged Negro will worsen in succeeding years unless immediate action is taken, is borne out by the following facts:

First: Like his white counterpart, the Negro aged is an expanding group as his life expectancy and longevity rate is advancing. According to the U.S. census, the Negro's life expectancy at birth almost doubled between 1900 and 1956, moving from 33 years to 63.2 years in a 56-year span. There are just more aged Negroes today than yesterday and there will be more tomorrow.

Second: Because the majority of Negroes in the labor force work at unskilled and common labor jobs, he is "retired" earlier than other workers.

Third: Because of the comparatively low wages he received while employed, his pension benefits are proportionately lower causing a greater need to exist among the Negro retired than whites. Significantly over 45 percent of the old-age assistance caseload in St. Louis is Negro whereas Negroes make up less than 25 percent of those 65 years and over.

Fourth: Private boarding homes available to the aged Negro in St. Louis are nominal, almost to the point of nonexistent. Only three such homes are known to the urban league and, with one exception, the cost for care is prohibitive, being in excess of \$100 monthly. Significantly, too, Negroes make up 480 or 40 percent of the total clientele currently housed in the city's chronic hospital. Officials of the chronic hospital report that many of the Negro inmates could and would be discharged if private boarding homes were available to them. Hospital officials further report that their intake shows that the rate of admissions of Negroes is higher than whites.

Fifth: Historically, in the absence of community resources, the aged Negro has had to look to his own immediate relatives and friends to provide him either with partial or total care in his later years. The relative decline in Negro income since 1956 (when compared with white income), and the disproportionate number in the Negro labor force who are becoming members of what Secretary of Labor Goldberg calls the hard core permanently unemployed, is contributing now and may contribute more in the future to the rise in the number of aged Negroes who are public charges.

Sixth: Ironically it is the aged Negro male and his equally aged wife or widow who constitute the most pathetic and permanent casualties to community rebuilding programs.

These persons have contributed, over a period of three to four decades, services which have been important factors in the community's earlier development. Many, through sacrificial thrift, have been able to purchase or build homes and shelters in slum and blighted areas—the only areas open to Negro citizens at the time of purchase. Some of these homes are located in unincorporated areas of the county. There are Negro aged too who live in rented homes and apartments that are substandard and must give way to rebuilding programs.

Where will these persons relocate?

The price the aged Negro receives for his home is not enough to cover the cost of another dwelling. Their future earning power being exhausted, mortgageholders are not inclined to make them the necessary loan with which to purchase another home.

The aged renter is confronted with a similar situation.

As demonstrated by this statement, the housing problem of the Negro aged develops out of a continuum which has its matrix in racial discrimination and segregation.

In the interest of the aged citizens, who are among the least capable of helping themselves, in recognition of the immeasurable past contributions these aged citizens have made to this community and this Nation's growth and development, and to eliminate unnecessary physical suffering and mental anguish which have no place in a democracy such as ours, we respectfully submit for your consideration the following recommendations:

1. That needy aged homeowners, displaced by federally sponsored projects, be provided with subsidies or grants sufficient for them to purchase and be relocated in standard housing.

2. That further study be made of the housing problems of the aged rental tenant who is uprooted by federally sponsored projects, in the interest of permitting him greater choice in the selection of his housing. Currently his choice, if Negro, is either public housing or public institutional care. Consideration should be given to allowing low-interest loans and/or grants in aid to nonprofit organizations who would provide rental housing to the aging without discrimination and segregation, solely on the basis of need and the aged person's ability to pay. This is especially desirable in the Negro community where racial discriminatory practices restrict severely private housing for the aged Negro.

Mr. BOHANON. I would like to summarize briefly some of the points I think are most important.

Senator SYMINGTON. That would be fine. We will be glad to hear from you.

Mr. BOHANON. First of all, gentlemen, I want to thank you for giving me this opportunity to present our testimony to you. I would like also, as I indicate in my statement here, to present to you what I consider just some brief credentials in identifying myself.

I am Leo Bohanon. I am executive director of the Urban League of St. Louis and I have training professionally in sociology, economics, social work, and I have been the executive director of the urban league for the past 14 years, both in St. Louis and in the city of Omaha, Nebr.

We represent a national organization with headquarters in New York and we have 63 affiliates throughout the country. We are concerned primarily with raising the living standard of Negroes residing in urban centers, and we do that through use of the method of research, workmen's employment, guidance, and housing and health and welfare, and in St. Louis we have been working in that capacity for the past 43 years and we are supported by our United Fund.

Now, the housing for the Negro aged in the St. Louis area is no better and probably worse than it is for the general Negro population where we have over three-fourths of a Negro population living in slum neighborhoods. The housing for the Negro aged, their problems are the same as the problems that the white aged face, with the added problem, of course, of racism. I would say that the housing and other socioeconomic conditions of the aged Negro will worsen in succeeding years unless immediate action is taken. There is a feeling, and I think it is borne out by some observation, especially in the Negro community, that you can deplete slum clearance with Negro clearance because the greatest concentration of your Negro population lives in the slum areas. And when you do have slum clearance, and which means clearance of your Negro population, you have a massive problem of relocation which, in my opinion, has not been solved in any city yet. As I said, the problem will be worsened rather than improved. I say it for the following reasons: First of all, your Negro aged in our community and our Nation is increasing, and in the last 56 years the lifespan of the Negro at birth has gone from 33 years to about 63 years, which means that we are having more older Negroes in our community today and will have more tomorrow. Second, the

problem will be more increased in the future because the majority of Negroes in the labor force work at unskilled labor jobs and because of that, doing heavier unskilled work, he is retired earlier and he becomes an aged Negro earlier than the whites become aged whites. Third, I would think because of the comparatively low wages that the Negro received and because his pension benefits are proportionately lower, and because a greater need to exist among Negroes retired than whites and I think that is significant when we look at our social security program in our community today in St. Louis where we find that 45 percent of all of those on old-age assistance are Negroes, whereas Negroes make up less than 25 percent of those who are 65 and over.

Another factor is the matter of private boarding homes that are available to the Negro. They are nominal to the point of nonexistent and only three such homes are known to the Urban League and the cost for care in two of these is somewhat prohibitive, being over a hundred dollars a month. I think, too, it is significant that about 40 percent of those in our chronic hospitals here in St. Louis are Negroes because they cannot find care elsewhere because of either income or the lack of availability of boarding homes. I could go on, but let me say this, that by and large when we think in terms of the aged Negro who is suffering the most, the aged Negro male and his aged wife or his widow, they constitute, I would say, the most pathetic and permanent casualties to this rebuilding program because it has been said before, many of them through sacrificial thrift, I would say, have been able to purchase and build homes and shelters in the slum and blighted areas 20, 30, 40 years ago, the only areas that were open then and to a great extent now to Negro citizens. Some of these homes are located in unincorporated areas of the country. Then there are your Negroes, too, who are aged who live in apartments and rented homes that are also substandard and must give way to building programs. The question is where will they relocate, because the price that the aged Negro receives for his home is not enough to cover the cost of another building, and their future earning power being exhausted, as has been indicated earlier by testimony, and they do not qualify in most cases for mortgage loans.

Well, as I say, as demonstrated, I think, by the statements we have made so far, that this housing problem of the Negro aged is somewhat different from that of the white because it develops out of the continual, which has its matrix in racial segregation and discrimination, and I think we must do something more than the ordinary because of the special problem that confronts your Negro aged if he is to get relief at all, and I would like to suggest consideration of two points.

The first point that the Negro, that the needy aged homeowner who is displaced by Federal projects be provided with subsidies or grants sufficient for them to purchase and be relocated in standard housing. And the matter of subsidies and grants and parities is almost a way of life in our Nation today, especially that is true when it comes to those in the area of production and manufacturing, and I see no reason why it cannot be applied to human beings.

The second point is I feel further study should be made of the housing problem of the aging rental tenant who is uprooted by feder-

ally sponsored projects. Currently the choice of the Negro who is uprooted in rental housing is either public housing or public institutional care, and in many cases neither are satisfactory. Consideration should be given to allowing low-interest loans and/or grant-in-aid to nonprofit organizations who will provide rental housing to the aged without discrimination and segregation solely on the basis of the need and the aged person's ability to pay. I think this is especially desirable in the Negro community where racial discriminatory practices restricts severely private housing for the Negro. As I said earlier, it is a problem that will continue to grow unless immediate and positive action is taken to correct it.

Thank you very much, sir.

Senator SYMINGTON. This is a fine statement, Mr. Bohanon, and I believe perhaps Senator Long, Chairman Long, and Senator Dirksen might be interested in asking some questions against it and therefore I say for the record that if they write you, I am sure you would answer any questions that they would have against the record.

Mr. BOHANON. I would be happy to, sir.

Senator SYMINGTON. I want to say myself, some of the problems incident to the slums in this community to which you have referred are most regrettable and I would hope that we do all we can to correct it. And, as you know, we have made some fine efforts along those lines.

I would like to ask one question on page 5, if I may. You say consideration should be given to allowing low-interest loans and/or grant-in-aid to nonprofit organizations. Well, of course, under our new Federal program, we can make loans now. Do you know of any efforts to farm any nonprofit organizations to undertake projects in this field, that are under the auspices or associated with the Urban League?

Mr. BOHANON. I know of one that has a very pressing problem of expansion because that they do not have the facilities to take care of the number they have on the waiting list, and they do need some type of help and support in order to expand their facilities.

Senator SYMINGTON. I just wanted to mention that we now have funds to lend and if there is any way I can be of service to you to that end if you will write me a letter based on this hearing, I would be very glad to try to be of service.

Mr. BOHANON. Thank you very much, sir.

Senator SYMINGTON. Thank you for coming.

We have two more witnesses, Mr. Joseph Pollock, is Mr. Pollock here?

Have you a prepared statement?

Mr. POLLOCK. I do not because I was given word rather late in the afternoon that I would be here, so I will have a statement for you this afternoon.

Senator SYMINGTON. You will file a statement for the record?

Mr. POLLOCK. Right, sir.

Senator SYMINGTON. And will you summarize your remarks, because of the problem we have?

Mr. POLLOCK. Yes, sir.

Senator SYMINGTON. As I understood it, Mr. Pollock, you are president of the St. Louis Park Area Improvement Association, is that correct?

Mr. POLLOCK. That is correct.

Senator SYMINGTON. Thank you, sir. Will you proceed.

STATEMENT OF JOSEPH POLLOCK, PRESIDENT, ST. LOUIS PARK IMPROVEMENT ASSOCIATION

Mr. POLLOCK. We are the representatives of the people, the people within the Murphy area project, rehabilitation and renewal. Naturally we have been for years fighting for rehabilitation. We find this, and I have listened to the gentlemen speaking, I have listened to the comments from the Senators, it is my firm belief that at the present time using the facilities that we have will meet approval of the officials as they were so ordered, we don't need a development of a lot more new laws and regulations and so forth. We are capable of doing a lot of things. Today FHA housing and independent banks and investment houses are wary of, but we find that if pressures are exerted that they do begin to get in line and we do get the things that we desire. In the Murphy area over 80 percent will remain standing. Now that 80 percent is based upon surveys which do not include the fact that better than 3 percent of those 80 percent are owned by elderly people within the area, and people who will not be able to finance the rehabilitation if it comes up a little bit too high. People are so prone to believe and accept as facts. We in the Murphy area have accepted as fact the new housing bill and its financing. It is going to make it possible for us to alleviate a lot of our apparent troubles. We found at first that there was objection on the part of the lending institutions to lend along that particular line but they have since changed their mind and we are in the process of organizing a pool which will sufficiently allow us to rehabilitate almost everything within the Murphy area and under the best financing laws as prescribed by the 1961 bill. I think I would rather leave it go at that, because we have found a lot of problems, as you are well aware of, you people discuss a lot of problems, you go over them, you rehash them, but quite frankly, I think that the framework has been built and all that we have to do is to have enough guts to take advantage of it and to get people in places, such as yourself, to help us along and there are no problems that we have to overcome. Thank you.

Senator SYMINGTON. Thank you very much, Mr. Pollock. We appreciate your contribution to these hearings.

(The prepared statement of Mr. Pollock follows:)

PREPARED STATEMENT OF JOSEPH POLLOCK, PRESIDENT, ST. LOUIS PARK IMPROVEMENT ASSOCIATION

I presented verbal testimony at the time of the hearing, and I appreciate this opportunity to present a written statement that will become a part of the records of the hearing.

I am president of the St. Louis Park Neighborhood Improvement Association. It is an organization of residents, businessmen, institutional, and religious leaders which was formed 8 years ago to improve the cultural and physical conditions of our section near the downtown business area. Because of the broad representativeness of our organization and by our activities to improve neighborhood conditions, we have become very acquainted with the elderly

persons in our community and some of the factors relating to their housing conditions and needs.

There are about 35,000 people in our area. Approximately 14 percent are over the age of 60. Between 15 and 26 percent of the dwelling units are owner occupied. The average contract rent is between \$36 and \$43 monthly as revealed by the 1960 census. Approximately 53 percent of the homes are valued between \$5,000 to \$10,000, and 26 percent are valued less than \$5,000.

Although the 1960 census revealed that less than 8 percent of the dwelling units are dilapidated, it did reveal that 22 to 53 percent of the units were deteriorating. Because of this high percentage of deteriorating housing and poor environmental conditions in this elderly neighborhood, our area is now being planned as an urban renewal project by our local land clearance authority. Preliminary planning is now in process with the execution of a renewal plan to begin in several years. Preliminary studies indicate that a large percentage of the dwelling units will be retained but will need major rehabilitation. However, there will be some demolition of housing units because of poor condition or to clear sites for public improvements and park space.

With this background information, it can readily be understood why our organization is particularly concerned about the needs of housing for elderly persons and the resources that low income elderly persons have to meet these needs. We definitely foresee that some special difficulties will arise for elderly persons in our area, both homeowners and renters, as they are affected by the tremendous changes of the urban renewal process and program. Even under current conditions and regulations, many elderly homeowners have insufficient income to make minor repairs on their property. This will become an even greater problem when the urban renewal regulations will require higher standards and general upgrading of property throughout the area.

Many of the older persons earned a low income from unskilled employment during their productive years and, thus, have accumulated very little savings beyond the equity that they now have in a lower priced house. As an example of a number of persons in our neighborhood, there is a 76-year-old widow in fair health living on an income of approximately \$65 per month. She owns and occupies a small frame dwelling which has deteriorated to such an extent that it is now not only an eyesore in the neighborhood, but also is hazardous to herself and to the adjacent buildings.

We know that a house or a small apartment means much more to an elderly couple or individual than just a place to live. With the infirmities, emotional change, and feeling of loneliness that comes with old age, the individual becomes more and more attached to his home and surrounding neighborhood as a place of security and emotional support. They are very reluctant to move to another dwelling, much less move to another neighborhood that would break many of their strong ties with their local community.

The elderly persons who own homes in our area are particularly concerned and worried about the effects of the urban renewal program upon them. They realize that some of their houses are so deteriorated that they will be purchased at a very low price and torn down. Because of the conditions of the house and the neighborhood, they will receive only a few thousand dollars as a fair market value for it. Even though the home may not look like much to others, it is debt free and their security. Only a small amount is spent each month for utilities. With the tremendous rising cost of property in recent years, it will be impossible for them to purchase another safe and sanitary home, debt free, within our area, much less in another area in the city. Because of their age, it is practically impossible, under current policies of lending institutions and prudent financial management, for them to secure a mortgage to supplement their own funds to buy another used home. These elderly persons will, therefore, be forced to become renters when they have worked and saved for many years to get the great security and lower cost of living that is involved in homeownership.

These older persons would not voluntarily move, but because of the good of the total community and the general public, they are forced to move. Because of this forced relocation, we are becoming more and more convinced that the general community through its governmental agencies should bear part of the cost of the burden of such movement on elderly persons in these circumstances. Experience already gained from a relocation project in another portion of our city has revealed that unless some better arrangements for financial assistance and personal services are provided for elderly persons, both renters and home-

owners, then the whole process of renewing our older inner city areas may be forced to a halt by negative public reaction to its very harmful effects on people.

Our neighborhood, like other neighborhoods in the city, requires that an urban renewal and rehabilitation program continue. We are extremely pleased that the Federal Congress and the local governments have taken this creative and new approach to overcome some of the effects of slum and blighting conditions. However, new legislation and additional special funds are needed to help persons who are involved in urban renewal areas, but particularly the elderly persons.

With this background of information and concern, we would make the following recommendations:

First recommendation.—As one approach to this problem, we would urge Congress and the pertinent Federal departments to develop a new approach as part of the urban renewal program that might be carried out as follows: Under appropriate administrative safeguards and eligibility requirements, a grant of money would be given to the elderly homeowner whose house is demolished. It would be of sufficient amount to supplement the proceeds from the sale of his house to buy, debt free, another used but safe and sanitary house. The cost of these grants would be charged to the total project cost of the renewal program. If the longrun administrative costs were not prohibitive, a portion of this grant could be recovered by placing a public lien on the property to be collected upon the death of the elderly person. Existing State welfare departments which have experience in these matters might administer this part of the urban renewal program. To be eligible for a grant, the person would have a very limited income and assets and have owned the house for some years—15 to 20 years.

The development of interstate highways through urban areas is having a similar relocation impact on elderly homeowners, and a similar grant provision should also be established by the State and Federal highway departments. The number of persons involved in any one community who would meet the eligibility requirements should be relatively small. With the tremendous public subsidy programs for a whole multitude of other needs in our country, it definitely seems that such a small subsidy for this portion of our elderly population is definitely justified.

Second recommendation.—Provisions should be made for increasing the supply of low-income housing to meet the needs of the increasing number of elderly persons with low incomes. Part of this supply can be provided by more public housing units, but more of them should be built on small sites and scattered throughout the various neighborhoods. This would reduce the institutional features that are painfully evident in some of the existing public housing project areas. The increased cost of managing scattered, small sites should be less in the long run than the increased social costs that are involved in huge projects with a dense population.

Public housing authorities should purchase and rehabilitate existing apartment units and operate them as low-income housing. This would reduce the dislocation caused by demolition and construction of new units. The cost also may be cheaper than new construction.

The leadership of the private housing industry has clearly stated that it is not financially feasible for them to profitably construct and operate rental units at rents that a large number of low-income persons can afford to pay. These low-income families are now finding shelter, however, inadequate, in slum and overcrowded housing. However, the supply of this type of housing is being reduced through urban renewal and highway programs. It is no accident that a large number of elderly persons are living in slum areas.

We urge Congress and the private building industry to increase their funds for research to develop new methods for producing less expensive construction methods and materials and thus lower the cost of new housing.

We commend Congress for passing the amendments of the 1961 housing law, such as the section 221D3 that provides for the formation of limited profit corporations to build apartments that will rent lower than normal because of special low-interest rates on loans.

Third recommendation.—The relocation payments and personal assistance given in the urban renewal program should be expanded through legislation and additional funds to give more special assistance to elderly persons that are forced to relocate. Specially trained staff should consult with the elderly families at the very earliest planning stages to assist them in relocating satisfactorily. In many instances, elderly persons need more advice and assistance

than the younger families that will either be relocated or must rehabilitate their existing homes.

Fourth recommendation.—We urge Congress to continue and expand the funds for construction of additional nursing homes for elderly persons. However, minimum standards for provision of personal care in these homes should be established at Federal and local governmental levels. Care must be exercised that these nursing homes are located so that the elderly persons will not be isolated from the surrounding neighborhood and other human contacts. Consideration should be given to the sale of cleared land in urban renewal areas for the construction of nursing homes.

We recommend establishment, under appropriate administrative safeguards, of a program to provide direct loans, through the Housing and Home Finance Agency, to elderly homeowners for purposes of financing repairs and improvements required by urban renewal programs, with such loans to be secured by a lien against the property, and to be repayable to the Federal Government at the time of resale of the property.

Senator SYMINGTON. The last witness, Mr. Irvin Dagen. Is Mr. Dagen here?

Mr. DAGEN. Yes.

Senator SYMINGTON. Have you a prepared statement?

Mr. DAGEN. No, I do not. I have a draft of a statement which will be finished and submitted to you within a couple of days. I must apologize for Mr. Farris, who is the executive director of the housing and land clearance authority. Unfortunately he had to be out of town and I was in court all morning and I am going to do the best I can to present a few points to you and then give you the written statement within a few days.

I have here with me Mr. Simon Werner, who is the director of management of the St. Louis Housing Authority, and Mr. Jack Mueller, who is the supervisor of tenant relations, so that if you have any questions relating to public housing—I understood from them that some had come up this morning, although I wasn't here myself this morning—you might want to question them about it.

Senator SYMINGTON. I appreciate that, Mr. Dagen. First, would you give my regards to Mr. Farris, and, second, would you be good enough, inasmuch as I am substituting here and we have this problem of time, to summarize your remarks that you have this morning and then complete them in the prepared statement?

Mr. DAGEN. I will try to make it as brief as possible, and without knowing what people have said this morning, try not to cover what they did say, although I think I will overlap in some instances.

Senator SYMINGTON. Didn't you have anybody here this morning at the hearing?

Mr. DAGEN. Yes, there were several people here, yes.

Senator SYMINGTON. Haven't they told you what we have covered?

Mr. DAGEN. Not in any detail, no. I just walked in. As I say, I had to be in court this morning.

Senator SYMINGTON. I was only asking because we have covered quite a few things here this morning.

STATEMENT OF IRVIN DAGEN, GENERAL COUNSEL, ST. LOUIS HOUSING & LAND CLEARANCE AUTHORITY

Mr. DAGEN. So I understand.

The way we look at it, housing is our particular area of endeavor, the provision of housing for elderly people, as well as other citizens of the community of low and moderate income. But we realize, and we see

this in our day-to-day activities, that there are many problems which the elderly face which cannot be solved by the provision of housing alone, and while we are not, of course, in a position to make specific recommendations for other assistance, other benefits, medical care and items along that line, we do feel we should call to your attention the fact that in the provision of housing we do run into these other problems of the elderly.

Now, there are 6,682 low-rent public housing units in St. Louis at this time, and about 1,860 of these are occupied by elderly persons, which means that about 28 percent of the public housing units, in the city of St. Louis are occupied by elderly persons. I think you will see from this that on a proportionate basis the low-rent public housing program is taking care of a considerable number of elderly persons and families.

Senator SYMINGTON. Excuse me for interrupting you, if I may, for clarification. You say "28 percent." Is that 28 percent of 65 or over?

Mr. DAGEN. Sixty-two or over. We also consider in the category of elderly the totally disabled, as provided by the social security law, they are considered as elderly in this whole category.

The matter of special facilities, of course, is one that has been gone into by the housing authority. We have one special building for the elderly up at the present time. I wish that the committee, the entire committee, could have had an opportunity—and it may still have an opportunity—to visit that particular building, the Webbe project building for the elderly. I believe Senator Long did visit the building yesterday. I think it is a revelation, because you see there a community, a total community in which the elderly in this particular building—and the elderly, of course, in other units of the project—are not isolated from a community as a whole. In this one building there are only elderly, but even in that one building they are so closely tied with the other buildings, that they feel themselves a very, very important part of the total community made up of younger families, made up of families with children. Of course, there is a job to be done there to draw the elderly into the total community, to use their skills, their desire to be helpful, their desire to work in community activities.

Now, I am skimming through much of this, but it is our feeling that there should be legislation on a Federal level to provide an additional subsidy to housing authorities for the operation of a total community for the elderly. I am sure you are all familiar with the fact that the construction of low rent public housing developments are financed by contributions by the Federal Government, by a contract procedure which amortizes the loans made over a 40-year period. But for the operation of the housing authority projects there is no subsidy except in the 1961 act which provided an amount up to \$10 per unit for each elderly person or family. When I say person or family I mean the person may be the family, but not for each individual person, but for each individual unit there is an allowable subsidy of up to \$10 per unit per month. The problem here is that it is a rather complicated formula for arriving at whether a subsidy will or will not be paid to a particular housing authority, and it doesn't relate entirely to the operation of the units for the elderly alone, but for the total operation of the housing authority, which in some cases would end up with no subsidy going to the local housing authority. In addi-

tion to that, as it is now set up, there are no special funds appropriated for this purpose, but the funds will come out of the appropriations for subsidy each year if these funds are not used up for the other subsidy which is to pay the interest and amortization of the loans for the construction of public housing.

In addition to that, in the very construction of public housing there are very many limitations on what may or may not be built, that is, what may or may not be provided for the resident, and particularly the elderly residents. So, generally speaking, the rule has been that we may build structures but not much more. Commercial facilities present a problem, as do parks and recreational facilities and medical facilities. These should, in our opinion, be part of the cost of development, and then that cost would be taken care of by the annual contributions contract and amortized over the normal period of about 40 years.

The city of St. Louis has an excellent committee which has been appointed by Mayor Tucker to study the needs of tenants in low rent housing developments and Dr. Nicholas Demarreth, of Washington University, is chairman, and the vice chairman is Mr. Donald Gunn, a prominent attorney here in St. Louis. Their work, of course, is to go into the entire low rent housing program, but some of their effort, naturally, will fall into the area of the 28 percent of the families mentioned earlier, the elderly families who are in tenancy at these housing projects.

In the older neighborhoods of the city, we feel that there is a decided need for further Federal assistance to make it possible for the older people to remain in the areas in which, perhaps, they themselves have grown up, certainly their families have grown up, and where they might be able to live along with their married children and their children in the same neighborhood, same general area. This, of course, presents many problems because you have some of the older people living in the larger homes which are not easily rehabilitated or brought up to a standard which would make them good homes. On the other hand, they also have a lack of ability in many cases to maintain the older homes. We are looking for a program which will enable us to provide for the rehabilitation of older neighborhoods so that some of the older homes might be converted into smaller units.

Senator SYMINGTON. Mr. Dagen, I am terribly sorry, but I told Senator Long that I would stay until 12:30 and it is now 12:35. You are going to file a statement for the record. I would like to have it inserted in full in the record at this point. What you say is very interesting, and especially to me as it involves the city. I am very interested in it. But I have another engagement out of town and I am going to be very late as it is. So, if you will forgive me, we will recess until 2 o'clock.

(The prepared statement of Irvin Dagen follows:)

PREPARED STATEMENT OF IRVIN DAGEN, GENERAL COUNSEL, ST. LOUIS HOUSING AUTHORITY, LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF THE CITY OF ST. LOUIS

HOUSING FOR ELDERLY PERSONS AND FAMILIES

The provision of proper housing at rents or sales prices which elderly persons and families can afford to pay is but one part of a much larger total program for the elderly. While housing is of great importance, it cannot in and of itself answer all needs or solve all normal or special problems. Although our activities

and our experience are in the area of housing, in our work we are often faced with the problems brought about by the lack of other facilities and services for the elderly.

While we are not in a position to make specific recommendations for assistance other than in the area of housing or matters closely associated with housing, we can assure you that in order to make the best use of any program for housing the elderly there should be much more adequate welfare benefits, provisions for medical care assistance, and other essential recreational and social services to serve their needs. We are certain that your committee will take these other factors into consideration when making specific housing recommendations. It should also be noted that many of the recommendations we are making here for housing for the elderly, as well as the supporting facilities for such housing, should be made available for other persons who, although not elderly, find themselves in similar financial circumstances through no fault of their own.

Our authorities, the St. Louis Housing Authority and the Land Clearance for Redevelopment Authority of the City of St. Louis, obviously deal with only a portion of the housing market. First of all, we deal with the low-rent public housing program. Of the 6,682 low-rent housing units in St. Louis at this time, almost 28 percent (1,863) are occupied by individuals or families where the head of the household is either over 62 years of age or permanently and totally disabled. However, a total of 1,863 apartments is not sufficient to deal with the needs of elderly persons and families in the St. Louis area. Several times that number would be required to begin to meet that need. In the city of St. Louis about 20 percent of our citizens are over 60 years of age, or about 150,000 out of a total of 750,000.

As others will undoubtedly bring out in their testimony, the need for commercial, recreational, and other community facilities is an essential one not only for the physical, social, and mental well-being of individual tenants in low-rent housing but for the development of a stable and congenial environment—a total community. Due to limitations of funds (and therefore staff), many local private and public agencies are simply unable to meet the demands on their services. Federal legislation is needed to provide sufficient funds to enable local housing authorities such as ours to provide the above facilities, either by employment of staff personnel, or by contracting with local private and public recreation, and social service and welfare organizations. We believe this would be reasonable in cost.

In St. Louis Mayor Raymond R. Tucker has appointed a mayor's committee which has been studying the needs of tenants in low-rent public housing developments. This committee is under the able chairmanship of Dr. Nickolas J. Demarath, director of the social science institute at Washington University, and the vice chairman is Mr. Donald Gunn, a prominent attorney in our city. Although the focus of the committee is not limited solely to the needs of the elderly, many of the preliminary findings and conclusions of this group parallel closely the observations and recommendations being brought out here today. As soon as the results of these studies are complete, we will forward them to your committee, and we trust they may be of assistance to you in the preparation of legislative recommendations to the Congress for the improvement of public housing for the elderly.

We have provided, in our most recent developments, housing which is both attractive and functional for elderly persons. We have special buildings, one already completed, one about to go under construction, and two in the architectural planning stage. We have provided special facilities within such buildings. But, we have housed elderly persons and families within housing developments which contain younger individuals and families, and in this way we have helped both the elderly and the younger families. However, we have not met even a small fraction of the need for housing low-income elderly.

There is a great deal of assistance which elderly persons are able to give to housing authorities in the achievement of a normal, stable neighborhood atmosphere in housing developments. There is a sense of belonging and a feeling of being wanted and needed by the entire community which is very important for elderly persons, particularly those of low income whose means of securing outside recreational facilities is limited by their low income. This need to feel a part of the life of the community is even stronger for those persons recently relocated from other sections of the city, whether through urban renewal or other programs. The feeling of being cast aside is very real. Every effort must be made toward making the transition as untraumatic as possible, and public

housing located near areas of relocation has, and can even more, furnish a haven for such persons.

In spite of the long waiting list which our authority has for apartments for elderly, we know that many of the elderly persons who are living in our housing developments, and many others who would be available for occupancy if we had additional units, find it difficult to pay our present rentals. In those cases where they do pay such rentals, they are often sacrificing other basic needs. Our present rentals average about \$40 per month, although a few units are rented at as low as \$32 per month. Old-age assistance payments in Missouri are \$65 per month maximum, and social security benefits average about that amount per month. You can readily see that while our rents are comparatively low, they are still beyond the reach of many of the elderly. Thirty-six percent of the elderly families in the city of St. Louis have incomes of less than \$2,000 yearly.

Under the Housing Act of 1961, there is a provision for a subsidy by the Federal Government to local housing authorities of up to \$10 per month for the housing of elderly families, under a rather complicated formula, and not out of funds specially appropriated for this purpose. A more reasonable approach would be a sliding which would make it possible for local housing authorities to provide housing units for elderly at rentals which would enable the elderly to take care of their other basic needs as well. We urge you to work for the passage of the necessary legislation for more flexible provisions for subsidies to low-rent housing authorities for housing the lowest income elderly persons and families, particularly those whose incomes are in the \$1,000 to \$2,000 yearly category.

We would very much appreciate a visit by your committee to our Anthony Webbe building for the elderly. We believe you will see there a fascinating example of the design of a building especially for the elderly, placed within a larger low-rent apartment development, and a building in which the tenants show a worthy community spirit, both in their outlook and their activities. This building speaks more eloquently than mere words for the need for more public housing for the elderly.

In our urban renewal program, which includes new housing, as well as the rehabilitation of existing housing, we are faced with high costs of construction and short periods for amortization by the elderly occupants. We are concerned that even the excellent Housing Act of 1961 does not go far enough in providing a solution for the needs of elderly persons and families whose income may be slightly higher than tenants in low-rent public housing developments, but certainly not high enough for housing in the present private market. We would like to see an urban renewal program which is integrated with the public housing program so that land and construction costs could be underwritten by the Public Housing Administration, and thereafter local housing authorities could be permitted to serve the moderate income elderly group.

Moderate income varies from age group to age group. Among the elderly the median annual income throughout the United States, in urban areas, is \$3,335 for elderly families and \$1,137 for elderly individuals. The median income for all families in urban areas is \$5,755. Moderate income in the elderly age group would be those with social security or other pension benefits plus some additional income from invested funds, or from part-time employment. For these people both sales and rental housing should be made available under special subsidized mortgage programs. These need not be public housing, and in fact homeownership and private rentals should be encouraged, but here too special parks, recreation centers, medical centers, and other facilities especially needed by the elderly should be made readily available to them. Also commercial facilities should be easily accessible. Such a program may require direct Federal assistance in addition to FHA or FNMA underwriting.

The provision of the moderate income housing for elderly could be tied in very well with the development of moderate income housing for younger families in urban renewal areas. Here again there would be achieved a total community in which the elderly would be both wanted and needed, and in which the elderly would be able to contribute to the rebuilding and the stabilizing of the areas in our city which have deteriorated, some beyond repair, but many, fortunately, still susceptible of rehabilitation if we can get there quickly enough and with sufficient funds for a total neighborhood job.

This brings us directly into the problem of the rehabilitation of our older city neighborhoods. Many of our elderly citizens have grown up, have raised their families, and have lived all of their lives in what are now the older areas of our

city. These people like to remain in the city, and they would also like to see their married children (and their families) remain in their neighborhoods in the city. But there are problems. Some of the elderly persons may no longer be able, physically or financially, to retain their original homes. If provision could be made for the supplying of smaller units for rental or for sale, at rent or at sales prices which the elderly could afford, then some of the large homes in old neighborhoods could be rehabilitated for housing younger families. At the same time, it would be possible, with Federal financial assistance, to rehabilitate some of the larger homes for multiple units for the elderly. Some could be public housing units, and others could be under private ownership and management.

We have advocated in the past, and we continue to advocate, the sale of homes within the city, in the older neighborhoods, at prices which would enable young families to undertake extensive rehabilitation. The provisions of the Housing Act of 1961 shall be employed by our authorities to provide housing for the elderly, as well as to provide housing for younger families, for the achievement of the best in city neighborhoods for a composite of family life. We need, however, a higher percentage of participation by the Federal agencies in urban renewal for rehabilitation of neighborhoods, 80 percent rather than the 66½ percent as under the present law for cities our size.

One additional area we wish to call to the attention of the committee for its study and legislative action is that of the older hotels in downtown areas. While structurally sound, they are no longer in a position to compete with either the newer hotels or the newer motels, many of them outside the downtown area. Some of these hotels are in small urban communities. We have seen some of these hotels converted to use for higher income elderly persons and families. We have one such hotel in St. Louis, formerly the DeSoto Hotel, and now the Alverne. But this converted hotel, which serves a most pressing need for moderate income elderly persons who wish to live downtown, does not answer the need for such living by lower income elderly. An individual requires an income of at least \$2,500 and an elderly couple at least \$4,000, to live here. If some of the hotels were converted to public housing, they could serve those elderly in the lower income groups we spoke about above.

A study should be made of the hotel area of housing, to seek a specialized program for mortgage aid or direct Federal loans or grants to organizations, public or private, which would undertake the rehabilitation and conversion of unprofitable downtown facilities for rental or cooperative housing units for the elderly. Careful attention should be given to the limited economic resources of our older citizens and the need for flexible housing programs which take into account their special needs, and it may be that a large private as well as a public housing market could be encouraged here.

As our elderly citizens become a larger and larger percentage of our community, it appears advisable to study the totality of their needs, and their place in the total housing market. By so doing, we may be able to insure the continuity of established neighborhoods and the prevention of segregation by age groups. Housing for the elderly should be scattered throughout the metropolitan area and should provide for every income level group. We have spoken here primarily of low rent public housing, of moderate income housing and of urban renewal and urban rehabilitation and Federal assistance. Yet we are certain that your committee is also investigating the nonassisted private market and will also gear its legislative recommendations to the needs of that market.

In conclusion, our experience has impressed us with the need for Congress to meet the problem of housing for the elderly unflinchingly. If its investigations show that any sector of the housing market is or may become inadequate for easily foreseeable needs, then Congress should come forth quickly with a program of sufficient size to make a massive and effective attack on the problem of housing for the elderly. The local public housing and urban renewal agencies offer a large reservoir of experience. So do the heads of the Federal agencies dealing with housing, Mr. Robert C. Weaver, Administrator, Housing and Home Finance Agency; Mr. William L. Slayton, Commissioner, Urban Renewal Administration; Mrs. Marie C. McGuire, Commissioner, Public Housing Administration; and Mr. Neal J. Hardy, Commissioner, Federal Housing Administration. They have joined the local agencies in the streamlining of Federal and local agencies for effective use of the provisions of the Housing Act of 1961 and the older provisions of law which had not been fully utilized to heretofore. We are certain that any new legislation based on our proposals or other proposals will be given efficient and imaginative administration by the above Federal

agencies. This has been our experience with these agencies, and we thought it worthwhile to inform you of this experience.

Attached to our statement is a copy of an article which appeared in the New York Times on November 26, 1961, concerning the views of Mrs. McGuire on new ideas in public housing. As you may know, Mrs. McGuire was one of the pioneers in the field of housing for elderly in public housing developments when she was the executive director of the San Antonio Housing Authority. We are certain that the Federal agencies, working with local agencies, and with the assistance of your committee, can find the tools and the resources for properly housing the elderly in our great Nation.

[From the New York Times, Sunday, Nov. 26, 1961]

NEW IDEAS SOUGHT IN PUBLIC HOUSING—UNITED STATES EASING RULES TO GET MORE VARIETY IN PROJECTS

(By Martin Arnold)

The Public Housing Administration has moved to bring more imagination into the design and management of low-rent public housing.

One of the chief aims of the agency is to do away with procedures that have produced nearly identical projects from Maine to California.

This will be accomplished, it is hoped, mainly through a more flexible interpretation of the laws involving public housing. Municipalities will not only be given more authority over their own building programs but also will be encouraged to seek such local control.

Low-rent public housing is that built, owned and operated by public authority. In New York City the maximum yearly income a family may earn to qualify for such housing is about \$6,000.

OBJECTIVES NOW IN VIEW

Mrs. Marie C. McGuire, Commissioner of the Public Housing Administration, said yesterday that a new outlook on the program could accomplish these aims:

Give tenants more pride in their housing and a sense of well-being and status that helps them aspire to eventual homeownership.

Save many neighborhoods and much of the housing in them from destruction.

Stop the concentration of low-income families in particular areas that necessarily become low-income areas.

Provide through tenant management programs a sense of responsibility among tenants, particularly among older persons who now feel useless.

Perhaps run the program on a more economical basis.

The plea for more imagination in the program was made in a letter sent recently to each of the 11,093 local housing authorities in the Nation by Mrs. McGuire.

COST TO BE THE SAME

Mrs. McGuire said that her ideas "will not cost any more money because we are not looking for costly doodads on buildings, but are looking for good design."

"What we need is more imagination from local architects and local housing authorities," she said. "What the localities need is a loosening of the regulations by Washington, and that we will do.

"There are so many regulations about square footage and the space between buildings, for example, that the result is the same housing in Maine and in southern California.

"Let's do things differently. We might make mistakes, but at least we can make our public housing good places in which to live, instead of public institutions.

"We must consider the area in which projects are being built and plan our designs accordingly. Of course, this has been done before, but I would like to see much more of it, much more variation throughout the country and within the cities."

Mrs. McGuire also called for the maximum use of existing structures for low-rent housing, the promotion of scattered low-rent housing to avoid the creation of economic ghettos and the enlistment of more private enterprise in the program.

The letter promised that the Federal agency would now supply the money for the construction of commercial facilities, such as shopping centers, as part of housing projects.

Previously in New York, for example, the city housing authority got around old regulations on shopping centers by acquiring more land for a project than was needed. Then the authority would say that it had miscalculated the land needed for housing and sell a parcel of it to private developers for shopping facilities.

Mrs. McGuire asked the local authorities to consider outside, profit-motivated management of public housing and tenant management of smaller multifamily structures. Tenant managers would get a reduction in rent or an equity toward purchase of a dwelling of their own.

She asked rural areas to consider the shell type of housing in which the tenant constructs the inside in his own way. She also suggested that this could be done in housing rehabilitation in urban areas.

The letter asked the authorities to consider "humanizing present project environments to provide normal and natural humanizing atmospheres for loitering and visiting."

Local authorities were urged to submit ideas to the Federal agency. Mrs. McGuire said the agency would provide "demonstration" funds to try out some new programs and would use the ideas as the basis for requests for new legislation, if needed.

Several of the ideas suggested in the McGuire letter are being tried here, including one that calls for the purchase of multifamily dwellings for public housing.

However, one problem on both the local and Federal levels is developing staff imagination. "New York will have to shake up its housing people to get away from the old programs," one official said here.

Ira S. Robbins, a member of the New York City Housing Authority, said the "letter represents a breath of fresh air from Washington." He added that the Eisenhower administration had "made it as difficult as possible" to get good public housing.

Martin Fine, chairman of the Miami, Fla., Housing Authority, agreed, calling Mrs. McGuire's ideas "very dynamic."

Although no funds were available, the Miami authority had been working on an idea to purchase homes foreclosed by the Federal Housing Administration for the use of families that have too high an income for low-rent housing, but cannot afford their own homes. Mrs. McGuire pointed out that now such funds were available.

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

AFTERNOON SESSION

Senator LONG. The meeting will come to order.

This afternoon's program is to consist of a town hall meeting for the senior citizens. I am told that this is the only time that a committee of the U.S. Senate has used this type of approach to the problem, but it does give us the opportunity to hear briefly from the senior citizens themselves. As I have said before, they are more interested in this problem than anyone else. They have thought about it more, they have worked at it more and are more familiar with it than anyone else. There is a great reservoir of experience in the hearts and minds of our senior citizens, and this gives them an opportunity to convey to the Senate committee their thinking, which will be compiled and studied by the committee and the staff and will be very helpful to us.

I am personally very happy that my colleague, the distinguished Senator from our neighboring State of Illinois and the minority leader of the Senate, Senator Dirksen, is here with us. The Senator is a member of this committee, and we are happy that Senator Dirksen can be here this afternoon.

Now, due to our desire to hear from as many of our senior citizens as is possible to do, we attempt to limit their statements to about 2

minutes. It may vary a minute or two one way or the other, but I hope that you will not take too long a time, because you are depriving some other senior citizen of his opportunity to be heard because we must adjourn this afternoon at 4 o'clock.

I hope, too, that you will remember that you are ladies and gentlemen here and that this is America and everyone has a right to his own opinion. We all know we have a problem here, and there are many ways to approach it, and if someone has a suggestion that doesn't suit the rest of us, well, let's don't indicate perhaps our displeasure, because everyone has the right to be heard. We wouldn't have it any other way in this land. I think it was Voltaire who said "I disapprove of what you say, but I will defend to the death your right to say it."

The members of our staff will be out among the people, the lady here in the blue sweater and some of the other staff members will be here to get your names. We will ask you to come up and speak to the microphone directly in front of us.

Senator Dirksen, would you care to say anything?

Senator DIRKSEN. No, I think you have postulated the meeting so well. I am delighted to see so many. I wonder how many came across the river today. I'd like to see your hands. Well, I'm delighted. It looks like I have as many as Senator Long, and I am delighted to see you.

Senator LONG. Senator Dirksen, I am glad they are here because I thought maybe that we were the only State where we were getting so old and living so long. We are glad, certainly, to have all of you here because, as I said today, this is a problem that affects all of us. It is not a political question. It is not a Democrat or Republican question. We all get old.

So, now, if we could hear from our first witness. Do one of you members of the staff have someone?

STATEMENT OF MONROE W. JACKSON, PRESIDENT, MISSOURI STATE FEDERATION CHAPTER, NATIONAL ASSOCIATION OF GOVERNMENT RETIREES

Mr. JACKSON. I am Monroe W. Jackson, president of the Missouri State Federation Chapter of the National Association of Government Retirees. I would like to read two paragraphs into the record relative to retirement.

Senator LONG. You have a prepared statement?

Mr. JACKSON. Yes, sir.

Senator LONG. Will you file it with the committee, please?

(The prepared statement of Mr. Jackson follows:)

PREPARED STATEMENT OF MONROE W. JACKSON, PRESIDENT, MISSOURI STATE FEDERATION OF CHAPTERS, NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES

STATEMENT OF GOVERNMENT RETIREES FORCED TO LIVE BELOW GOVERNMENT'S OWN ESTIMATE OF SIMPLE LIVING

The Bureau of Labor Statistics has recently released the results of a study on 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 persons on the rolls only 55,955 retirees are receiving retirement income over \$250 per month. Thus it will be seen that approximately 90 percent of all Government retirees receive retirement payments 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, with inflation running rampant, it becomes increasingly harder for an elderly couple to live other than in sub-standard conditions and in many cases in real want and poverty. Employment, even on a part-time basis, for persons over 65 years of age is only 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 urgently beseech the Congress of the United States to consider the above facts and plead for early action on these two bills:

H.R. 6371, bill to increase retirement income credit from \$1,200 to \$1,524.

H.R. 3316, bill to increase retirement annuities 20 percent on each annuity up to \$1,500, and 10 percent on any portion above \$1,500.

Mr. JACKSON. The Bureau of Labor Statistics has released the results for simple living in 20 large cities in the United States. These 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 Federal retirees have retirement income of such figures. The 1960 annual report of the Civil Service Commission shows that as of June 30, 1961, there were 46,908 monthly payments under \$50; 120,130 payments under \$100; 187,134 payments under \$100; 187,134 under \$150; 257,672 under \$200; and 9,436 under \$250; while only 55,955 retirees have an income of over \$250. We would like to bring this to the attention of the appropriate committee so that they may use their influence to exert on the bills that are now before the House and the Senate relative to the increase in income tax exemption from \$1,200 to \$1,534 and the 10 percent cost of living across the board.

Senator LONG. Thank you, Mr. Jackson, for a very helpful contribution.

Senator DIRKSEN. Mr. Jackson, first let me say the committee is always glad to get authentic information, and since that comes from an official Government source, it will be very helpful. I have one comment to make with respect to that increase in the allowance so that there will be no deduction in social security. There has been a very considerable disposition in Congress to increase it. On three different occasions that I definitely remember amendments have been offered to increase that to as much as an \$1,800 allowance. I think there has been growing sympathy for that increase. I can't peg it at a given amount, but I wouldn't be a bit surprised but what there may be favorable action on that kind of proposal, because I recognize and I think others also recognize the problem, and it does preserve the independence of the person who is receiving retirement benefits or social security benefits.

Mr. JACKSON. Thank you, Senator Dirksen.

Senator LONG. Mr. Guy Hardin.

STATEMENT OF GUY HARDIN

Mr. HARDIN. Senator, I am a certified public accountant with offices here in St. Louis, Mo. Permit me to comment, as an accountant at this time in contact with small businesses over southern Illinois and much of Missouri.

The financial impact of our present so-called social security taxes, and as shall be experienced under the King-Anderson bill perhaps is a tax burden and an additional cost of doing business which is great in amount regardless of the theoretic discussion of whether social security is an insurance program or a tax.

I emphasize the effect is a tax and an artificial burden on our business community. The business community receives only an indirect benefit, insurance annuity yields are considerably greater under private insurance contract, a cost which the social security program does not bear.

Even greater adverse effect, in my opinion, is being experienced in the business community with which I am in contact, which are small business, as I say, under the present income tax and social security laws, and would be accentuated to the extreme under proposed compulsory social security on private investment of funds to provide health care for the apparent few that need it.

These effects are a deterioration of incentive for the individual accomplishment and business establishment. These effects are real, and our economy, in my opinion, is feeling their debilitating effect. The opinion expressed by Assistant Secretary Cohen on March 23 of this year that he favored social security taxes alone greater than income taxes, if enacted in legislation, would lead to drastic changes in our governmental system and the strength of our society. Certainly, such a drastic change in our procedures in this country, just to provide health care for an apparent few at the expense of so many, cannot be justified.

We can provide, and we should provide help to those who need it by less drastic measures which, in the long run, would certainly be to their benefit.

Senator LONG. Thank you, Mr. Hardin. Mr. Hardin, how do you propose that medical care be provided for these senior citizens in your suggestion?

Mr. HARDIN. Senator Long, the strength of our country developed and grew on financial responsibility of individual families. I think our juvenile delinquency problem is an instance in point to the deterioration of the family unit, and it is much to blame.

I feel that providing our senior citizens this type of broad compulsory medical coverage is an additional destruction of the responsibility which our families should bear, and a further deterioration of that family unit.

Senator LONG. You haven't told me how you intend to provide medical health insurance for members of our society who have incomes of less than a thousand dollars a year and cannot provide it for themselves. That's my question.

Mr. HARDIN. Senator, the proposed legislation, as I understand it, is much broader than that. The thousand-dollar figure you use can be arrived at many different ways. For instance, in my family, if I include my wife and children in the computation of my income, I could well arrive at a number in the family that have less than a thousand dollars' income.

I think that the responsibility of the medical care for the aged should be first on the family unit and, if necessary in that family unit, by private insurance programs.

Senator LONG. You still haven't told me by what system you would provide medical insurance for citizens of our country who do not have sufficient income to pay it. Assuming everything you say may be true, there are still citizens and still many families that won't fit in that category.

I am not trying to harass you, but I would like to have a suggestion from you, if you have one, as to what method you would provide hospitalization and health insurance for that type of family.

Mr. HARDIN. That type of health insurance and care of our elderly has been provided in the past by the social security programs which we have in our various States and welfare programs in our various States, by the churches and other social units.

Senator LONG. Am I to understand that is your suggestion how it is to be done now, by the churches and that type of group?

Mr. HARDIN. Senator, you are putting words in my mouth which I am not expressing. I did not say that that was the solution.

Senator LONG. I wouldn't attempt to put words in your mouth; I am just trying to get you to express a plan. Whatever plan you have, I would like to hear it. My question was, What method would you suggest, if you have a method. If you don't have, why, tell me. I am not trying to get you to suggest one if you do not have it; but, if you do have a plan to provide medical care and hospitalization for aged citizens who have an income of less than a thousand dollars a year, do you have any suggestion as to how they could be cared for?

Mr. HARDIN. I should like to answer that, Senator, by saying that the extension of the social security program that you propose to provide that coverage is a further extension of a welfare system in this country which may provide medical care for our aged, but in the long run is destructive of their very interest.

Senator LONG. Mr. Hardin, thank you again for an observation, but I give up. I assume, then, that you don't have a suggestion as to a definite plan. Perhaps I am not making myself clear to you.

Mr. HARDIN. You are making yourself very clear, Senator Long, and I would like to, if I had the plan to offer to you to solve the problem you have, I would be glad to present it to you. I feel that the plan which is being discussed here can only be harmful to us.

Senator LONG. Well, Mr. Hardin, let me say this and say to the rest of the audience that actually the medical plan is technically not before this hearing. This particular plan which you referred to which is pending before the Congress of the United States is not before this committee. This is a fact-finding committee, and that particular legislation is before the Finance Committee of the Senate and the Ways and Means Committee of the House, and is not before us, although we are taking testimony if any of our witnesses in the afternoon session want to give it on that.

My point with you, I thought perhaps you had some other suggestion that would be different than the present plans that in the present Federal law we have.

Mr. HARDIN. Thank you, Senator, I appreciate your consideration.

Senator LONG. Thank you, sir.

Mrs. Fullmer.

STATEMENT OF MRS. FULLMER

Mrs. FULLMER. Senator Long and Senator Dirksen and gentlemen, I have thought very much about the fact that since the social security, this being the problem about putting the social security on the medical aid program on the social security, I have also thought very much about the man that didn't have the \$28 for the Kerr bill in the first place, that that's the initial expense, is it not, sir, the initial expense is \$28 for the Kerr bill on the insurance? Is that not so?

Senator LONG. It is my impression it is more than that, but go ahead. I am not sure.

Mrs. FULLMER. I was under the impression that that was the initial expense. For instance, taking myself, because I know only of myself best. I had my own home, I bought and paid for it, I am a working woman. I have been alone since 1935. I had one son. I sent him to service, sent him through school and college, 2½ years premedics, and then I became ill because I was working 18 to 22½ hours each day, that included Sunday, to put him through school. But I did it and gladly.

Then I became ill in 1949. I had my first operation in 1950 and had another. In 1952 I was able to go to work. I worked as I could for 9 months, 6 months, 7 months, and so on through until—and the doctors didn't know what was the matter with me. So, finally, when they came to find out in 1959 what was wrong with me, it was too late to do anything about it. It was cancer at the worst degree.

So, during that interim of years of not working, I lost my home, I lost everything I had to the doctors and to the hospitals. I was in the hospital nine times, and I was there—the only time I was there less than 2 weeks was once, one time, it was either 10 days or 2 weeks. The rest of the time, it was 5 weeks to 2 months. So everything is gone.

And now, since the last social security, I finally got my social security on disability. Disability pays me \$72 a month because I lost out on the 10-year program that Mr. Eisenhower slipped in on that package deal, the 10-year program knocked me out of what I had earned and made the many years that I had worked under the social security.

Senator LONG. Mrs. Fullmer, your 2 minutes are over.

Mrs. FULLMER. I am only citing you to make you understand what others are going through in our building. I live in the senior citizens building.

Senator LONG. Thank you so much. But out of consideration for the rest of the witnesses, I would like to hear some of them, and then if we have sufficient time, we will give you another opportunity.

Mrs. FULLMER. But there has been no rise for social security for the working women, there has been none for those in the disability class.

Senator LONG. Thank you, Mrs. Fullmer. If you have a written statement, the committee will be happy for you to file that with us so that they could consider it.

Mrs. FULLMER. Well, I didn't write a statement, but I just thought that citing something that not only me, that others in our building have the same position with medical expenses.

Senator LONG. You understand, we must hear our other witnesses.

Mr. Heppner.

**STATEMENT OF CLAUSEY HEPPNER, MEMBER, ALTON ADULT
CITIZENS COMMISSION**

Mr. HEPPNER. My name is Clausey Heppner from Alton, Ill., and I am with the Alton Adult Citizens Commission. It is an organization appointed by Mayor Day of Alton, formulated to study the problems of the aging of the city and make recommendations for a suitable program.

We did this by making a survey of all of the elderly people of Alton. We found that in a population of 40,000 people we had about 3,800 elderly people. And after this report was completed, we naturally made a report to the mayor which was accepted and later a commission was appointed, and now we are working on the idea of putting into effect as many of these items as we possibly could.

This covers all different phases of elderly people, and we really have accomplished quite a bit of the purposes which we intended.

I am not going to talk any longer. We have turned in a report to Mr. Frantz, and we appreciate coming up and talking to you.

Senator LONG. Your report will be made a part of the record.

(The report referred to above follows:)

REPORT OF ALTON ADULT CITIZENS' COUNCIL

PREFACE

SECTION 1

In response to general concern on the part of the public for the senior citizens of Alton, the Alton City Council established a committee known as the Alton Adult Citizens' Council. On March 22, 1960, Mayor Day appointed 12 citizens of Alton, and civic workers employed in Alton, as members of this council.

The citizens' council was charged with the responsibility of surveying the local problem and obtaining information regarding senior citizens from State and National conferences.

The resolution passed by the city council stated that the survey should be conducted at no cost to the city of Alton. All work relative to the survey has been on a volunteer basis.

The citizens' council held numerous meetings and developed a questionnaire to obtain pertinent information from a representative group of persons over 65 years of age. The information in this report was obtained from interviews with 207 persons in Alton selected from all parts of the city to secure a fair random sample. Members of organizations cooperated in securing the information in this report through individual interviews.

The 1960 census indicates there are 43,814 people living in Alton. It is estimated that 3,825 are over 65 and they are grouped as follows: 2,425 are 65 to 74, 1,200 are 75 to 84, 200 are over 85.

The survey covered 207 persons as follows: 133 in the 65 to 74 group, 64 in the 75 to 84 group, 10 in the over 85 group.

Many organizations in the community indicated their interest in the survey. Credit and thanks are due the following groups whose members gave assistance: Alton City Employees, Alton Progress Club, Alton Women's Council, American Association of University Women, Business and Professional Women's Club, DeMolay Mothers, First Methodist Church, Alton; League of Women Voters, Main Street Methodist Church, Alton; Order of Pocohontas, Senior Citizens' Club, State Employment Service Personnel, Upper Alton Women's Club, Veterans of Foreign Wars Auxiliary No. 1308, Women's Volunteer League, and the Young Women's Christian Association.

The report is divided into four general categories: housing, activities, employment and finance, health.

Housing

The survey indicated that the senior citizens have resided in Alton an average of 40 years, with many of them having lived here for their entire lives—15 percent have lived here less than 30 years, while 30 percent have spent their entire lives here. The survey indicates that very few persons move to Alton for their retirement while many Altonians upon retirement move to other areas.

The survey shows that 70 percent are satisfied with their present living accommodations.

Nearly one-half of our senior citizens own their homes.

Two-thirds of those surveyed maintain independent households while approximately one-third live with children or other relatives. (Residents of nursing homes and boarding houses were not interviewed.)

Of those who rent, over one-half pay less than \$50 per month. Twenty-five percent expressed an interest in renting living quarters in a housing development for older people provided it is within their means.

Property taxes paid by those who owned their homes were as follows: 19 percent paid below \$100; 14 percent paid over \$300; 33½ percent paid \$100 to \$200; 33½ percent paid \$200 to \$300.

Employment and finance

Sixty percent of those interviewed were receiving social security; 30 percent had income from investments; 35 percent had pensions in addition to social security; 5 percent were receiving public assistance, and 7 percent are still earning some income from employment. Of those who considered themselves able to work, one-third would accept part-time employment.

Income was reported as follows: 43 percent received under \$1,200; 18 percent received from \$1,200 to \$1,800; 33 percent received from \$1,800 to \$2,400; 6 percent received above \$2,500.

Activities

The survey indicates that the senior citizens are interested in self-development and recreation. Two-thirds were interested in a senior citizens center, suggesting such activities as adult education classes, craft and sewing rooms, chapel, workrooms, planned trips, and entertainment. Planned trips to points of interest was the most often mentioned.

As to the question asked relative to public transportation, 50 percent indicated it was not adequate for their needs; 25 percent stated that lack of transportation prevented them from attending church.

Of those who answered the question, 90 percent indicated they are enjoying retirement. Half of those who were not retired are looking forward toward retirement with pleasant anticipation. Two-thirds have definite plans for their retirement.

Health

The majority of those interviewed had consulted a doctor within the last year. Most of these indicated that they paid or made arrangements to pay for their care. Five percent stated their bill was paid by a public agency.

Comments taken from the survey indicate a serious concern of the cost of hospital and medical care. This concern reflects a feeling that the usual living costs can be met from their present income, but that the added expense of illness would be beyond their budget.

Respectfully submitted.

Alton Adult Citizens Council: Clausey Heppner, Chairman; Fred O. King, Vice Chairman; Irene Logsdon, Secretary-Treasurer; Samuel Albrecht; Judge Harold R. Clark; Charles R. Freeman; Myrtle Gaines; L. P. Gleiber; Rev. Paul S. Krebs; Lois Peterson; Joseph J. Springman, Sr.; Dr. John H. Wedig.

ALTON ADULT CITIZENS COUNCIL—RECOMMENDATIONS TO THE ALTON CITY COUNCIL

SECTION 2

The committee learned from the survey that many of our senior citizens think Alton is a good place to retire, and they plan on remaining in Alton upon retirement, however, some do retire to other climates for various reasons.

The committee wishes to present the following recommendations to the mayor and city council:

Housing

1. The survey indicated that one-fourth of the older citizens desire to rent an apartment in buildings designed specially for the elderly. This information should be publicized in order that individuals or corporations may build apartment units to meet this need.

2. Units should rent for no more than \$50 per month, including some utilities, etc., as most occupants have a limited income.

3. It is suggested that the individual living unit be on one level, and provide a common laundry room, commissary, and other facilities. Recently the Alton Housing Authority, in cooperation with the Federal Housing Authority, made plans to build in Alton units with various types of accommodations for the elderly.

4. It is recommended that the Housing Authority consider a plan in which older people are not isolated from the rest of the community, as older citizens want to be a part of the community. It is not recommended that the older and younger families share the same buildings, but it is suggested that the senior citizens share the same housing area. In developing facilities for the aged, transportation, shopping, medical and hospital facilities, churches, and community activities should be taken into consideration in locating the homes.

5. The survey indicates that our senior citizens would prefer private housing to Federal housing. It is recommended that facilities be planned for a large recreational and meeting room, in both private and public development.

6. The problem of property taxes on homes is pointed out as a burden upon those living on retirement income. It is suggested that the public be informed as to the bill introduced in the Illinois State Legislature to reduce the property tax on homes owned by citizens over 65 years of age.

Employment and finance

1. Many individuals desire part-time employment, and a few indicated that they were physically able to hold full-time employment. At this time it is difficult for individuals over 65 to obtain part-time employment. The committee would suggest that a hobby shop be established to display and sell merchandise that has been made by senior citizens, and also suggests that a clearing center for part-time employment be established as a community project.

2. The problem of retirement income is critical with almost every senior citizen. It is suggested that industry and labor cooperate in continued counseling, and initiate a program of counseling regarding the handling of money, family budgets, and savings for all employees prior to their retirement. Under this program, individuals could better prepare themselves financially for retirement. Pre-retirement counseling should begin much earlier than is now being done in industry. Small businesses should unite in a counseling service. Today, the small business employee has no counseling toward retirement.

Activities

1. The survey indicated that lack of transportation prevented 25 percent of the senior citizens from attending church. This information should be made known to the clergy of all faiths in order that arrangements could be made whereby all senior citizens have an opportunity to attend religious services.

2. We suggest that several well-located senior citizen centers be opened, with the recreational program developed and designed for elderly people. This could be accomplished by using the facilities available in Alton. Leadership would have to be secured to present an adequate program. Perhaps school buildings, fraternal and church facilities could be utilized in this program. In meeting the needs in Alton, the senior citizen centers should include craft rooms and hobby shops, kitchen and dining facilities, chapel, space for adult education and interest groups, a large meeting room, and an employment clearing center for part-time work.

Health

The survey indicated that the majority of those interviewed were greatly concerned over the cost of medical and hospital care. Since the Federal Government is now considering the various plans for medical care, the committee feels it will not make any recommendations in this area.

Conclusions

There should be some type of "on going" committee, council, or commission on aging in the city of Alton. This commission would like to emphasize that in

the future there will be a greater percentage of senior citizens in our city. Active groups should be set up on the local level of government to provide information relative to housing, etc., to inform the public of matters concerning senior citizens and thereby fostering broader community interest and understanding of the problems. The program should be coordinated by the city of Alton, which would encourage all religious, civic, and fraternal organizations to cooperate with the community programs to meet the need of the elderly person in Alton.

Following are recommendations for an "on going" committee, commission, or council or agency at the local community level. These recommendations are, partly based on recommendations as set forth in "The Nation and Its Older People" which is the report of the White House Conference on Aging held January 9-12, 1961, published by the U.S. Department of Health, Education, and Welfare. Book for sale by Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., price \$1.25 (paper cover).

Functions of a local committee

To engage in community planning in the field of aging for the development of needed services; to collect, study, and disseminate factual data; to apply the findings of research, local, and elsewhere in considering local problems.

To serve as a medium through which organizations can exchange information, coordinate programs, and engage in joint endeavor and to serve as a liaison with other organizations including those on local, State, and National levels.

Composition and structure of local committee

In planning a committee with broad and active community representation, consideration should be given to involving the following:

- (a) A representative from agencies and organizations which give direct services to older persons.
- (b) Representatives from business, labor, religious, educational, recreational, welfare, health, civic, and other groups.
- (c) Community leaders both lay and professional.
- (d) Older persons who have a contribution to make to the committee.
- (e) Membership should be widely represented so as to command community recognition, confidence, and support. It is advantageous to provide limited terms of office on a rotation and overlapping-term basis.

Financing of local committee

A local committee on aging needs finances adequate to fulfill its immediate activities and long-term objectives. Local committee should utilize fully the possibility of financing through grants from foundation. United Fund campaigns, membership dues, local subscription, governmental funds, and other appropriate resources.

Staff for local committee

The effectiveness of local community organization in the field of aging will depend in large measure, upon the availability of competent staff either employed by the committee or loaned by other organizations. Such staff should have some experience in committee organization and in the field of aging.

A corps of volunteers recruited from the community provides at times a necessary addition to center personnel. Workers and volunteers with special skills in art, crafts, dramatics, etc., are available. The help these workers contribute in the kitchen, office, at parties, and outings is equally valuable.

Specialized services as related to local community organizations

1. It is the responsibility of the local committee on aging to promote and develop adequate direct service programs through agencies already established or through new agencies formed for the purpose of providing such services.

2. Planning for the aging in a specific area, e.g., health, housing, or recreation, should be closely related to overall community planning for the aging.

Respectfully submitted,

Alton Adult Citizens Council: Clausey Heppner, chairman; Fred O. King, vice chairman; Irene Logsdon, secretary-treasurer; Samuel Albrecht; Judge Harold R. Clark; Charles R. Freeman; Myrtle Gaines; L. P. Gleiber; Rev. Paul S. Krebs; Lois Peterson; Joseph J. Springman, Sr.; Dr. John H. Wedig.

SENIOR CITIZENS' CHARTER

SECTION 3

Rights of senior citizens

Each of our senior citizens, regardless of race, color, or creed is entitled to—

- (1) The right to be useful.
- (2) The right to obtain employment, based on merit.
- (3) The right to freedom from want in old age.
- (4) The right to a fair share of the community's recreational, education, and medical resources.
- (5) The right to obtain decent housing suited to needs of later years.
- (6) The right to the moral and financial support of one's family so far as is consistent with the best interest of the family.
- (7) The right to live independently, as one chooses.
- (8) The right to live and to die with dignity.
- (9) The right of access of all knowledge as available on how to improve the later years of life.

Obligations of the aging

The aging, by availing themselves of education opportunities, should endeavor to assume the following obligations to the best of their ability:

- (1) The obligation of each citizen to prepare himself to become and resolve to remain active, alert, capable, self-supporting and useful so long as health and circumstances permit and to plan for ultimate retirement.
- (2) The obligation to learn and apply sound principles of physical and mental health.
- (3) The obligation to seek and develop potential avenues of service in the years after retirement.
- (4) The obligation to make available the benefits of his experience and knowledge.
- (5) The obligation to endeavor to make himself adaptable to the changes added years will bring.
- (6) The obligation to attempt to maintain such relationships with family, neighbors, and friends as will make him a respected and valued counsel of throughout his later years.

(White House Conference on Aging policy statement on "Rights and Obligations of Senior Citizens," January 11, 1961.)

This survey sheet has been prepared by the Alton Adult Citizens' Council so that the problems of the aged of our community can be discovered. The council will make recommendations to the mayor of Alton, and to the city council, regarding our program for the aged based upon facts found from these survey sheets.

Only people 65 and over should fill out survey.

Age ____ Male ____ Female ____ Race ____ Married ____ Divorced ____
 Single ____ Separated ____ Widowed ____ Number of children living ____
 Grade last finished in school ____ How long have you resided in Alton ____

HOUSING

1. ____ Live alone.
 2. ____ Live with spouse only.
 3. ____ Live with children.
 4. ____ Live with relatives.
 5. ____ Live with nonrelative.
 6. ____ Own your own home.
 7. ____ Rent house.
 8. ____ Rent apartment.
 9. ____ Live in boarding house.
 10. ____ Live in nursing home.
 11. ____ Other.
12. Are you satisfied with your present accommodations? Yes ____ No ____
 I don't know ____
13. Would you be interested in renting an apartment in a housing development for elderly people provided its cost and facilities were in accord with your economic level? Yes ____ No ____ I don't know ____
14. If you rent, what amount do you pay a month? 1. ____ less than \$25.
 2. ____ \$25 to \$49. 3. ____ \$50 to \$74. 4. ____ \$75 to \$99. 5. ____ over \$100.

15. Approximately what was your property tax last year? 1. ---- \$25 to \$49.
2. ---- \$50 to \$75. 3. ---- \$75 to \$100. 4. ---- \$100 to \$200. 5. ---- \$200 to \$299. 6. ---- over \$300.

Write your suggestions and comments as to what you would like in living accommodations:

ACTIVITIES

1. Are you interested in adult education classes? Yes ---- No ----.
2. Does lack of transportation prevent you from attending church? Yes ---- No ----.
3. Is the local bus service adequate for your needs? Yes ---- No ----.
4. What do you do mostly in your spare time? Check a maximum of five choices:
 1. ---- Read.
 2. ---- Watch TV.
 3. ---- Listen to radio.
 4. ---- Attend church and its activities.
 5. ---- Visit with friends or relatives.
 6. ---- Volunteer community work.
 7. ---- Participate in civic or political activities.
 8. ---- Attend club or lodge meetings.
 9. ---- Sit and think.
 10. ---- Work on hobbies, arts, or handicrafts.
 11. ---- Work in yard or home.
 12. ---- Attend movies.
 13. ---- Golf, cards, or other sports and games.
 14. ---- Other ----- What? -----
5. Would you be interested in a Senior Citizen Center? Yes ---- No ----.
6. What section of the city would you prefer a Senior Citizen Center?

7. If you answered "Yes" to the above question, please check five of the following things you would like to see in a senior citizen center:

1. ---- Adult education classes.
2. ---- Billiards.
3. ---- Cards.
4. ---- Dances.
5. ---- Television.
6. ---- Small meditation chapel room.
7. ---- Craft room (and instruction).
8. ---- Sewing room (and instruction).
9. ---- Shop to sell items you have made.
10. ---- Music room (listen to good records).
11. ---- Dining facilities.
12. ---- Shuffleboard.
13. ---- Planned trips to points of interest.
14. ---- Work room to do community volunteer work.
15. ----

8. Write your suggestions and comments as to what you would like to see in a senior citizen center:

FINANCIAL AND EMPLOYMENT

1. Check sources of your income:
 1. ---- Social security.
 2. ---- Investment.
 3. ---- Pension.
 4. ---- Insurance annuity.
 5. ---- Assistance from relatives.
 6. ---- Public aid assistance.
 7. ---- Employment wages.
2. Check your income for last year:
 1. ---- Under \$1,200.
 2. ---- \$1,200 to \$1,800.
 3. ---- \$1,800 to \$2,000.
 4. ---- Over \$2,400.
3. Are you employed now? Yes ---- No ----.
4. Full time ---- Part time ----.
5. Are you self-employed? Yes ---- No ----.
6. Would you like to work if you had the opportunity? Yes ---- No ----.
7. Would you like to work full time ----- or part time -----.
8. If you are working, please check what type of work you do:
 1. ---- Professional.
 2. ---- Technical.
 3. ---- Managerial.
 4. ---- Skilled craftsmen.
 5. ---- semiskilled craftsman.
 6. ---- Unskilled labor.

9. What is your job or position called? -----
10. Were you forced to retire at a certain age? Yes ____ No ____ Will you be forced to retire at a certain age? Yes ____ No ____ What is that age? -----
11. If you have no forced retirement age, what age do you intend to retire at? -----
12. Are you looking forward to retirement with pleasant anticipation? Yes ____ No ____
13. If already retired are you enjoying it? Yes ____ No ____
14. If not retired at this time do you have a specific plan of activities to avoid boredom after retirement? Yes ____ No ____
15. If you answered "Yes" to the question above would you please share your ideas with the rest of us? -----
-
16. If you answer "No" to question 14 do you feel you need assistance in this matter? Yes ____ No ____

HEALTH

1. Most recent contact with doctor -----
2. Were you ill within the last year? Yes ____ No ____
3. If yes, did you seek treatment? Yes ____ No ____
4. If you did not, was the reason:
1. Complaint seemed too minor -----
 2. Lack of confidence in the ability of physician to help -----
 3. Lack of money to see a doctor -----
 4. Other -----
5. If you did see a doctor:
1. Did you pay or arrange to pay in the near future? ____
 2. Did a relative pay for the treatment? ____
 3. Was the bill paid by a public agency? ____
 4. Was no financial arrangement made? ____
6. Were you advised, by your doctor, to go to a hospital, but did not go? Yes ____ No ____
- If "Yes" was it because—
1. You were refused admission because of inability to pay? ____
 2. You did not go because of incurring a bill without means of paying? ____
 3. You lacked confidence in the ability of the hospital to help you? ____
7. Are you physically handicapped? ____ If so, how?
1. ____Hearing 2. ____Seeing 3. ____Legs 4. ____Arms 5. ____Heart
 6. ____ Other.
8. Did you spend any time in 1959—
1. In a nursing home ____
 2. Under nursing care in your own home ____
 3. Under care in a relative's home ____
9. If you were in a nursing home, or paid for nursing care, what was the total bill for a month:
- Under \$100 ____
- \$100 to \$150 ____
- \$150 to \$250 ____
- Over \$250 ____
10. How was your nursing bill paid?
- | | <i>Part</i> | <i>All</i> |
|--|-------------|------------|
| 1. By yourself out of savings or income----- | _____ | _____ |
| 2. By insurance or Blue Cross----- | _____ | _____ |
| 3. By a relative----- | _____ | _____ |
| 4. By a public agency----- | _____ | _____ |
| 5. Bill is unpaid----- | _____ | _____ |
11. If you were in a nursing home, were you satisfied with the facilities and services? Yes ____ No ____

12. Check reasons for dissatisfaction :
1. ---- Inadequate nursing care.
 2. ---- Not enough to eat.
 3. ---- Food not tasty.
 4. ---- Too crowded.
 5. ---- Nothing to do.
 6. ---- No visitors.

Please state your suggestions and comments concerning medical and nursing care :

Senator LONG. Mr. Harold Downey.

**STATEMENT OF HAROLD DOWNEY, CHAIRMAN, ALTON CHAPTER,
ASSOCIATION OF RETIRED PERSONS**

Mr. DOWNEY. Thank you, Senator Long, Senator Dirksen. You have a copy of a statement which I prepared for your guidance, and I will not attempt to read it.

I think it is appropriate to state for the benefit of this group that Mr. Heppner has worked long and hard in the field of service to the aging. He continues, he is working now with the group which I represent, the American Association of Retired Persons, Alton chapter. We are studying our local problems in Alton with the idea of determining what is a feasible program to be recommended, not only to the city authorities, but suggested to other agencies, including the one which I represent.

We hope to come up, after a while, with a program which will answer some of these questions that have to do with the need for public housing, how to keep people in their homes as long as possible, what to do with medical care for those who need it, how to improve the circumstances of those who, for example, live in nursing homes, and so on.

It is a privilege to appear before you. We appreciate the kind of service and guidance and direction which comes from an agency such as the Senate special committee. Thank you very much.

Senator LONG. Thank you, Mr. Downey.

Senator DIRKSEN. Mr. Downey, you are to be complimented on, first, I think the interest you and your associates have in this problem—your citizen approach to it. I like the way in which you approach the matter. This evidence of interest is one of the most wholesome things I know.

Mr. DOWNEY. Thank you, Senator. I would like to make this further expression. We believe, I think, quite sincerely, that persons like myself in the older age brackets need to apply ourselves to the job and not be entirely recipients of anything which a group such as yours and others may propose to help us.

Thank you.

Senator LONG. Mr. Downey, I hope you will keep in touch with our committee, and if you do come up with your report, I am sure our committee would be very happy to have a copy of it. I am sure it would be helpful to us.

Mr. DOWNEY. Thank you.

(The prepared statement of Mr. Harold Downey follows:)

PREPARED STATEMENT OF ALTON CHAPTER, AMERICAN ASSOCIATION OF RETIRED PERSONS, ALTON, ILL., HAROLD E. DOWNEY, CHAIRMAN

Mr. Heppner has given you a brief but informative statement about the study made in Alton, in which he took a prominent and important part. He continues his effort, as president of the Alton Adult Citizens Commission, but also as an official in our recently formed Alton chapter of the American Association of Retired Persons. Through these two organizations some of the senior citizens of Alton continue the process of asking questions about, and seeking answers to, some of the problems confronting our own aging citizens. In that process we welcome the leadership and sense of direction, as well as the material help or resources that come to us from such authoritative groups as the Senate Special Committee on Aging.

The questions we have are primarily those which trouble the minds of aging persons throughout the land:

1. With respect to housing, we canvass the term in its many connotations. How long can we maintain ourselves in the security and privacy of our own homes? When that condition reaches a terminal point, what other accommodations will be available to us? What will be the conditions of life in a public housing facility, what will it cost, and how will we meet that expense? How well will such quarters suit our circumstances, our social, economic, religious, and emotional conditions?

2. What of our requirements for medical, surgical, hospital, or nursing home care? Will we be able to adjust to them mentally, and to meet their costs in as straightforward and responsible a manner as we have been accustomed to doing? How adequate are the provisions available to us for the physical care we may need?

3. In the broad field of personal activity of whatever nature, what challenge is there in our community to keep us busy, to make us feel that we have a place and a reason for doing anything other than sit idle and bemoan our situation?

These are but samples of the matters to which we apply our thinking and our efforts to find answers.

As we analyze our problems we try also to discover the means whereby a constructive method of alleviation may be applied. Three answers seem to us rather obvious.

1. Some major part of the responsibility will have to be accepted and suitable treatment developed by our civil authorities: The city, the county, the State, and the Federal Government.

2. Private organizations, either existing or to be formed for the purpose, must accept responsibility for some portion of the necessary program activities, furnishing along with the civil authorities, leadership and guidance by trained and professional personnel.

3. The aging persons must themselves participate in the planning, the promotion, and the conduct of the services and activities, not contenting themselves with being only recipients of attention and service.

4. In recognizing the need for specialized service to the aging citizens, it is also apparent that their costs will be considerable, and that necessary funds can come from only two or three sources: Public funds derived by taxation, designated contributions from individuals or groups, and privately donated funds obtained by personal solicitation or campaign methods. In all probability, all of these methods will ultimately be followed.

These ideas develop slowly and with much difficulty in a community which is still not aware of the existence of problems affecting the aging citizens. The Alton Adult Citizens Commission and the Alton chapter of American Association of Retired Persons are applying their energies to the development of a practical program for our community.

Senator LONG. Dr. George Wulff.

**STATEMENT OF GEORGE WULFF, PRESIDENT, ST. LOUIS COUNTY
MEDICAL SOCIETY**

Dr. WULFF. I am Dr. George Wulff, president of the St. Louis County Medical Society. This presentation is made in the hope that the information which our society has accumulated in its work with the elderly will clarify the proper path for those who are considering legislation of medical aid for the elderly.

The past-65 plan of the St. Louis County Medical Society was organized to provide care by private physicians for elderly persons of limited income. At this time we have approximately 400 physicians in St. Louis County participating in this program, and through a single screening operation, a patient may receive all manner of specialized types of medical care at fees tailored to meet his own needs.

We have obtained much expense from this program. We have found the percentage of people who need this type of help to be quite small. However, their need is very real and is frequently associated with a lack of funds for all types of day-to-day expense. Sixty percent of our interviewed applicants already had hospitalization insurance, and this insurance was frequently superior to the benefits proposed by H.R. 4222. Their problem was that they simply did not have the cash for ordinary day-to-day drug and doctor bills and insurance would not help this.

The social security checks which once promised a worry-free retirement are now simply not big enough, and frequently do not even meet the food, rent and clothing bills. Many retired couples have considerable assets in homes and insurance, but again, these do not help with the day-to-day bills.

Seven out of eight retired persons are treated for all illnesses in the doctor's office and from the corner drugstore. Such expenses would in no way be covered by any proposed government plan. It is no wonder the national convention of golden age clubs meeting in Chicago this year voted to support increases in benefits to meet medical expenses rather than to support social-security-financed hospitalization.

If we are truly to strive to the best interests of our senior citizens, we feel there are four things that must be done. First, we must eliminate all clauses from the social security program which penalize the elderly for earning. If a person pays social security during his usual working years, he should be entitled to the benefits whether he continues to work or not. There is no reason why he should give up 1 cent of the benefits because he has an opportunity to work a few days, months, or even years. Allowing a person to continue to earn will solve the problems of many people.

Secondly, we must be realistic about the cost of living and increase these social security benefits promptly when the cost of living rises.

Third, we must trust the wisdom of the individual senior citizen to spend his money where it will do the most good for him rather than try to legislate what we think might be best for him.

Lastly, we must encourage our legislators to pass implementation of the Kerr-Mills bill in our State so that the best medical care is available for those senior citizens who need help to finance this care.

Only under this legislation is complete care available to persons whether they qualify for social security or not.

Thank you, sir.

Senator LONG. Thank you for your presentation, and I compliment you and the doctors of St. Louis County on this practical approach to this problem. It does indicate something that I am sure all of us know is the interest of the doctors in this problem. While there is some disagreement among some factions as to the method, your approach to it is recognition of the problem.

There are two other things I think would be helpful to the committee to know. Do you have some estimate of how many or what percentage of people over 65 in the county that you cover?

Dr. WULFF. I could get that figure for you in just a moment from our executive secretary—56,000, sir.

Senator LONG. That are covered?

Dr. WULFF. Yes, sir.

Senator LONG. As I understand it, and by looking at it hurriedly, someone handed me this morning—I haven't had time to read it—but it provides a reduction in fees of drugs and medical care?

Dr. WULFF. Primarily medical services, sir. There are pharmacists who have joined the plan and are giving reduced fees for drugs, also.

Senator LONG. What about hospitals?

Dr. WULFF. Nothing, sir.

Senator LONG. Would you say that all the citizens in your county are receiving medical care even though they are not able to pay the reduced rates?

Dr. WULFF. We feel this way, sir, that there is no reason for them not to receive it with this plan. We can't answer that, of course, 100 percent. We know of none who are denied it.

Senator LONG. If the patient is unable to pay the fee, the doctors treat him?

Dr. WULFF. That's correct, sir.

Senator LONG. Actually, that's been the doctors' practice over many years.

Dr. WULFF. We are formalizing that, trying. If I may change the subject just a moment, sir, you asked the question of a previous speaker what to do at the present time, if at least I may try to answer.

Senator LONG. You made two or three suggestions along that line. One of them Senator Dirksen and I talked about earlier today, to increase the \$1,200 limitation.

Dr. WULFF. Senator Dirksen mentioned that. I think this is outstanding, and hope that it goes through, sir.

Senator DIRKSEN. Doctor, let me just ask, do all the doctors in St. Louis County belong to this society?

Dr. WULFF. Well, 99 percent. We have 450, and the other small percentage are like myself, obstetricians, pediatricians, who don't treat elderly in the normal run of their practice, but those who do treat actively—

Senator DIRKSEN (interrupting). You urge them to come and see a doctor who participates in this plan?

Dr. WULFF. Yes, sir.

Senator DIRKSEN. Does the doctor make a preliminary diagnosis to see what the difficulty is? Does he talk with the patient?

Dr. WULFF. I would say those are two separate problems; one is the financial need, as completely separated from any medical diagnosis.

Senator DIRKSEN. What I was trying to get at was this. When the patient comes, they get a fee reduction card. Now, does that work according to a formula, or does every case stand on its own?

Dr. WULFF. Well, it is both, it is individualized by this screening committee so that the fee reduction follows a pattern, but it is individualized to his own situation.

Senator DIRKSEN. Suppose I had only a minor ailment, as distinguished from the need for an appendicitis operation.

Dr. WULFF. It would make no difference.

Senator DIRKSEN. The reduction is the same?

Dr. WULFF. That's correct.

Senator DIRKSEN. And it is worked out on a standard basis?

Dr. WULFF. Right, sir.

Senator DIRKSEN. Is that fee reduction applicable to hospital services also?

Dr. WULFF. No, sir; only medical services and some pharmacists. It has been very satisfactory.

Senator DIRKSEN. And did you indicate how many people have taken advantage of this thus far?

Dr. WULFF. I didn't give the figure, but this has been, of course, one of the surprises to us, that this plan has been in operation just over a year, and our number of people who have actually applied for the service has numbered around a hundred out of all these people who are eligible. It is amazing. We feel that this must reflect a lack of the need, or at least, a lack of people coming to us.

Senator DIRKSEN. Is a comparable plan available in other areas?

Dr. WULFF. Some, yes, sir; but not very many.

Senator DIRKSEN. Thank you.

Dr. WULFF. We have received a great deal of national publicity. There are many medical societies throughout the country who have obtained from us the working formula of this plan.

Senator LONG. Doctor, with the number of aged citizens we have out there and the number whose incomes are small, the fact that just a hundred have come, I thought it would be more than that. Is there any reluctance about the patients, do you think, coming and talking to the doctors about this problem?

Dr. WULFF. We have not found it, sir, in any who have come for the interview, but this is a personal factor that will be hard to evaluate.

Senator LONG. Do they go before the committee or their own doctor?

Dr. WULFF. Either through their own doctor, who then recommends to the committee and usually his recommendation is accepted, or, if they wish, they can come directly to the medical society offices, where they are screened by a trained worker there.

Senator LONG. Can you give me some idea of the percentage of reduction?

Dr. WULFF. All the way from 10 percent to 90 or 100 percent, depending on the individual case.

Senator LONG. Do you go into detail of their income?

Dr. WULFF. Yes, sir. I have that, which I will present to your committee.

(The material referred to will be found on p. 507.)

Senator LONG. Do you know other societies that follow this practice?

Dr. WULFF. We have had over 50 requests from throughout the country from societies who have been furnished this information, but have not been doing it.

Senator LONG. Thank you, very much. Mrs. T. H. Stauf.

STATEMENT OF MRS. T. H. STAUF

Mrs. STAUF. I am Mrs. Stauf, I am a social worker here in the city. I am going to read this statement which I have prepared for the committee, because I think this problem may not be too well known, at least I find there are many people, even in the social work profession, who are not acquainted with it.

Senator LONG. Mrs. Stauf, we are still trying to stick with our 2-minute rule.

Mrs. STAUF. I would like to bring to your attention the problems arising from the Federal provision of public assistance grants, OAA, PTD, or aid to the blind, to persons who have to enter a hospital for treatment of tuberculosis or mental illness.

This restriction was written into the Social Security Act under section 6, definition of title 1, grants to States for old-age assistance. It was applied to both grants for assistance as well as grants for medical care in an amendment to the Social Security Act in 1956. Similar restrictions were included in the Forand bill, which permitted the institutions treating tuberculosis or mental illnesses from entering into an agreement for payments for hospitalization or nursing services from the Federal old-age and survivors insurance trust fund.

I have been advised that proposed legislation pertaining to medical care for the aged contains similar discriminatory features. I understand that originally the philosophy was based on the traditional acceptance by each State of the responsibility for providing hospital care for these illnesses, but it is a well-known fact that the State mental hospitals, especially, are usually overcrowded and cannot always admit the individual over 60 or 65 years of age for early and immediate treatment, which would often restore health and enable them to return home rather than become a chronic care patient.

I need not emphasize the progress which has been made in medical and psychiatric treatment which has shortened the necessary hospital stay of a person suffering from tuberculosis or a nervous condition, yet, if an individual who is receiving old-age assistance or an aid to the blind grant has to enter a hospital, even one under private auspices, for treatment of a nervous condition such as a depression, the grant has to be discontinued. It is true that it will be reinstated when the person is discharged from the hospital, but this takes considerable time. Besides, the home expenses, such as rent, utilities, et cetera, continue while the individual is in the hospital, expenses which the sick person expected to pay from his assistance grant which was discontinued because of a prohibition carried over without thoughtful consideration by the lawmakers.

Fortunately, many insurance companies have recognized the advisability of offering coverage without these exclusions, as they have learned that these illnesses can often be treated with less hospital days than a broken hip.

Surely, in future legislation relating to medical care, we would hope that there would be no restrictions on treatment of these illnesses. Even giving care for the same number of days or in the same amount of dollars as for other illnesses would seem fair.

In the case of the aging person, the present restriction no doubt deters acceptance of hospital and medical care at a time when it would be the most effective. As far as a long-range planning is concerned, it would seem that the coming generation might be saddled with out-moded restrictions based on a philosophy of the uninformed.

Your careful consideration of this problem in all legislation is solicited. Thank you.

Senator LONG. Thank you, Mrs. Stauf.

Mrs. Doris Wheeler.

STATEMENT OF MRS. DORIS WHEELER, HEALTH AND WELFARE DEPARTMENT, INTERNATIONAL LADIES' GARMENT WORKERS' UNION

Mrs. WHEELER. Mrs. Doris Wheeler, from the Health and Welfare Department of the International Ladies' Garment Workers' Union.

Senator LONG. Do you have a copy of your statement?

Mrs. WHEELER. I have a statement I will leave with you.

I am presenting information gained from experience with a group of retired members of the International Ladies' Garment Workers' Union in St. Louis, who, by virtue of their union contract, have qualified to get a pension of \$50 a month and free medical care at the garment industry's medical center. We are particularly aware of their medical needs. Although garment workers make a good hourly wage, their work is seasonal so their savings get used up for living expenses and they enter upon retirement with a low reserve.

Typically, their social security ranges from \$55 to \$85 a month. Even with the additional \$50 a month they can have little beyond essential necessities. Even to pay for Blue Cross deprives them of some necessity, but many of them carry it despite that.

Since their problems of illness are typical of many of the aged, I present particularly their problems of hospitalization to this committee to show the need for Government measures to meet the cost of such emergencies. The records of 1959 and 1960 show that 28 of our retirees had been hospitalized through our medical center for a total of 42 different hospitalizations. Of these 8 people had been hospitalized 2 times and 3 had been hospitalized 3 times. In the 2 years the average hospital stay has been 19 days, figured on the 28 individuals, but for the 11 people who had had multiple hospitalizations the average stay had been 32.3 days, the longest combined period being 61 days.

I have purposely shown a 2-year period and am stressing the multiple stays because much has been made of the very publicized research study which reported many older people saying they would be able to pay for hospitalization. What was not pointed out was that while they might pay for one hospitalization this would wipe out their savings and they would be unprepared to meet future emergencies.

At our medical center we observe the frequency with which a number of the older people must return for one hospitalization after an-

other and then sometimes go from the hospital for a long stay in the nursing home.

From the figures I was able to obtain, the average cost of one hospitalization and minimum medical charges would have been \$461.50 if the retiree had had to pay the amount himself. The highest cost for one individual would have been \$2,300 and for another \$1,855. These are large bills to meet on incomes of \$55 to \$85 a month, which can happen to garment workers who do not qualify for the retirement fund and for other workers in an industry that does not have one. Even with the added \$50 a month emergency costs such as these can wipe out the last margin of decent living that has been provided by the small income from savings.

I asked our medical social worker what happens to our old people when the expense of illness hits them. She told me, "They live on bread and coffee and stretch their funds as long as they can and then they finally go on relief." She told of the strains on families caused by the illness of the older people. There is resentment in a family when grandparents become an expense to the middle generation, thereby depriving grandchildren of necessities. The older person feels like a burden in such a situation and is shamed at the lack of dignity in not being able to supply his own needs. Illness puts a strain on the relationship between husbands and wives when the illness of one uses up all the available funds. In many cases the illness of one spouse and the expense connected with it, breaks up the household because one person must be institutionalized. In some of these cases, if there were home care and housekeeper service, the family could be kept together for a much longer period.

What doesn't show up in statistics is the number of people who need care and don't get it because they can't afford it. There are the ones we know who need medicine and can't get their prescriptions filled. There are the ones who put off hospitalization until it's too late to help them or it's much more expensive to treat them. There are the senile who are allowed to wander, a danger to themselves and others, because there is not enough money to provide for them.

Over and over again we see the people who can just manage to get along until they have the added expense of illness and then they must either be deprived of essentials, become a burden on their families, or go on some kind of relief or perhaps have all these things happen to them. We seek, therefore, a solution to this problem without recourse to charity, a solution that has dignity and soundness to it. We see the best answer as health benefits paid through the Social Security Administration so that an individual could provide during his working days for the health emergencies of his old age.

As a beginning toward this purpose we support the efforts made in Congress to provide an extension of social security benefits, provide payment for hospitalization, nursing home care, some diagnostic expense and home health care. Our older citizens are entitled to the right to provide for their medical emergencies through their Government in the same dignified way that they have provided retirement income for themselves by contributions during their working lives.

Senator LONG. Thank you, Mrs. Wheeler. Your statement will be filed.

Senator DIRKSEN. Mrs. Wheeler, is this benefit you are talking about, first, \$50 a month retirement pay plus a hospital plan? Is it plus a hospital plan?

Mrs. WHEELER. No; it is plus medical care by the doctors but not a hospital plan.

Senator DIRKSEN. Whom do you buy that plan from?

Mrs. WHEELER. We have our own Garment Industry Medical Center.

Senator DIRKSEN. I thought perhaps you might buy it from an insurance company or Blue Cross.

Mrs. WHEELER. No; we have an actual medical center.

Senator DIRKSEN. Thank you.

Senator LONG. Mr. Louis Haas.

STATEMENT OF LOUIS HAAS

Mr. HAAS. Senator Long, Senator Dirksen, and Senator McNamara, as though he were here also:

I have a little article and I hope it will reach the Congressional Record, if you don't mind.

Honorable citizens, greetings and welcome. The Most High grant his blessing for a realistic awakening of our citizens that they take more profound interest in the affairs of our United States, that they recognize their personal responsibility conferred by golden age and enhanced by their citizenship. This responsibility begins in childhood for male and female alike. It is rightly declared that the boy is the father of the man. So it is with the girl toward womanhood. Beginning at the age of 2 months youths have a certain alertness and eagerness to be and become. This entity is helped or hindered by the parents or the foster parents, according to their intelligence and ability. This applies to teachers, to all teachers. It is their impressiveness and disciplinary powers exerted toward the group, pupil and the student.

During this time it is up to the pupil and student to recognize the opportunity and responsibility to achieve success. This requires forethought, foresight, determination, courage, and hard work, self-reliance, thrift-mindedness, to assure themselves of well-being in retiring when they attain the so-called golden age.

Many thousands of retirees today know that they are penalized for their indifference to work and honest efforts for self-help in youth. Golden age is most generous with time. It begins with the first breath of your birth. It extends itself until the last when you give it up. Many believe in Santa Claus; they never awaken to the fact that work and thrift is the only Santa Claus. Many believe in heaven; yet they are afraid to die to get there.

What is needed for all decrepit incorrigibles, delinquents, languishing in the institutions is a lethal injection and a merciful crematorial.

I thank you.

One more thing, the billions that are wasted in so-called foreign aid could do our own people much good right here.

Senator LONG. Ruth Scrivner.

Let me suggest to you that we are getting our statements too long.

STATEMENT OF RUTH SCRIVNER

Mrs. SCRIVNER. This is short.

My name is Ruth Scrivner, housewife. I live in East St. Louis.

With parents 76 and 80 years old, respectively, and myself rapidly approaching the aging status, I am vitally interested to know why our Honorable Secretary of Health, Education, and Welfare, Mr. Ribbicoff, persists in sponsoring health care under social security rather than supporting the Mills-Kerr law, which does adequately take care of medical indigents or assists in the medical crisis and without the means that so many people talk about.

Most of us know any assistance at the grassroot level is far more efficient and takes care of the individual than something that is handed down out of Washington, D.C., or some big bureau. Why should all the control of assistance be put into one pot, and why should just a few people administer it rather than let the State, township, and local community take care of its own people?

I am concerned not only with aging and the aged, but I also am concerned about our children's children. In fact, is it fair to place this terrific tax burden upon our future generations?

Senator LONG. Has the Kerr-Mills bill been implemented in Illinois?

Mrs. SCRIVNER. It was passed as of August, and it has been implemented, and if it is given a fair chance I think it will answer many of our problems.

Senator LONG. Mrs. Edward Helbing.

Will you make it as brief as you can. Skip read it for us, if you will.

**STATEMENT OF MRS. EDWARD HELBING, WOMEN'S AUXILIARY,
ST. LOUIS COUNTY MEDICAL SOCIETY**

Mrs. HELBING. The Women's Auxiliary to the St. Louis County Medical Society wishes to express its views with regard to H.R. 4222, 87th Congress. We strongly oppose this legislation, first because it is unnecessary; second, because it would place an unpredictably heavy financial burden on the working group under the Social Security Act; and, third, because it would inevitably lead to poorer medical care.

The Women's Auxiliary to the St. Louis County Medical Society is an organization composed of about 200 members whose object is to work for better public health. Being wives of physicians and responsible citizens, we believe medical care should be provided for older persons who cannot afford such care. Proponents of this bill assume all who receive benefits under the Social Security Act need Federal help in paying the costs of their medical care. This is obviously a false assumption. Some of these older citizens are well to do, some have adequate savings, some come under Blue Cross and Blue Shield or private insurance plans, some have pensions, and some are cared for by their families. Those who cannot pay medical costs, and we believe the number is far smaller than is claimed by those in favor of H.R. 4222, are being helped through the voluntary efforts of the medical profession, religious and fraternal groups, and other American citizens working in their communities, and as the Kerr-Mills medical care for the aged law continues to be put into effect,

medical benefits will be available to older citizens who cannot finance their own health costs.

If H.R. 4222 were adopted, the heaviest financial burden would fall on the working group under the Social Security Act. This group has financial problems now with rearing families and buying homes. Costs of the proposed program would undoubtedly far exceed the estimate which the advocates of the bill suggest, and, as in other countries under government-controlled health schemes, would continue to mount. Thus, for a program that is unnecessary, the workers would face ever higher payroll deductions.

Passage of the proposed legislation would inevitably lead to poorer rather than to better medical care. The high standard of medicine in the United States has been achieved without Federal control. Countries with government-controlled medicine have seen their standards lowered. It seems prudent to take warning from their experience.

I thank you.

Senator LONG. You represent the auxiliary of St. Louis County?

Mrs. HELBING. Yes.

Senator LONG. Were you representing the Ladies Auxiliary of East St. Louis, Mrs. Schrivner?

Mrs. SCRIVNER. No, sir; myself.

Senator LONG. Your husband is a doctor, isn't he?

Mrs. SCRIVNER. Yes, he is.

Senator LONG. Mrs. Freda Leschke.

STATEMENT OF FREDA LESCHKE

Mrs. LESCHKE. Mr. Senator Long, Mr. Senator Dirksen, I would like to know what a widow shall do. We are not 62 yet, we cannot get social security, we can't get jobs, what shall we do? No matter where you go they say over 45 you can't get a job, and still I have to wait until 62 until I can collect my husband's social security.

Senator LONG. Mrs. Leschke, that is one of the problems, of course, that our committee is considering, and we hope to come up with some answer that will be of some help along these lines. That is one of the problems that many people face and we appreciate your calling it to our attention.

Mrs. LESCHKE. Thank you.

Senator LONG. Mrs. William Bowey.

STATEMENT OF MRS. WILLIAM BOWEY

Mrs. BOWEY. Senator Long, Senator Dirksen, I am a social worker retired. I work as a volunteer with the senior citizens group. I would like to very briefly reflect the opinion of this little group, composed not of indigent people but of people from middle income brackets.

Our points are two. We very much prefer an increase in cash benefits of social security rather than a Government-sponsored extension of medical care for the aged; and (2) we very much propose the consideration be given to the lifting of the earning restrictions for people over 65.

Thank you.

Senator LONG. Thank you, Mrs. Bowey.

Dr. Allen Klippel.

STATEMENT OF DR. ALLEN KLIPPEL

Dr. KLIPPEL. Senator Long, Senator Dirksen, I would like to raise the question as to whether or not the King-Anderson bill is a step toward the complete socialization of medical care in this country. The facts are that it is going to place the primary responsibility for the purchase of health care on the Federal Government. It is to be administered directly by the Social Security Administration. It is financed by a compulsory payroll tax, which all workers young and old must pay. Patients may only use a hospital that has been submitted to agreement with the Secretary of Health, Education, and Welfare. This Secretary has the power to decide which hospitals are eligible, therefore there is no freedom of choice for this group of patients.

Doctors employed by the hospitals, such as radiologists, anesthesiologists, pathologists, are covered by the section 1603 in this bill, and this numbers roughly about 25 percent of the licensed physicians in this country.

The judgment of a doctor is subject to serious interference through hospital and nursing home utilization committees. These committees are subject to the regulations decreed by the Secretary of the HEW. This program is to be subsidized by the Federal Government. The Supreme Court states that the Federal Government can control, in fact, anything which it subsidizes, and this was the case of *Rickard v. Phalburn* in 1942.

The Secretary is the sole arbiter of what is the reasonable cost of the services provided, section 1609, in effect, sell at a Government price or not at all.

The King-Anderson bill is quite similar to the Forand bill in its basic principles. In 1948 the Wagner, Murray, and Dingell bill calling for comprehensive medical and hospital services for the entire population was the forerunner of the Forand bill. Presented without subterfuge, it was defeated and recognized as socialized medicine.

Aime Forand, now organizing crews of senior citizens for the purpose of bringing pressure to enact H.R. 4222, said, "If we can only break through and get our foot inside the door, then we can expand the program after that."

Thank you.

Senator LONG. Doctor, I am a little concerned over your statement that the King-Anderson bill is socialized medicine. There are different views, I assume, you recognize that. I am personally, as other members of this committee are, as strongly opposed to socialized medicine as you are, although some of us may have a different view as to what is socialized medicine or what isn't.

Another thing, in the first part of your statement you said this cost would be borne entirely by the Federal Government. In the King-Anderson bill, doesn't it provide that half of that cost is borne by the workers in the regular social security program and the other half by the employer?

Dr. KLIPPEL. I beg your pardon?

Senator LONG. I understood you to say the entire cost of the King-Anderson bill would be borne by the Federal Government.

Dr. KLIPPEL. It is borne by the payroll deductions from both the employer and the employee's payroll.

Senator LONG. I understood you to say it was all borne by the Government.

Dr. KLIPPEL. It is all handled by the Government.

Senator LONG. That would be true. But half of the cost would be paid by the workers themselves, I mean the deductions from their salary.

Dr. KLIPPEL. Which is money he never receives.

Senator LONG. Well, that is true, but that is also true of our income tax.

Dr. KLIPPEL. I fear this bill and I think many doctors do on the basis this is the beginning for an end.

Senator LONG. That is the basis of the fear, I have anticipated your thought, that is what the doctors felt.

Dr. KLIPPEL. I don't think there is any question about this.

Senator LONG. The point that I always have been concerned about is that the bill itself is not socialized medicine but it is what the doctors fear it leads to.

Dr. KLIPPEL. This is like discussing just a little bit of pregnancy. I mean, we know it is inevitable.

Senator LONG. Doctor, that is a subject as a doctor you are more familiar discussing than I am as a lawyer, but the one point, though, that I am concerned about, and I can't see the doctors' viewpoint on it, is what difference it makes to the doctor where the money comes from to pay his fee. As long as I have a right to select the doctor of my choice as well as the doctor has a choice to decide whether he wants me as a patient or not and to charge me the fee that he wants, what difference does it make to the doctor whether I pay him with money that I have stolen, money that I collect from interest, or money I collect from a private insurance policy, or money I collect from my social security? Now, as I understand it, you take a patient who comes to you and he pays you with money that he pays from a social security check.

Dr. KLIPPEL. If you want to expand the coverage, I would increase the amount of money he has and enable him to seek his own medical care. I can't conceive that anything the Government ever ran has been run so tremendously efficiently than the Blue Cross. They are only taking 6 percent for expenses.

Senator LONG. But you make the point they would have to go to hospitals the Government selects. Doesn't the Blue Cross only pay the hospitals they select?

Dr. KLIPPEL. They have to meet certain qualifications, which is minor, true, in comparison, but are going to be handling the pathologists and all the other physicians as well. It is not the present law that I object to, it is the extension of it, and certainly the history of this social security legislation has been that every 2 years under the pressure, which is certainly understandable for reelection, the coverage is extended a little bit.

Senator LONG. You fear the continuation of that pregnancy condition you mentioned?

Dr. KLIPPEL. Well, the Assistant Secretary for HEW admitted that they would probably continue to expand this program to those who were under 65, and also in a certain amount of financial difficulty.

I think it is only reasonable to expect that there will be an increased pressure.

Senator LONG. Doctor, thank you, sir.

Richard Smith.

STATEMENT OF RICHARD SMITH

Mr. SMITH. Senator, as a student at St. Louis University I am not yet of voting age. I welcome this opportunity to give my opinion as a student because actually I am worried what is happening to our country.

The first question I would like to ask you is, if you would be capable of answering it for me, where is the money coming from to finance this program?

Senator LONG. Well, that answer is easy; the same place that it comes from to pay the present social security system. If you are talking about the King-Anderson bill, from the employee and the employer.

Mr. SMITH. No, I mean this committee here today. Has this been appropriated by Congress?

Senator LONG. I am sure it has or it wouldn't be here. This is an official committee of the U.S. Senate authorized by necessary resolution of the Senate to be here.

Mr. SMITH. I would like to tell you as a student I believe that any Government-sponsored medical care will eventually lead toward socialized medicine and I believe that the responsibility for medical care lies first with the individual. For 150 years we have managed to take care of this ourselves. Are we no longer capable of doing this or are the States trying to take away the privileges of the family?

Also I would like to say, as the doctor brought up there about socialized medicine, it was income tax, as I remember, many Senators and Representatives were against income tax and they said 6 percent would be as far as they would go. In fact, I remember reading where one Member of Congress got up on the floor and was laughed down when he was asked the question if it ever goes as high as 10 percent. I ask you, Is there anybody who pays under 10 percent here today?

If this generation would live under socialized medicine, the next generation will live under socialized shelter, next under socialized clothing and food, and by the fourth generation, if our Government should last that long, we will be teaching our students to respect the Constitution for which our Government defies. Thank you.

Senator LONG. You say you are a student at St. Louis University?

Mr. SMITH. Yes, sir.

Senator LONG. What school are you in?

Mr. SMITH. I am going into law, no affiliation with medicine. All I can say is I am pro-American.

Senator LONG. I am glad to have a good citizen like you in my law profession.

Gretchen Koob.

STATEMENT OF GRETCHEN KOOB

Miss KOOB. Senator Long, Senator Dirksen, I am also a student at St. Louis University, and I am also in the arts and science school, but I am majoring in political science and I have no affiliation with doctors, either, and this is my opinion:

I believe that it is not only my moral obligation but a privilege to care for my parents in their time of need. If I am not able to do this, then the local community should assist, never the Federal Government. This is a deliberate attempt to buy the votes of all people by promising them something for nothing, a scheme to further socialize this country.

In England under social medicine the care is so inferior that the people are seeking out private doctors and paying their own bills rather than trust their care to the Government medical program and the enormous amount of redtape involved.

Many complain now about the poor medical care provided for the needy by the city and county. Who can believe it will improve when it is handled on the national level with all the inconsistency and wastefulness bound to apply? This medical care plan can only be made possible by the sacrifice of young people, meaning me, thus further socializing will burden them so that they are unable to provide for themselves or their parents in their old age and making them completely dependent on the Government.

It is estimated that the social security tax will be 7 percent in 1963, 8 percent in 1966, and 9 percent in 1969. With the health-care tax increase the tax will rise another one-half percent. There is no reason to believe that these rates will not go much higher.

When the social security program was first implemented, the tax was 1 percent.

I appeal to you older citizens to help fight these welfare state plans which will eventually destroy the freedoms of your children and your grandchildren.

Thank you.

Senator LONG. Miss Koob, I have two questions I would like to ask you. Did I understand you were comparing the King-Anderson bill with the socialized medicine plan of England?

Miss KOOB. Well, I wasn't, really. I just stated England because the other day I read in the Catholic Review about the socialized medicine there in England. Well, it so happens I have a friend at Oxford University and he has a very good friend who is very ill and although he was paying \$2 he didn't have the choice of his doctor or his room.

Senator LONG. Did you ever read the King-Anderson bill?

Miss KOOB. Yes, I have. I have a copy of it right here.

Senator LONG. I must compliment these young men and ladies from St. Louis University. You are really up on your toes today.

Miss KOOB. Well, we love our country. I hope everybody does.

Senator LONG. Thank you.

Mr. Simon Blada.

STATEMENT OF SIMON BLADA

MR. BLADA. Mr. Dirksen, Mr. Long, I am from Granite City, Ill., and I have a letter here. I don't call it exactly a letter, but it is in the form of a letter. You will have to bear with me because I don't see so good, but I am going to try to do my best.

On behalf of the senior citizens now covered by our present social security system I urge you to start the efforts to have the present act amended to include hospitalization and medical care for the old age. I personally know many of our retired people are without means to handle a major illness requiring hospitalization should such a contingency confront them. There are democratic countries in Western Europe, naturally including all the Socialist countries outside the United States, which have less wealth than our country, which provide this coverage for the old folks.

I hope this legislation now proposed in several bills will be given proper priority when it comes in in January.

As I said, Mr. Dirksen, across the river, if you are sick, 1 week at the hospital costs you thousands plus the doctor. I got a bill over here, I went in at 11 o'clock at night and was released the next morning at 7 and paid \$57, I happened to be sick a long time during this act of social security since 1936, I guess it was, and I went to work for a short time in industries, but I worked for the Government engineers quite a bit, which did not apply on my social security, and my income was \$60 a month, me and my wife together, and I had to pay \$51 to the hospital just a couple months ago in Granite City for from 11 o'clock at night until 7 the next morning. I tell you, I hope our legislators in Washington are going to give priority to this vital importance.

Like I say, most of the socialist countries, including England, they have those laws. And I think that we have a lot that, especially the medical profession, are going to be strongly against it, I realize that, but this here should not be overlooked by our lawmakers.

I thank you very much.

Senator LONG. Thank you, Mr. Blada.

Mr. David E. Gamber.

MR. BLADA. I am going to send letters to all our representatives in Washington, not all, but maybe 40.

Senator LONG. Mr. Gamber.

STATEMENT OF DAVID E. GAMBER

MR. GAMBER. Senator Long, Senator Dirksen, gentlemen, I didn't bring no prepared statement. I am not speaking for a group, especially myself.

I am one of them middle-age men. I will be 62 in February. The 20th of November the place that I was working closed up and left town. I have receipts here in my pocket where I paid \$10 a month and have for a period of years for Blue Cross and Blue Shield, also, but I find that when I use a doctor's services then I have to pay extra.

It is my misfortune that I have two twin girls that were born with a brain injury and I pay for their keep out at St. Louis School and Hospital. They were sent to City Hospital. With that \$10 a month they go down there. They were there 2 weeks. I get a bill for \$68

for medical services from student doctors. Now, they tell me that you should carry your own. When I first noticed those children's trouble it cost me \$50 apiece for the first examination and \$25 a trip after that until my savings went down.

I own my own home, I pay taxes. My tax bill, I have the receipt here, is close to \$200 a year. Part of that goes to the hospital, yet I had to pay the hospital bill on top of that.

Now I can't retire. If I did, it would be too little, and my wife, she never has worked. Now they say that with this socialized medicine they are afraid of socialism. I am not going to debate that here, I haven't got time. I could debate it with anyone, it would be an interesting subject. But I want to know, these doctors, they tell us that you carry your own. I am a father of eight children, five of them are married, doing good. I can't expect no help from them because they have families of their own. Now, I am just wondering, where does this group like myself fit in? We pay the money, they take out income tax. With everything, they don't leave you very much. I am not kicking on the taxes, but what I would like to know is, what do we expect to get? I am willing to turn that \$10 a month over to the Government than turn it over to a so-called non-profit organization I ain't getting anything from. I am willing to turn it over.

Senator LONG. Thank you, Mr. Gamber. We appreciate your comment.

Mr. Benton.

STATEMENT OF MR. BENTON

Mr. BENTON. Senator Long, Senator Dirksen, gentlemen, I am like the gentleman that just sat down, I don't have a prepared statement.

I would like to say that I am now 75 years old, and I've got a railroad retirement annuity. I started to work for the Frisco Railroad down here in 1904, and on my way down to this place this afternoon I stopped at the Frisco Hospital to see a young man when I knew him in 1912, who is a retired terminal superintendent for the Frisco Railroad here in St. Louis. His name is Bill Mitchell. He is at the Frisco Hospital. He tells me that he pays \$7 a month, and he gets all of his doctor bills, his medical bills. He is in there at the present time for a checkup.

What I am interested in is something along the same lines. Now, whether it is social security, whether it is a private insurance, or whatever it is, it makes me no difference. But we do need something, men like me. I have my own home; it is paid for. My taxes are \$312 a year, and my railroad retirement is \$155.70 a month. That is what the wife and I live on.

Senator LONG. You mean your taxes are three hundred-some dollars a year?

Mr. BENTON. Yes, sir. But my income is \$155.70.

What I would like to see the Congress of the United States or somebody, the Legislature of the State of Missouri, if necessary, or, if they have the power, the city of St. Louis, enact a law that an insurance company, when he sells you insurance, that he would sell you to pay your hospital bill or your doctor bill, whatever it might be.

I belong to the Blue Cross. I have a hospital policy in the Reserve Life Insurance Co. of Dallas, Tex. And the only statement that I have, I can tell you just what those cost me this year—\$165.80; that means \$13.81 plus per month. And in addition to that insurance I have gone to the doctors, my wife and myself this summer, this year, and I have paid over \$200 to doctors that the hospital insurances that I carry, and I am paying for didn't pay 1 penny, not 1 cent. And that is what I think that you should do, the Congress of this United States or somebody. This Frisco Hospital out here, now, that is an employee institution, you understand; it is an association of employees with the Frisco Railroad. I happen to belong to one at the Union Pacific Railroad at Salt Lake City that was of no benefit to me living in the city of St. Louis, so naturally I don't pay it. I don't get any of that kind of help at all. If I had kept it up I could have gone to Salt Lake City or to Kansas City, or to Omaha, Nebr., if I could have lived long enough to get there to get to one of those doctors or to get to the hospital. I could have kept that hospitalization up, up there, but here as it is I want something that will help me here. I am willing to pay for it, and I think every other man who is 70 or 75 is willing to pay for his own insurance, and he doesn't ask anybody to pay anything for him, or the doctors, or anyone else.

They are hollering about socialized medicine. I have been working for a railroad all my life since I was 17 and I paid into a certain fund, like this Frisco Hospital Association, I paid for Frisco when that was constructed. If those people can do that at the rate of pay they get for that, why do these hospitals that we have, the private hospitals in the city of St. Louis, have to have so much more? Particularly, I have a brother-in-law 74, who was operated on in St. Louis Hospital in St. Louis last year and his hospital bill for 13 days was \$604. Now, isn't that preposterous?

Senator Long. Mr. Brill, Chairman of the Missouri Committee of the White House Conference on Aging.

STATEMENT OF EMIL E. BRILL, CHAIRMAN, MISSOURI COMMITTEE, WHITE HOUSE CONFERENCE ON AGING

Mr. BRILL. Senator Long and Senator Dirksen, my name is Emil E. Brill, I am a retired individual. It was my privilege to serve as Chairman of the Missouri Committee for the White House Conference on Aging.

I would bring to your attention that after much discussion and deliberation, our committee took no position on the financing of medical care for the aged through the social security system.

In the capacity I served, and because of my interest in the field of aging for a number of years, I daresay I have spoken to as many groups of senior citizens and aged throughout this State as almost any one in this room. By reason of my contact with the aged, I formed some very definite conclusions. One is that their main concern is that they be given an increase in the amount which they can earn without prejudicing their social security benefits. In other words, most are thinking in terms of \$2,400 a year. I believe that if that increase was granted, and none of their social security benefits were taken away from them, that then they would have the money to finance their own medical care.

The second point is that if social security taxes are to be increased, and personally, I am not in favor of that, and I will tell you in a few minutes why.

Senator LONG. Not too many minutes.

Mr. BRILL. But if social security taxes are to be increased, and I am retired, too, I am not working, if they are to be increased, then there is a segment of our senior citizens who feel that that increase should be used first to give them increased social security benefits, particularly at the lower amounts. We recognize that social security is a layer benefit. But I must say to you, even though Congress has increased the minimum \$40 this present session, that's an awful thin layer for someone who has to pay \$40 a month rent in a public housing project. It is not sufficient.

And the third thing, there is a large segment of senior citizens that presently are more concerned with the preservation of the social security system than they are with the expanding of that system with increased taxes to provide medical care.

You saw here two young people. There is a trend on the part of our young people in this country today to conservatism, and that's going to assert themselves in the years that's ahead. If the medical care was provided through the social security system, and we are going to have a constant increase in the number of our aged, it will ultimately reach as many as 20 million. The taxes will be progressively increased, and it is not beyond reason to see that these young people will rebel against the increase. The Lord gives it, the Lord takes it away. Congress gives it, Congress can take it away.

There is no certainty that this social security is a permanent proposition.

Another point I would like to make, that the senior citizens dislike to be set aside as a separate group. They want to be integrated in society. They want to maintain their self-respect. Already 50 percent of our senior citizens have shown that by carrying health insurance. In many cases, the benefits of that health insurance are far greater than would be provided by the King-Anderson bill.

A few weeks ago we had some public officials here from this very platform. They talked about the high expense of catastrophic illnesses, and then left the impression with these aged people that the King-Anderson bill would take care of them. The King-Anderson bill is not first dollar coverage. It requires a cash payment from the aged before they get any relief, and then it is a very limited benefit.

And this gentleman here who is talking about the high expenses of medical cost, he is dreaming if he thinks the King-Anderson bill will take care of those costs.

Now, we are on our way in this statement to the implementation, I hope, as Proctor Carter testified in Kansas City, the implementation of the Kerr-Mills bill. We also hope to get a permanent commission on aging out of our next session of the legislature, and if we get those two things, we think we can handle our own medical care problem in the State of Missouri.

Senator LONG. Thank you, Mr. Brill.

You kept referring to the King-Thompson bill; you meant the King-Anderson bill.

Mr. BRILL. Well, I am in favor of that, too.

Senator LONG. Dr. A. Repetto.

STATEMENT OF DR. A. REPETTO

Dr. REPETTO. Senators, I don't have a prepared statement either because I didn't plan to speak, but, Senator Long, you said something that disturbed me so greatly—

Senator LONG (interrupting). I am sorry to disturb you, Doctor.

Dr. REPETTO (continuing). That I was compelled. You mentioned, and I am sure you are very sincere when you say you don't see socialized medicine in this bill. I think that many of the people considering it don't see socialized medicine in it, and I think that this is a deliberate planned attack on the part of the people who are interested in socialism in this country. It is covered up; they don't use the word.

It much reminds me of every time I order Salisbury steak; somehow it always comes out hamburger. This is the same thing. This is socialism whether it is called such or not.

Now I would beg your indulgence to ask you to consider one aspect of this. If you do not consider the doctors socialized under a program like this, let's consider the patient. Here is a person who is compelled, beginning with his working years, to pay a tax for a service that he may or may not want as an individual, so that it is compulsory; he has no choice for this service. When he becomes older, he will be eligible for these benefits, which will be in a hospital that is under direct Government control because it will have to meet certain specified requirements in order for this bill to be applicable to them.

The fee for what is done to him will be a fixed fee, so you have a person who is compelled, with no voluntary effort on his part, to pay a tax for a service he may or may not want, which will be paid at a fixed rate in a place controlled by the Government.

Now, I say to you that under the definition of socialism, this is socialism. Now, if the doctor is not socialized under this, as you say he is not, I would submit that at least the patient is, and we are not really very interested—I know that people feel that this is a selfish fight on the part of the doctors. I don't think it is. I can, I think, show you that this is not true.

Doctors would be better off financially with this bill. If all my elderly patients had their hospitalization paid for, it would be much better for me. I would have a much better chance to collect whatever my fee is. I am delighted when any patient comes into my office with a hospitalization plan. I am delighted.

So that it is not a selfish financial thing. It is the fear of socialism, and I submit to you that if the doctor is not socialized, if you feel that he is not under this program, to look at the other side of the coin, and I think you will be forced to admit to yourself that the patient is socialized. And it makes really no difference who is, it is a question of if someone is.

Senator LONG. Doctor, as I said a moment ago, I am opposed, as most of us are, to socialized medicine. I have never for a minute questioned the doctors' sincerity on it. On the contrary, I have admired the great amount of charitable work they have done. The St. Louis County medical plan, if that were to be fully effective it actually would be unfair to the doctors for you to carry that load of patients if you were going to carry that entire program.

There is no question as to the great charitable work the doctors have done and gladly done over the many years. As I say, I do have some qualms in my own mind that this isn't socialism, isn't socialized medicine. You made the general statement that some people were trying to foster it. I am sure you couldn't point to any specific group or individual.

If you could, we would be glad for you to tell us that.

Dr. REPETTO. I think, Senator, that it is more than coincidence that the same people are behind Murray-Wagner-Dingell, which was admitted socialism by everyone and was defeated in our Congress.

This was a socialized plan for everybody. Then, when this was defeated, they came back with the Forand bill, which was socialization including doctors' fees for everyone over 65. This was defeated.

Now they take off the doctors' services and come back with the same bill. And I think if you want names, I think it is mighty suspicious, people like Mr. Wilber Cohen, who are constantly in the background of these bills, people who are formulating these bills.

Senator LONG. On that basis, would you consider that social security payments themselves are socialistic?

Dr. REPETTO. I think that it is; yes, Senator.

Senator LONG. Our social security system is a Socialist—

Dr. REPETTO (interrupting). I think that is right, and I really would have no objections if they're proposing this bill as socialized medicine; at least come out and call it socialized medicine. Let's get rid of the subterfuge.

If the people of America look at it as such and want it as such, then this is a democracy, the majority of the people will prevail. It is the subterfuge in the thing that I have my strongest objection to.

Senator LONG. Doctor, I wish to comment on this, too. You mentioned that under this proposed bill, that the hospitals would be licensed or selected by the Federal Government. They set up certain standards now where the Federal Government does for various hospitals, and especially the hospitals that use money under, whatever the matching fund bill is, Hill-Burton Act.

Dr. REPETTO. Yes, this is true.

Senator LONG. So that would have the same effect.

Dr. REPETTO. It may, and it may not, Senator. For one thing, the regulations which have to be met under Hill-Burton are spelled out. What will have to be met under the King-Anderson is completely at the mercy of the Secretary. The regulatory powers that the Secretary has under this bill are not spelled out. They could be extremely broad powers. And I feel here, too, is a danger.

It may be that the Secretary under whom the bill is implemented may not take advantage of these. It may be possible that subsequent Secretaries under this broad leeway that is given them could take advantage of it.

I can't argue the point with you because the regulations set up for the hospitals to comply under King-Anderson have not been spelled out.

Senator LONG. Doctor, I am sincerely very much impressed with this discussion with you. I am grateful you have come forth.

Senator DIRKSEN. Mr. Chairman, could I make a little statement?

Senator LONG. Yes, Senator Dirksen.

Senator DIRKSEN. There may be some confusion as to what kind of a program we presently have. More than a year ago, the Congress passed what was known as the Kerr-Mills bill. It is named after Senator Kerr of Oklahoma and Congressman Mills of Arkansas. It went into effect in July of 1960.

It provides medical care, hospital care, outpatient treatment, laboratory fees, and a good many other things, under a rather comprehensive program. The Congress decided that rather than have it administered from Washington, it ought to be administered by the States where it is closer to home. And so it was decided that the Federal Government would pay roughly one-half of the bill, and the States would pay the balance.

But to become effective, every State legislature had to take action to accept the provisions of the bill and to write in certain specifications and put it into effect.

Legislation for its implementation is now on the books of 32 States. It is not in effect in Missouri. I can give you no reason why, and I cannot comment on it.

It is, however, effective across the river in Illinois. For the first 20 States that came in, it was expected that the first yearly cost would be about \$330 million. It is expected when all States come in, the total cost will be in the neighborhood of \$1 billion for medical care for the aged. That will be divided between the States and the Federal Government.

Now, there is a needs provision in that bill. It provides that this medical care shall be available to needy or the medical indigent, as they call it. Now you may get visions that you have to sign a certificate or an oath of some kind. That is not the case. Eligibility is determined by income. Just a little ways from here is the State of Kentucky. If your income is under \$1,000, you can qualify under this in Kentucky. If your income in Massachusetts is \$1,800, you can qualify. I have momentarily forgotten the amount set by my State, but they use a dollar income cutoff in order to determine whether you are eligible or not.

But here now is a program on the books. It went into effect on the 1st of July 1960, and whether or not the aged people in any State get the benefits of this bill is determined by whether or not the legislature in that State is willing to accept it.

I stated that 32 States, as I recall, have set up authority for the program. I apprehend that in due course all the rest of the States will come into this program. So that is the program that is now the law of the land.

There are six bills pending in the Congress, different bills. Five of them would provide for financing medical care with a social security tax. The program in existence today is financed by direct appropriations out of the Federal Treasury, and the Congress appropriates the money.

There is one other bill which has in it a proposal that the medically needy on an income basis—and I think it applies to all with incomes less than 3,000—have their option, for a given amount, they can buy one of three plans. A short-term plan, a somewhat longer plan, and then an overall plan.

Now, that would have to be bought with a premium. But I think it is provided that the States then would pay half of that premium.

But I wanted to make clear that there is a medical care program today. If the State legislature in a given State has accepted what Congress did in July of 1960, and that's what has been referred to in this hearing as the Kerr-Mills bill. It is not the Kerr-Mills bill, it is the Kerr-Mills Act, because it is on the statute books, and it is in effect.

A VOICE. I just want to say a few words.

Senator LONG. If you will just wait one minute, you will have your opportunity and you may do so.

As I have repeatedly said to this meeting and to the other meetings that we have held, technically, the medical matter is not before this committee. That matter was considered by the committee last year. The recommendations have been made in Congress, and as Senator Dirksen has said, the Kerr-Mills bill has been passed and is the law. It is not the law in Missouri yet. There is a committee in Missouri studying the matter now.

But actually this committee is a factfinding committee and is interested in other matters. We want to hear all these problems from the aged citizens and the other groups who are coming in to make the discussion in the afternoon. But, frankly, other than the influence it might have on Senator Dirksen or me as Senators, it is not doing for or against it any good, because that matter has already been considered.

We are glad to hear the problems, if that's what you want to discuss, because these 2 hours are turned over to the senior citizens to discuss their problems as they see fit, but I have repeatedly pointed out to you that this matter is pending before other committees of the Congress and is not pending before this particular committee.

That's true, is it not, Senator Dirksen?

Senator DIRKSEN. That is correct.

Senator LONG. We are here for that purpose, if any of the citizens want to discuss it pro and con.

Now, we have two or three more people who have asked to be heard. And this gentleman wants a minute, and we will certainly get to you if we can in the 10 minutes we have left.

Mr. Daniel W. Witt. Mr. Witt is chairman of the St. Louis County Federal Civic Association.

STATEMENT OF DANIEL W. WITT, CHAIRMAN, ST. LOUIS COUNTY FEDERAL CIVIC ASSOCIATION

Mr. WITT. I am here to discuss or ask several questions on homes for the aged in urban renewal programs. Now, they say there is a contest of laws to govern this, but in St. Louis County, the poor people are being just literally thrown out of their homes, and the Federal Government knows of this, and we still can't get anything done. What can these people do?

Senator LONG. Mr. Witt, in the two minutes, it is impossible for us to answer. Some of our staff could talk to you and give you the detailed information on it better than I could. We are glad to have any comments you would want to make about it.

Mr. WITT. Well, we have submitted a report on urban renewal activities in St. Louis County regarding the aged. I am hoping that you gentlemen will take our pleas back to the Government or to the bodies who are appropriating this money. You are the ones that are appropriating it.

Senator LONG. You can be sure that will be done. Your statement and request will be made a part of the permanent record.

Mr. WITT. I am here on urban renewal and homes for the aged. They claim that they have programs for it, but they are not implementing it. I can give you one case here, if you will just give me just an extra minute.

Senator LONG. Very well, sir.

Mr. WITT. All right. One case of one lady, she was on an old-age assistance program. She refused to sell her home to a local project authority. She was immediately cut off of the old-age assistance program. Now this lady is living upon the donations of her community all because she refused to sell her home in this urban renewal project.

This is not only happening in St. Louis County, it is happening all over the country. We are hearing reports from everywhere on this, and I think that since your committee is concerned with homes and problems of the aged, that you should take up urban renewal.

Senator LONG. Thank you, sir.

(The prepared statement follows:)

PREPARED STATEMENT OF DANIEL W. WITT

This report will cover urban renewal activities in all of St. Louis County, Mo., up to and including the date of December 1, 1961. The urban renewal situation in St. Louis County has not improved since our last report despite the promises of the Federal Government and the local urban renewal agencies to correct all the serious problems affecting the minority population in the local project areas.

A group of citizens from Olivette, Mo., has asked this organization for assistance in solving the problems in that community. The local project authority of Olivette has publicly stated that the relocation of the people of the project area depends upon the urban renewal project of Elmwood Park. This plan is not feasible because the Elmwood Park project has no workable or adequate relocation plan. The plan as it appears to this organization seems to be one of eliminating all of the nonwhite population of that city. The people, some who have been residents of that area for over 30 years or more, will not be able to buy back into the area once they leave, even if the homes are available. They do not want to leave this community as it has been home for them for such a long period of time. Also their schools, churches, and place of employment lie within a very short distance from them. We are urging the Federal Government to examine the plans for the Olivette project very closely so that the serious problems that came about in other areas will not arise here.

The situation in Kirkwood seems to be fading because of a recent bond issue election held on November 28, 1961, for the city's share of the project cost was soundly defeated. Not even a simple majority was obtained although two-thirds was needed for passage. This is a real picture of the feelings of the people of Kirkwood on the proposed plans. To date the local project authority has continued to refuse to show and to reveal the relocation plans for the areas. The citizens of Kirkwood are opposed to the plans because the residents of the affected areas will not be able to buy the new homes or to pay the proposed rent in the apartments. The local project authority has refused to change the plans so that they will meet the needs and benefit the people of the affected areas. Again we ask the Federal Government to give close attention to the plans of the Kirkwood projects before approving them as the citizens of Kirkwood are definitely opposed to them at this time.

As to the numerous problems of the Meacham Park area, the majority of the residents have signed petitions opposing the present plans for their area. This plan is unworkable and it seems to be the very same one that was originated in 1958 with no changes other than dates. This area has changed residentially, financially, and populouswise, but the local project authority still uses these obsolete plans of 1958. A spot sociological survey was made in November 1961, but a spot survey in nonwhite areas is inadequate because there is no trend that can be used. There is no feasible relocation plan for this area, and to date the area residents have asked for and have not been shown a relocation plan other than having the people "stay with some relative in the area." The residents of the area have asked the local project authority to modify and change these plans before they are submitted to the regional office of the Urban Renewal Administration and also to the local political body before they approved them, but this plea fell on deaf ears. At a public hearing in the area, the executive director for the local project authority asked for a standing vote on who approved the present plans for Meacham Park, and the majority of residents of the area voted against the same 1958 plans. This plan is very poorly plotted and does not meet the needs of the people of the affected area. We ask again that the Federal Government give all due consideration to all the needs and wishes of the people of Meacham Park before giving approval of this project as it now stands.

The Elmwood Park project is still a burden upon the people of that area. The plans are obsolete, unworkable, and do not meet the needs of the people. In May 1961, the executive director of the local project authority was advised to submit a new relocation plan for the Elmwood Park, by a representative of the Federal Government, but to this date none has been made available to the area residents or this organization. There is no place to rehouse the residents of this area in St. Louis County, although at the present time there are condemnation suits in St. Louis County Circuit Court to be held on December 15, 1961, to acquire the properties of the area residents who have no place to go after they have been forced to sell their homes. Then they have to pay rent to the local project authority—money that should be and is needed to buy a new home in the area, if there is to be any. This is a very serious situation that the Federal Government should stop immediately. This project is in execution and should be halted and revised to meet the needs of the people of the area. The executive director was also advised to reorganize the project advisory committee; to date he has not done so. The people of the area have no way to express their thoughts and wishes to the local project authority. It is beyond reason to proceed with this project as it now stands. There is no qualified relocation officer for this project. Assurances were given that no one would have to leave the area, but to date practically everyone who has sold or been forced to sell has left or is paying rent to the local project authority. Persons have been threatened in order to force them to sell their properties. We are wondering if this is the procedure of a federally sponsored urban renewal program. If not, why hasn't the Federal Government taken steps to correct this deplorable situation. Homes that have been purchased by the local project authority were partially burned by the same body and left standing creating a dangerous hazard. To date there hasn't been any building to rehouse or relocate anyone, although it was stated that this project was to be in stages. One case of an elderly person who refused to sell to the authority—the person was immediately dropped from the old-age assistance program. This is how the local authority is persecuting the people of this area. The people do not want to move out of this area as some have been residents here far in the excess of some 50-odd years. They welcome urban renewal as long as it is a benefit and not a subterfuge to grab their properties for industry. This is a nonwhite community founded over 50 years ago because they were not allowed to buy elsewhere and there is no place in St. Louis County for the residents of the area to relocate or start a new community, so why take such a large part of their properties for industry. The people of Elmwood Park beg of aid and help from the Federal Government. We recommend that this aid be given forthwith to stop this undemocratic misappropriation of the residents of Elmwood Park lands and properties.

In Webster Groves the conditions have not improved from any standpoint. People are still living in the garage, even though Federal officials have seen this deplorable situation, nothing has been done. People have been relocated and are still living in buildings that are substandard and they are owned by the local project authority. This local project authority have been very brazen and rude

In their dealings with the people affected, so much that in one case a person committed suicide because of being harrassed to sell. The very same property the local authority needed so desperately is now being rented to someone else. But that can never return this person's life, even offering the widow a new house. Why couldn't this family have stayed there until this property was really needed, or why couldn't this person have been allowed to rehabilitate his own property since it was not needed. The executive director stated that no one has been forced out of the area; this is not true because there were persons who were forced to sell under the threat of condemnation. They had no place to go so they had to pay rent to the local authority for some months, money that was to be used to buy a new home. So out of desperation, seeing all of the meager funds they had received from the sale of their homes going for rent, they bought homes that were available out of the city and area.

Hence this local authority has decreased the number of people they have to relocate. We guess that this is their plan for relocating the people of the area. This project is nothing more than a racial gerrymand to draw in the nonwhite area. The proposed industrial tract is not harmonious or adjacent to existing industrial properties. The project boundary lines follow very closely the segregated school boundary lines; according to Federal laws this is illegal. There has been no representation from the people, the advisory committee was not approved or chosen by the residents of the affected area, nor was the lone member on the authority. This again is contrary to Federal laws. The advisory committee has held no public meetings or consultations with the people of the affected area to inform them of their rights, or the program in general. The lone non-white member of the authority has done nothing to help the people; in fact, this person is despised in the community for her role in not assisting the affected residents. She has been called a traitor to her race. Since she has not been approved by the residents of the area, we ask the Federal Government to request her removal and that she be replaced with someone who will have the people's interest at heart, and not social prestige. There is only one way in and one way out of this area at the present time, due to the street closing of over 1 year, and 1 year of inactivity by the local project authority. This is harassment of the rankest sort. This local project authority has refused to even consider the Presidential Executive Order No. 10925; while it was violated to the utmost, it was brought to their attention many times, but to no avail. On November 8, 1961, the executive director stated that he didn't know how they were going to house the aged. He assumed some of the churches in the area would take on the job, as they had no concrete plans. To date only two families have been relocated in new homes although five new homes were built and sold. The relocation plan to date has not been shown or made public. Also, not until November 1961, no attempt was made to relocate the area residents in the white area of the city, where there are numerous vacancies in housing. This project was poorly planned and plotted, and we feel it is being used to promote racial segregation. The people in this project area are the most uninformed on what is happening to them than in any St. Louis County area. Residents of the area have had their electrical power and telephones disconnected at the request of the local authority, although the residents were still living in the homes. In order to frighten some residents to move the relocations officer stated to some area residents "If you don't get out, we are going to run a bulldozer through your house." This officer also had a person to sign some documents, that the person did not know what she was signing. It later came about that this person signed away her right to relocate. This is a most degenerate type of operation. No surveys were made to find out how many persons would be able to purchase a new home, residents were misled to believe that a new home could be had very easily. In fact, nothing was done in a decent and humane manner for the residents of the affected area. In light of this, we ask the Federal Government to request the removal of the entire commission, deputy director, relocation officer, and to halt this project until all the crucial problems and exploitation of this nonwhite area have been solved. In fact, none of these problems would have become serious had the Federal Government paid close attention and heeded the pleas of the residents of this area.

In a closing summation, our organization feels that the Federal Government is more at fault for allowing the local project authority to create this nefarious catastrophe in urban renewal projects. Because these local project authorities could not operate without Federal funds, we recommend that the Urban Renewal Administration and the Home Housing Finance Administration reappraise

all of the urban renewal activities in St. Louis County, Mo. Also, since the St. Louis and St. Louis County area is the largest urban area in all of the southwestern region, we feel that the Federal Government should have more representation than just a site inspector here in this area. Although the site representative is doing a good job, there is only so much that he can do. A relations expert and other personnel is needed to constantly assist the local project authorities in this area, because past experience has shown that some are definitely needed here. Another corrective measure is that when the Federal officials come to the area for inspections, they should travel in the project areas and meet with and talk to the people affected; in that manner you will get a true picture of the projects.

We are hoping that this report will shed some light on the conditions in St. Louis County that urban renewal has created, and that the Federal Government will heed our pleas in correcting these situations.

Senator LONG. Dr. F. A. Koetting.

STATEMENT OF DR. F. A. KOETTING

Dr. KOETTING. I am Dr. F. A. Koetting. Although I am a past president of the Missouri Optometric Association, I am not speaking for the association. I am speaking as an individual who has now entered the charmed golden circle, still working.

The suggestion that I would like to make to the committee, if it has not been brought to them before, is that they place full value on the eyesight of your people that you are preparing legislation for. If you look around the room, you will find that 90 percent of the people who have entered this golden circle have glasses on their face or in their pocket. And when we consider what we are going to cut up in this matter of large expenditure, don't leave it all to the hospitals, but get it around to the other needs of your people.

The other thought that I have in mind is just this: that when you write your provisions, be sure to safeguard the needs of your people who are going to be the beneficiaries, so that they may have a free choice of doctor and free choice of profession, for several professions may be serving that one particular type of need. They should be permitted, your people should be permitted, to choose whoever they please within the scope of his license, sir.

I thank you.

Senator LONG. Thank you, doctor.

Mr. Neuberger, Mr. S. J. Neuberger.

STATEMENT OF S. J. NEUBERGER

Mr. NEUBERGER. Mr. Dirksen, Mr. Long, and gentlemen, now, I am not going to offer any solution. All I want to know—I voted the Democratic ticket, so don't think this is sour grapes, but I think that the country is looking for a man like Mr. Dirksen who I consider a very honorable gentleman, and you can take a bow.

Senator DIRKSEN. Thank you, sir.

Mr. NEUBERGER. I think that the hospitalization feature is a fraud because as it is today you can't get in a hospital. Where are you going to put all these old people when you get to be 70. You probably aren't 70 yet. You've got all kinds of aches except a toothache. So you are going to have thousands of people that want to get in hospitals, and you can't get in today. So you will have to start building about 12,000 hospitals.

Now, I want to say this, that we have a President that I think is a great man, and he is trying, but he is a little bit too visionary on the hospital business.

I want to hear by response from this audience—I think that the old-timers want an increase in social security. Not since Truman—and that's been about 9 years—we haven't had an increase, and there is higher social security taxes being paid. Why shouldn't we have an increase? And the lowest amount I think should be anywhere from \$75 to \$100 a month. And I would like to look to the Democrats and Senator Dirksen to get on the job to see that we get it.

Senator LONG. You know, what the gentleman said about Senator Dirksen, he is one of the most respected and loved men in the U.S. Senate. I have a great admiration for him, but I want him to stay over in Illinois and run over there and not come over into Missouri.

Senator DIRKSEN. Mr. Neuberger, I am drawing on memory now. I think presently there are about 6,800 hospitals in the country. That includes roughly a million five hundred thousand beds.

You see, years ago the Congress passed what was called the Hill-Burton Act, under which they made funds available where a community needed a hospital. I don't know how many hundreds of thousands of beds we have added since that act was passed, but it continues all the time. And in the last Congress, we made more money available under the Hill-Burton Act so that the hospital construction program is a progressive one. And I gather that a few years hence we will be able to say that we have available as many as 2 million beds in the country. That's a long way from where we started long ago. But you see it does take time to catch up.

And in earlier days, the disposition was not to take a patient to the hospital if a doctor could avoid it. Today, however, the disposition is to take them to the hospital, and you are so right, there must be beds. There must be hospitals. But it is a job you can't do overnight, and it has been going forward every year since that act was put on the books.

Senator LONG. Thank you, Senator.

Well, the time is 4 o'clock, and there are two or three men that we had on the list, but it will be impossible for us to get to them as we said we would close.

Now there will be some envelopes and stationery there. If you do have a problem or you do have a suggestion you would like to write to the committee and send it in to us, the staff has them there, and they will be glad to make them available to you.

May I express to all of you again my appreciation for the courtesy you have extended to Senator Dirksen and my committee. We are honored to be here, and we appreciate everything that you have extended to us, the suggestions you have made. It will all be made a part of the record and will be considered by the staff and the committee.

Thank you.

(Whereupon, the hearing was adjourned.)

APPENDIX

PREPARED STATEMENT OF ST. LOUIS SECTION, NATIONAL COUNCIL OF JEWISH WOMEN

Mr. Chairman and members of the committee, the St. Louis Section, National Council of Jewish Women, is very happy to have the opportunity to inform the Senate Special Committee on Aging of our interest and activities in this field. We speak only as vitally interested members of the community and not as experts. However, council, both locally and nationally, has long been concerned with studying and serving the special needs of our senior citizens. We have been particularly interested in defining and serving the leisure-time needs of this group.

After much study many years ago, we started social club meetings, a few hours a week, called Golden Age Clubs. We have now progressed to the sole sponsorship of an informal, drop-in lounge open each weekday afternoon. The lounge operation is based on the experience we had in the previous club program and reflects the need of these people of expanded programs of an everyday variety.

The Council Lounge for Senior Citizens is primarily a neighborhood gathering place. It is located in an area in which there is a high density of older people. We offer both informal socializing and organized activities for those who desire it. There is a minimum of overt direction of activity, giving the lounge an atmosphere of a social club enabling our lounge members to feel completely at home.

We feel that the success of our lounge, which is a pilot project with an average daily attendance of 85, membership of 270, and a waiting list of 30, demonstrates the need of additional neighborhood lounge programs throughout our city and in other metropolitan communities. We found, before we established Council Lounge, that there were no Federal or State funds available for such a program. We have kept costs to a minimum by maximum use of volunteers and gifts of needed equipment, new and used. However, the project is still a major part of our budget and because of the cost it might deter other similar social and religious groups from entering the field.

We would hope that Federal housing aid for the elderly would also encourage and help establish recreational facilities, if not in neighborhoods with a large proportion of older people, at least to be considered an integral part of any housing project.

We do not speak as experts, but our experience is—after 3 successful years of operation—that granted basic needs of shelter, food, and security are first priority, the keeping of an older person in the mainstream of the community is an absolute must if the first priority is to have any real effect and meaning.

Thank you for the privilege of informing you of our views.

DECEMBER 12, 1961.

DEAR SENATOR LONG: When a person, or a couple, enters into the golden years, he would very much like to live the remaining days in these United States as a free person with some dignity.

I personally would stress some aid for the aging individual.

Medical and hospital aid under the social security plan, also for the individual not having social security.

To raise the earnings from \$1,200 to \$1,600 under social security.

My wife and myself have a home which is paid for, two sons in a religious order, and a married daughter who has four children. All our lives we worked hard, and contended with a normal life. If sickness would enter at this time of life, knowing the cost of present clothing, food, taxes, hospital, doctor, dentist, etc., it would not be long before we would be without our own home.

Very truly yours,

Mr. and Mrs. CHARLES A. MALY.

ST. LOUIS, MO.

DECEMBER 8, 1961.

DEAR SENATOR LONG: After viewing the attendance of both the morning and afternoon sessions held at Kiel Auditorium on this Friday, December 8, 1961, I became immensely impressed with the talent possessed by those in attendance and urge you and your committee to study this sincerely and not let same become stagnant. For the average retiree, his mind is still active, and he is anxious to remain useful. Remuneration is secondary. He still can exercise judgment, etc., as a part of the Nation.

Sincerely,

FRED J. FLOESCHER.

DECEMBER 8, 1961.

DEAR SENATOR LONG: I am sure you are smarter than I am at these meetings, but I could tell from the start of the meeting it was stacked with the AMA, and I am sure they followed you wherever you went. The old folks I invited to the meeting were sick or not able to go out in cold weather. The ones that would be benefited by a medical bill were not there. One said, "I am sure the Senators know what is best for us." I guess I won't come under this medical bill. I had to retire at 57 on disability. I receive \$149 per month from the Railroad Retirement Board. My wife got hurt in California and has been going to a doctor and taking medicine ever since. I guess we will have to sell our home to pay the medical bills. What old people need is a place to get medical care and medicine at a low rate. You cannot get a doctor to come to the home any more, and the hospitals won't take you without a downpayment or proof that you belong to the Blue Cross or some medical insurance.

Then the insurance doesn't cover all of the bill. My wife was in the Lutheran Hospital 11 days. The bill was \$412.35. I have Blue Cross and Travelers insurance on my wife. I still owe \$75 on the bill and still have to pay for the doctor's calls at his office, and the medicine extra for myself. I pay \$7 per month at the Missouri Pacific Hospital that takes care of my medical care. I wish I had the same kind of care for my wife. But the doctors are spending big money to follow you around to keep poor people from getting a just treatment. Of course, you know the insurance companies are fighting just as hard. Senator Long, I hope you and all the honest, God-fearing people around you just pray and then go together and write a law that will help the old, helpless people—something they can afford to pay, without a lot of loopholes, such as the insurance companies have. I often wonder when I read Revelations, chapters 21 and 22, when the books are opened, and the book which is the Book of Life, I hope I am in the Book of Life. Many won't be. (Thank you, sir, for letting me speak what I had to say. I wish you a merry Christmas and a happy New Year. I might add, I have always been a Democrat.

God bless you.

LEO C. LUTEN.

St. Louis, Mo.

JANUARY 5, 1962.

DEAR SENATOR LONG: I am a retired schoolteacher and I live in Belleville, Ill. I want to speak against the King-Anderson bill, which will provide medical care for all people over 65 through the social security mechanism. This is a compulsory tax on all working people and their employers. It would result in increased prices and further inflation, which is the greatest threat to the welfare of all older people.

Those favoring the King-Anderson bill state that individuals cannot be trusted to spend their medical care dollars prudently. Such a statement is an insult to the millions of older American citizens. I do not believe Americans require direction from Washington in the spending of their health dollars. I am for the right of our citizens to spend their own dollars in their own way—not for Washington politicians to spend their money for them.

The King-Anderson bill violates the right of older people who are self-supporting and independent, to purchase their own health care. Millions have saved during their working years and are able to care for their own needs. We want to have the privilege of doing this without any direction from the Federal Government.

The King-Anderson bill levies a compulsory tax on young workers and their employers to pay for a Federal program with health benefits for older people, millions of whom are self-reliant and solvent. This compels one segment of our population to underwrite a socialized program of health care for another,

regardless of need. The vast majority of our older citizens are self-reliant and do not want a younger citizen to be penalized and pay for medical care for those of us who are able to pay for it ourselves. This proposed law is unfair. It places the burden of meeting the cost of the program only on low income workers and then on a gross income up to \$5,000. This law would place an impossible burden on the young wage earner who is supporting his wife and small children. The young wage earner should not be forced to carry the burden of providing health care to all 65 and over regardless of need. I don't want to see the young wage earner penalized to provide my medical care when I have worked hard, over a period of many years, and saved through the years to be able to take care of it myself.

For those older people who need help in providing medical care, there are means available. In my own State a law has just been passed which will provide medical care to all people 65 and over who need such help.

We hope the Federal Government will allow the American people to continue living the American way of life. We do not want a socialized program for medical care. We do not want to be told how to spend our medical care dollars. We do not want the Federal Government to provide the care when we are able to do it ourselves.

Very truly yours,

ESTELLA BEAN,
Belleville, Ill.

DECEMBER 1, 1961.

DEAR SENATOR LONG: The "packing" of today's hearings by the local medical societies may have given you an erroneous impression of the picture as it exists in the St. Louis area. As a social worker who has been in a position to observe many of the needs of our aging citizens firsthand, I am in full support of the King-Anderson bill.

I urge you to lend your full support to its passage in the next session of Congress. Your conduct of the hearings was most commendable, and I particularly appreciated your efforts to get behind the "socialized medicine" label that the AMA has tried to attach to this important legislation.

Sincerely yours,

ROBERT C. LINSTROM.

CLAYTON, Mo.

DECEMBER 15, 1961.

DEAR SENATOR LONG: To keep older folks in their own home and old surroundings I would suggest you reduce the taxes on the home of an older person. If they are living in it, it might be cheaper than having them lose their home and then the Government provide them with a nice home.

I am also in favor and hope for early action on H.R. 3745 and H.R. 4685 and H.R. 4584. These bills would help some of the old folks.

MIKE WEIDNER.

LEMAY, Mo.

DECEMBER 16, 1961.

DEAR SENATOR LONG: Federal aid, in any category, comes as the result of a need. I do not believe that Federal aid in the United States comes merely as the promotion of Federal officials. Perhaps, sometimes Federal aid comes as the result of a lobby, representing a small minority.

It is always within our grasp to take care of the needy on a local level. When we don't do it; it does come within the province of the Federal Government to do it.

There is a contrast as well as a comparison between conditions today and conditions of 50 or 100 years ago. More social welfare on the part of the Federal Government is evidently needed today.

Specifically in regard to the problems of the aging:

(a) Perhaps Federal aid may be given to existing local agencies—whether governmental or private—to enable them to expand their services.

(b) Provide Federal grants to charitable or religious organizations to improve or expand their present housing facilities—distinct from nursing homes.

Rev. CARL C. POELKER.

ST. LOUIS, Mo.

JANUARY 7, 1962.

KERR-ANDERSON COMMITTEE ON MEDICAL AID FOR THE AGED.

GENTLEMEN: This is my first letter to statesmen.

Perhaps the enclosed will never be read and I will receive a form letter from you.

However, I do wish to ask if, after all the fighting the AMA has done against this bill, would Mr. Kennedy and Congress be so foolish as to let the AMA step in and tell them what to do? The AMA are forced to concede at least partial defeat but want to still "hold the reins."

The fairest and surest way of handling this project is under social security. One of the finest, most helpful moves our country has ever had is social security. Put medical aid for the aged under social security.

Yours truly,

MARTHA J. BURGESS,
St. Louis, Mo.

P.S.—I feel Mr. Kennedy is making a very fine President.

St. Louis, Mo., January 8, 1962.

Senator EDWARD LONG.

DEAR SIR: I have my mother in a nursing home. There are three children. At the present time, two are paying the bill at the home. The third, at this time, cannot afford to pay any part of the bill. With the medical bill for the aged I would like to give my opinion, which concerns the income tax law.

Under this law personally I cannot deduct any portion of my responsibility in paying toward the care of my mother because by brother claims her as his dependent. I believe that in such cases, if each person who shares the responsibility of paying toward nursing home care were given some credit, it would be fair to all the family. And as I see responsibility to your family, whether the person is an aged parent or a small child, the credit for caring for them should be the same.

Many folks in our country do not want Federal relief from their family problem but certainly would appreciate a little credit (income tax deduction) for facing their obligation. Is that asking too much? Please do not misunderstand, I am not bitter as this may seem. If nothing can be done to satisfy my thinking on this problem, then I shall continue to do my very best to care for my mother.

We could use some revision on the income tax law. I pay tax only on my salary and there is no way for me to reduce the amount by means of business exceptions. When the pro and cons of Federal aid to the aged is brought before Congress, remember I for one would only ask for credit and not for Federal relief. Thank you.

Wishing you everything good,

MISS ROSEMARY HAGEN.

MEMORANDUM SUBMITTED BY DR. GEORGE WULFF, ST. LOUIS COUNTY
MEDICAL SOCIETY

The Past 65 Plan operates in this way:

1. A card is mailed to all members of the county medical society asking their cooperation in participating in the plan. These cards are mailed back to the office of the society, signed by the doctor indicating his willingness to participate in the plan. A card system of participating doctors is then made.

2. All members are mailed physicians cards, which are the master file cards. They are filled in by the doctor after consulting with his patient as to his reason for requesting a percentage reduction. This card is signed by the doctor and mailed to the office of the society. If the doctor is aware of his patient's financial status, he will indicate the percentage of reduction he wishes to give to this patient. If the doctor feels that he is unable to suggest a percentage of reduction, and he desires that the patient be investigated, he indicates in the box so marked on physician's card. Our office staff then telephones or writes to the patient asking him to come in for an interview.

3. After screening, the investigation form is mailed to a medical credit bureau for investigation. This form is then returned to the office of the society with comments from the credit bureau. The office staff then suggests a percentage

of reduction. The case is then reviewed by a committee of doctors of the medical society and a definite percentage reduction is set. All cases, whether or not there has been a credit investigation, are reviewed by the committee.

4. The identification reduction card is then mailed to the patient with the percentage of reduction the patient is to receive. This card is to be presented to his doctor or to any other doctor he may need who is willing to participate in the plan.

In cases where the applicants come to the office of the society and indicate that they have no regular doctor, they are screened through the usual procedure and then given referrals to select a doctor of their choice. All records are filed in the office of the society.

DATE: _____

TO MY PHYSICIAN

I AM NO LONGER ABLE TO PAY THE FULL COST OF MEDICAL CARE AND I SHALL GREATLY APPRECIATE A REDUCED FEE FOR THE FOLLOWING REASONS: _____

SIGNATURE: _____

ADDRESS: _____ PHONE _____

St. Louis County (Mo.) Medical Society
(Use reverse side, if necessary)

Do not write below this line

PHYSICIAN'S RECOMMENDATION: _____

PREVIOUS SERVICE TO PATIENT _____ YEARS.

I HAVE PREVIOUSLY TREATED FOR REDUCED FEES _____ YEARS.

INVESTIGATE: YES NO

DOCTOR'S SIGNATURE: _____

ADDRESS: _____ PHONE _____

Name Miss _____ Date _____ Age _____ Race _____ SINGLE
Mrs. _____ MARRIED
Mr. _____ WIDOW
 Present Address: _____ (street) _____ (city) _____ (zone) _____ (state) _____ Phone No. _____ DIVORCED

Employed by: _____ Address: _____ { Salary _____
 How Long _____
 Phone No. _____
 Previous Employment _____ Address: _____ How Long _____
 Name of _____ Address: _____ { Relationship _____
 Next of Kin: _____ Phone No. _____

INSURANCE:
 Blue Cross _____ Blue Shield _____ Group # _____ Cert. # _____ Subscriber _____
 Other Insurance _____

INCOME FROM FOLLOWING SOURCES:
 Salary \$ _____ Retirement \$ _____ Welfare \$ _____
 Social Sec. \$ _____ Pension \$ _____ Other \$ _____

LIVING QUARTERS AND PROPERTY:
 What { Rent do you pay? _____ per week Landlord's Name: _____
 { Board do you pay? _____ per month. Address: _____
 Are you buying or do you own real estate? _____ Location _____ Mortgages _____
 To whom do you make _____ In whose name
 payments on Mortgage? _____ is the title? _____
 Other Property: _____ Location _____ Value: _____

OTHER RESOURCES:

Name of Bank: _____ Savings Acct. _____ Checking Acct. _____
 Automobiles &
 Trucks: Number: _____ Type: _____ Year: _____ Payments to: _____

CREDIT REFERENCES: Include any present indebtedness

Name of Firm	Balance Unpaid	Amount due each Month
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Monthly Expenses for:
 Medical Care _____ Medicine _____ Alcoholic Drinks _____

COMPOSITION OF FAMILY AND INCOME:

(List all members living in the home—total income of each—source of all income)

Name	Age	Relationship to Patient	Occupation	Name & address of Employer & how long employed	Income

Interviewer's Comments: _____

Doctor's Recommendation: _____

I HEREBY CERTIFY THAT THE FOREGOING STATEMENTS ARE TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF:

REFERRED BY DR.: _____

ADDRESS: _____

Signature: _____

PHONE: _____ PERCENTAGE REDUCTION _____ CARD ISSUED _____ RENEWED _____

INSTRUCTIONS TO PARTICIPATING PHYSICIANS

In order that you will be well prepared to discuss your patients' financial problems with them, it would be a good idea to know some of the basic material included on this sheet. It is suggested that you keep it for your personal reference in the future.

I. Income and expenses of the average aged person

A. The average aged couple has a cash income approaching \$2,000 per year.

1. Only about 1 person in 5 past 65 years of age is gainfully employed.
2. About 30 to 35 percent of persons past 65 years of age obtain help from their families in the form of free rent, free board, clothing, cash, etc.
3. The average couple past 65 years of age has a net worth of about \$9,000. On the average they have \$3,500 worth of life insurance and about \$5,500 in tangible property.
4. About 70 to 80 percent of the persons past 65 years of age claim that they are able to meet a \$500 expense. However, this may be through mortgaging of their home or loans against their life insurance.
5. Surveys show that 10 percent of the persons past 65 years of age are totally indigent and totally dependent upon public assistance.
6. We feel that probably close to 10 percent of the persons in this age group require hospitalization, medicines, and other special types of care which make it advisable for them to stay with the county hospital clinic. We feel there are about 20 percent of the persons in the past-65 age group who might be eligible under our system for reduced fees in their medical care.

II. The expenses of the average person past 65 years of age

The chart below shows the basic costs for persons in various income groups. It shows the percentage of usual fee which we would attach to a particular income category.

	Monthly cash income	Housing	Food	Clothing	Personal	Medical
Single.....	\$74.50	\$42.00	\$27.00	\$5.50	-----	Absolute minimum (free care). Substandard; 25 percent usual fee.
Couple.....	121.50	65.00	44.25	12.25	-----	
Single.....	100.00	42.00	36.00	8.00	\$6.00	\$8. Average; 50 percent usual fee.
Couple.....	166.50	80.00	50.00	18.50	8.00	\$10. Fair; 75 percent usual fee.
Single.....	146.00	60.10	48.00	15.00	9.00	\$14. Good.
Couple.....	214.00	95.00	60.00	25.00	12.00	\$22. 100 percent usual fee.

III. The cost for medical care for persons past 65 years of age

A. Our statistics show that most forms of hospitalization insurance for persons in this age group may be expected to cost around \$5 per month per person.

B. The average person 65 years of age or more who consults a doctor will see him seven to eight times per year. The cost of these visits plus laboratory work and plus some medication will range from \$60 to \$100 per person per year.

C. When high medical expenses occur for reasons of temporary severe illness, it will be necessary to reevaluate the amount that the patient can pay and to schedule larger medical expenses out over a longer period of time.

IV. Evaluating the patient for a special rating

A. The committee desires the doctor's evaluation of his own patient wherever possible.

B. Whether the doctor does the evaluating or requests the medical society committee to do the evaluating of a specific problem, he should try to get some information on the following items.

1. Cash
2. Ownership of property, stocks, etc.

3. The amount of help they are receiving from their families and whether this is in the form of housing, food, cash, etc.
 4. Whether they have unusual or large personal debts.
 5. Whether they have greater than average medical expenses.
- C. An example of how to rate a patient for reduced fees:

The problem: A 70-year-old widow who receives cash income of \$87 a month from social security and lives in a home in a section where properties are probably in the \$20,000 class. She states there is a mortgage on the property and her children help her to the extent of making the monthly payments on the mortgage. She has the usual number of office visits per year but several times the usual amount of medication. She owns no securities or large life insurance policies.

Solution: Cash income is of the lowest category. Her housing is being furnished by her children and this amounts to an increase in the cash income of \$42 per month, giving her an income of about \$141 a month on our scale. She has larger than average drug bills for which we will drop her one category and she will qualify for 50 percent of the usual fee.

Please do not hesitate to call upon the committee or on the medical society personnel for help in these matters.

(Copy of letter sent in response to inquiries about Past 65 Plan).

ST. LOUIS COUNTY MEDICAL SOCIETY,
Clayton, Mo.

Thank you for your recent letter. Since there have been numerous inquiries concerning the functioning of our Past 65 Committee, we thought the following additional facts might be of interest to your local group. Some of this data is actually in answer to questions from various letters received.

(1) The Missouri State, as well as the American Medical Association, have not only not objected to this plan, but have approved it heartily as evidenced in the *Journal of the American Medical Association* dated October 15, 1960.

(2) Patients have been most cooperative in discussing their financial status with either our trained interviewer or members of the committee.

(3) To date, most patients have been accepted by the committee with deductions varying from 25 to 75 percent of the usual fee charged. A few have been given 100 percent deductions and a few no deduction. The few patients who have been rejected have been very cooperative, and have seemed to understand quite satisfactorily the reason for our refusal. A letter has been sent to these people rejected, stating in essence that their present medical needs do not justify a reduction of fees at this time, but that it is realized their future situation may alter these facts, and it is requested that they resubmit their applications if the circumstances should change. Several patients so treated have called to thank us for this consideration, and to agree that although their present situation is quite adequate, they are happy that they may be considered in the future.

(4) A definite formula has been established for determining the amount of discount that is to be given each patient, and of course whether such a patient is eligible at all. Although our committee has worked out a very detailed formula for such determination, it is realized that each community may have factors which might alter such a formula. We break down the individual's expenses in housing, food, clothing, and medical expenses, to best assess the adequacy of his cash income, plus help from other sources. It is necessary, therefore, that any local plan you may adopt should have a formula to which it can strictly adhere.

We hope that you are successful with this plan, as we realize that publicity offered by such a plan may yet stem the tide of socialization of medicine.

Very truly yours,

GEORGE J. L. WULFF, Jr., M.D.

UNIVERSITY CITY, Mo., *December 13, 1961.*

DEAR SENATOR LONG: I am very sorry we could not attend the meeting December 8 at the Keil Auditorium. We were planning on attending but my wife took down with a bad case of hives, and as it happened so suddenly I just had to stay with her. I and all my old cronies want to congratulate you, Senator Dirksen and Mrs. Elizabeth Fulmer for the recommendations you all made for the assistance of the aged. The one for the higher social security seem to be the most needed. The old folks are very grateful for the help you are trying to get them, and they sure won't forget. I want to again express our sorrow for not being able to attend the meeting.

In closing please let us call you friend instead of Senator.

Sincerely,

JOSEPH OSTMEYER.

