

FUTURE DIRECTIONS IN SOCIAL SECURITY

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
SECOND SESSION

PART 24—PROVIDENCE, R.I.
Impact of High Cost of Living

JANUARY 26, 1976



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FUTURE DIRECTIONS IN SOCIAL SECURITY

MONDAY, JANUARY 26, 1976

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Providence, R.I.

The committee met, pursuant to notice, at 10 a.m., in the Providence Public Library Auditorium, Hon. Frank Church, chairman, presiding.

Present: Senators Church, Pastore, and Pell, and Congressman Beard of Rhode Island.

Also present: William E. Oriol, staff director; Diana L. McIver, professional staff member; Mike Wetherell, administrative assistant to Senator Church; Peter Harris, legislative assistant to Senator Pell; John Guy Miller, minority staff director; Patricia G. Oriol, chief clerk; and Donna Gluck, resource assistant.

OPENING STATEMENT BY SENATOR FRANK CHURCH, CHAIRMAN

Senator CHURCH. Ladies and gentlemen, the hearing will please come to order. I am Frank Church, the chairman of the Senate Committee on Aging. I am delighted to be with you, and I am very pleased to see such a good turnout this morning. I have a prepared statement that's just full of all kinds of wisdom, you understand, but it's too long for me to give because the purpose of this hearing is to learn from our witnesses here this morning, from you here, what the problems of aging may be in this State and to get recommendations from you as to how conditions can be improved.

So I am simply going to introduce the statement that's been prepared for me into the record and not take your time in reading it.

This hearing is one of a series of hearings that we have been conducting in many parts of the country dealing with the future direction of the social security program. The hearings have been very productive, and I know that this will be no exception. From them we are going to prepare recommendations that we believe will help to close the gaps in medicare, that will further improve our efforts to keep social security inflation-proof, and which will delve more effectively than we have in the past into the special problems of housing and transportation that cause such serious troubles for so many older people, and other subjects, too, relating to the direction that the social security program shall take in the future will naturally be the subject of these hearings. We expect to get testimony on all aspects of the case throughout the course of the hearing today.

[Prepared statement of Senator Frank Church, chairman, follows:]

PREPARED STATEMENT OF SENATOR FRANK CHURCH, CHAIRMAN

Senator CHURCH. Good morning. I'm Frank Church, and I would like to welcome you to this hearing of the U.S. Senate Committee on Aging on the subject of "Future Directions in Social Security: Impact of the High Cost of Living."

I'm especially pleased to be joined by several of your elected Rhode Island officials in this examination of the special problems of elderly persons in Rhode Island. With their help, perhaps we will leave here with good, solid Rhode Island ideas for solving these problems.

And the problems, as we have had them described to us by elderly witnesses across the country, are severe. 1975 was a year of sacrifice for older Americans, and a year of hard choices. A couple of years ago, one choice might have been whether to have hamburger or no meat at all for dinner; today that choice is often whether to forego a meal altogether in order to pay for a needed prescription drug, or an overdue utility bill.

Inflation has dealt the hardest blow to elderly persons on fixed incomes. The items they need the most—health care, food, housing, and utilities have increased faster in cost than other items. Testimony before this committee, in fact, has made a strong case for early action on my bill to establish a separate Consumer Price Index for the elderly, and to base social security cost-of-living increases on this special index.

Medical costs are of special concern to me and to many of the witnesses who have appeared before this committee in California, Iowa, New Jersey, Oregon, Tennessee, and Massachusetts.

And, here in Rhode Island—the home State of Aime Forand and John Fogarty—I can't help taking a moment to talk about what is happening to medicare.

COSTS GO UP AS COVERAGE GOES DOWN

Statistics tell part of the story. In 1970, the average out-of-pocket costs borne by elderly persons for health care costs amounted to \$270. Last year those personal health care expenditures had gone up by \$145 to \$415. And this does not include their payment for part B premiums. Everything is going up in medicare: coinsurance, deductibles, premiums. But medicare's coverage is going down. It now meets only 38 percent of all health care expenses for the elderly.

Older persons have told the committee what these numbers mean to individual people: the widow who can't find the money to pay for the prescriptions that medicare doesn't cover, the person who must go to a nursing home because medicare discourages home health care, the physician who knows of malnutrition cases which become hospital cases.

And yet, despite the growing burden of medical costs upon the elderly, President Ford's state of the Union and budget messages propose to cut medicare still further.

Mr. Ford called it catastrophic health insurance for everyone covered by medicare. He said nobody would have to pay more than \$500 a year for covered hospital or nursing care or more than \$250 for doctors' bills in 1 year.

That sounds good, doesn't it? The President makes it look as if there is a limit on how much older people may have to pay for health care. But the President also says that "fees for short-term care will go up somewhat."

And this, my friends, is exactly what Richard Nixon offered twice and President Ford offered last year. He called it "cost sharing" then, but what is really involved? He is proposing that the costs paid by the vast majority of people who use medicare should go up. Now, when a person receives hospital care under medicare, that patient pays \$104 of the hospital bill for covered services and nothing else until the 61st day. Under the latest version of cost sharing, medicare beneficiaries would pay the \$104 and then 10 percent of all charges on covered services above that. There would be increases in the deductible and, in the coinsurance charge on certain services under part B of medicare. And even the ceiling on a patient's liability has a loophole in it. It would rise whenever social security is raised. In other words, there would be a built-in penalty for every social security increase from now on.

SENATE CONCURRENT RESOLUTION 86 IS UNACCEPTABLE

I tell you here and now that I find this proposal to be totally unacceptable and I have asked the Senate to join with me in expressing our total rejection of this proposal and the philosophy behind it (S. Con. Res. 86).

It's a shame that the so-called experts who devised this so-called catastrophic health insurance scheme couldn't have gone out and heard directly from the real experts on medicare: the ill, elderly persons who are trying to make use of that program. Quite often, they are helped, and in major ways. But they can't help asking: why are there so many holes in the coverage? Why does the executive branch in Washington keep trying to do medicare in?

One of the problems in Washington is that high-salaried executives like to think of the hypothetical or "average" person. They want people to fit the categories, and not the other way around. In Boston a few weeks ago, a witness described a local initiative in congregate housing and said that the Federal Department of Housing and Urban Development never would have approved this kind of housing because it was suitable for only 15 to 20 percent of the elderly population. To HUD, the answer is an answer only if it is a "big" answer for a majority of people, and even then HUD won't really do what's needed to make a program work. HUD refuses to recognize individual solutions for individual people.

I think it's only sensible, if you are building housing for the elderly or a senior center, to talk to the experts, the people who will use that center. And if you're putting together a nutrition program, find out what older people want.

In our democracy, now 200 years old, it is always time for government to listen, to hear what people are saying. And that is why we are in Rhode Island today. I'm looking forward, with Senator Pell and other of your elected officials, to your testimony.

[End of prepared statement.]

Senator CHURCH. It's my special pleasure to welcome to the committee this morning the senior Senator from Rhode Island whom I have known for nearly 20 years. I have been a pupil of John Pastore's, as all of us have, and I think that it's remarkable that even though he now plans to retire he is still on the job, and he is with us this morning, and we are very pleased to welcome him to these hearings. It is a privilege.

STATEMENT BY SENATOR JOHN O. PASTORE

Senator PASTORE. I am not a member of this particular committee, but indeed I am very much concerned and interested in the functioning of this committee. I particularly want to pay my compliments to Mr. Church and Mr. Pell for arranging these regional meetings. Mr. Church, these are some of our State's finest. They are the ones who produced the sons and the grandsons who fought for this country. They are the ones who did the menial work at best in order to make this country great, and now when they are within the twilight of their careers they look around, and they see a country that does so much for other people all over the world. We have spread our largess all over the world. If there was ever a national disaster, we were the first ones to be there to help people, to feed people.

We have had a food for peace program. We have had a tremendous amount of money spent for foreign aid, and yet when it comes to our own American golden agers we just don't do enough.

These are not the affluent people. These are not the people that can come to Washington, and I am so happy that you could come to them, and I wish you every success. I merely want to call to your attention, Mr. Chairman, an editorial that appeared in yesterday's *Providence Journal* which I think is very provocative, and merits the consideration of the entire Congress. The title of it is, "Social Security Needs Total Review," and I would hope that you would make this a part of your record.*

Senator CHURCH. I will do so, Senator.

Senator PASTORE. There is another article that appears in today's paper. It is entitled, "Greenspan Admits Ford's Tax Plan Hurts the Poor."

Senator CHURCH. That's no news.

Senator PASTORE. I want to hear from these fine people. I want to make another observation. I am the only golden ager on this platform.

Senator PELL. I will take exception to that statement, because I too am a golden ager. I am only 55. What's your definition?

Senator CHURCH. You're getting there, Senator.

Senator PASTORE. You can't collect social security until you're 62 if you're female and 65 if you're male. That's what makes you a golden ager.

Senator PELL. But the movie theatres and privileges apply when you're over 55.

Senator PASTORE. I don't go to the movies.

Senator CHURCH. We are going to end this quarrel between the two Senators from Rhode Island. I would like to welcome Senator

* See appendix 2, item 1, p. 2136.

Pell, who has done work through the years with the golden agers. I have watched him, and he was especially anxious that we should hold these hearings in Rhode Island, and I would like to call on him.

STATEMENT BY SENATOR CLAIBORNE PELL

Senator PELL. I, too, have a very wise and lengthy statement that I will ask the Chairman's permission to put in the record. What we are here to do is to learn and listen. What we really are here to do is to learn what happens when senior citizens are faced with problems that come to us with inflation. This is the cruelest tax there is, the increasing cost of living, the fact that the dollar that you have today will purchase 90 or 95 cents of goods a year from now. This is the worst tax the State and local government can have. It would be much more honest were we to raise taxes if we could stop inflation, because inflation is the thing that really bites and really eats. You know that when you have to pay 60 cents a pound for bread, or 89 cents a pound for hamburger, and \$1.29 a pound for fish.

Senator CHURCH. You'd better get your wife up here to tell you about the present prices.

Senator PELL. Speaking of the "spice," that's the plural of "spouse," wives, I would like to introduce Senator Church's wife, who is tucked away in the audience. Bethine, will you stand, please? There she is. Also, my own wife, Nuala, she is here. These are the other golden agers under my definition, but in any case you know the suffering that goes on. You know the needs, and I think what one doesn't really know as regular citizens is the miserable, the sick, the poor, the old. You don't see because they are not out on the streets. The people out on the streets are healthy, and well, and working, and it's a concern of ours, the people that you don't see.

I would like to also pay credit to Eleanor Slater who has done a magnificent job with our excellent State Division on the Aging and has been a tremendous help, which is apparent, for this hearing. I would like Eleanor Slater, if she would, to stand up.

Then we are particularly honored today, because some of you who may have read the morning paper may have read the article about Mrs. Sodonie Brown who has lived in these shores for better than 90 years, and she has been helping her neighbors, and out of sheer curiosity came to see what her younger neighbors were doing. Mrs. Brown, will you stand up?

It is my prediction she will be standing up very vigorously a good many years from now, and I am delighted that she could come. Finally, I would like to put in a plug for my own Social Security Recipients Fairness Act. The purpose of this hearing is to focus on the problems of the elderly in which the Federal Government can provide help or a remedy. It is not a hearing concerned with State problems or local problems. It is concerned with Federal problems.

SPEEDIER REPLACEMENTS NECESSARY

One of the things that is necessary is to make the Social Security Act provisions fairer, and my act will provide for speedy replacement

of lost, stolen, or delayed checks, once they are 3 days late at the most. We provide that disability payments should take no longer than 110 days to process, and there could never be any more than 25 percent maximum deletion from a person's benefit check to compensate for accident benefit over-payments. I think this would make the whole social security system fairer and be a real advance, and greater use to you, the beneficiaries of it.

I thank you, Mr. Chairman, for allowing me to make a brief statement and I look forward to the hearing today.

[The prepared statement of Senator Pell follows:]

PREPARED STATEMENT OF SENATOR CLAIBORNE PELL

Senator PELL. Mr. Chairman, as a member of the Senate Special Committee on Aging, I am delighted to welcome you and the committee to Rhode Island. I recall that our committee last visited Rhode Island in September 1971, to consider problems with medicare and medicaid. In the 4½ years since that hearing, and indeed throughout your tenure as chairman, the Special Committee on Aging has built a distinguished record of action and advocacy on behalf of our senior citizens, with much of the fine record attributable to your work. I am certainly proud to have been a member of this committee during that period and to have worked with you in the Senate on many issues related to aging. I know that my fellow Rhode Islanders are aware of the long hours you have put in, and the excellent job you have done as chairman of this committee. You are, indeed, the spokesman for senior citizens in the Senate.

I would also like to welcome our distinguished guests and witnesses, as well as the many Rhode Islanders who have joined us today to explore, on the grass-roots level, just what is happening to senior citizens in these very hard times.

This hearing will examine the personal stories and experiences of senior citizens who must live every day with high inflation, low incomes, and the special problems and frustrations of being elderly in America today.

Our witnesses represent the 118,000 people over the age of 65 who live in Rhode Island today and who make up 12 percent of our population. A recent study by our State Division on Aging projects that in just 4 years, by 1980, one out of every seven Rhode Islanders will be over 65 years of age.

This State, and this Nation, must be prepared to acknowledge the implications of these statistics, and to direct our resources in a more effective manner to the needs of this group of older Americans.

SENIORS LEFT TO STAND ALONE

Right now, we are not marshaling our efforts very well. We leave many of our senior citizens to stand alone, like frail trees at the edge of the forest, with little protection from the harsh elements.

Preliminary efforts in many fields have been made. Congress has initiated programs to help with insuring access to health care, and all of us in this room take great pride in two Rhode Islanders, Aime Forand and John Fogarty, whose enormous personal efforts made national health care insurance a realistic goal.

Congress has also made real efforts to insure proper nutrition, adequate income, decent housing, and basic transportation, for this country's 21 million seniors.

However, as today's witnesses will describe, our efforts have too often fallen far short of our goal.

Of course, some problems cannot simply be legislated away: The isolation and loneliness of many older Americans is not only the result of poor housing and crime ridden neighborhoods. It is also, to some extent, the consequence of recent patterns of family development, and of the dissolving of close family ties.

But many of the harshest personal problems of today's senior citizens can be helped: In instances where we have not yet done all we can, we are here to see what more must be done, and offer to do what we can.

In some cases, the Ford administration has been directly responsible for holding up the delivery of badly needed benefits and services already approved by Congress; such a case was last year's attempt to put a 5-percent ceiling on the social security cost-of-living benefit increase, an attempt that we in Congress overrode. The present veto of the Health, Education, and Welfare budget is another instance of "administrative neglect" directed toward our senior citizens. Last year Congress successfully opposed the benefit increase ceiling, and I hope that this year we will override the HEW veto.

So we are here today to learn where medicare and medicaid can be improved; we are here to learn if the senior lunch programs are working well; we are here to ask if housing is adequate, and if it is not, just what more is needed. We want to know whether senior citizens can afford to heat their homes or apartments or even burn their lights at night. Can they pay for telephones to connect them to their families, friends, or doctors? We are here to learn what it means to a senior citizen when bread is selling at 60 cents a pound; and when hamburger is 89 cents a pound, and fish is \$1.29 a pound.

We are here to learn about the very high cost, both personal and economic, of long-term institutionalization, and a possible remedy for that tragic situation.

Most importantly, we want to hear about these situations, ideas, and problems, from the people who are closest to them, Rhode Island's senior citizens.

We will also hear some testimony today on the adequacy or inadequacy of retirement income, especially through the social security and supplemental security income programs.

SOLVENT TRUST FUND ESSENTIAL

One key to adequate social security benefits must be a solvent social security trust fund; at present the trust funds are about \$43 billion in the black, but unless we adjust the tax structure, they will go into the red sometime during 1982, and could be running a \$7 billion deficit by the end of 1983. We cannot allow that to happen. Congress must soon decide how to pump new funds into the trusts, and the choices seem to be either to raise the taxable wage base, or raise the tax on the present wage base, or to add some funds from general revenues, or a combination of these proposals.

When we do revise the tax structure, it is my intention to support whatever resolution imposes the least hardship on the average Rhode Island wage earner and his or her family.

Finally, we are here to learn of Rhode Island solutions, as well as problems. We have many people here today, seniors as well as younger men and women, who are working full time, on shoestring budgets, to alleviate the disadvantages which the elderly face.

I believe that they have done an excellent job. They receive far too little praise, and I know their work often entails a great amount of frustration for them, so I am looking forward to learning of the results of their efforts, so that we can take the good as well as the bad back with us to the Senate, and hopefully change things for the better.

[End of Senator Pell's prepared statement.]

Senator CHURCH. Thank you, Senator Pell. I was the first cosponsor on the Pell bill that he has just mentioned. It is a good bill. We are going to do everything we can to get it passed.

Senator PELL. S. 985.

Senator CHURCH. You have a new Congressman. It's been a great pleasure for me to get to meet him and know him. Already we have become good friends, and this is because of his great interests in the problem of the aged. It is natural that we should become close friends as soon as he came to Washington. I am glad he is here as a Member of what is called the other body in the Capitol. Nothing can be done until the two bodies get together, and we have gotten together at this hearing, and I would like to present now Congressman Ed Beard.

**STATEMENT BY EDWARD P. BEARD, A U.S. REPRESENTATIVE
FROM THE SECOND DISTRICT OF RHODE ISLAND**

Congressman BEARD. Senator Church, Senator Pell, Senator Pastore, Mayor Cianci, Lieutenant Governor Garrahy, and ladies and gentlemen. I have a statement that I will submit for the record. But I would like to just make a few remarks. As I see some of the major problems of the elderly, Senator Pell has mentioned he has introduced the Social Security Recipients Fairness Act in the Senate. I introduced the same bill in the House. I have certain hopes that in 1976 that there could be some action taken on this bill. Congressman James Burke, the chairman of the Social Security Subcommittee, has indicated to me that there would be some action on the House side on this legislation.

I know, for example, there are elderly people who have their checks stolen or who have lost them, and they have to wait an awful long time before the checks are reissued.

This has been a tremendous burden on the elderly. Not only here in Rhode Island, but all over the country, we have thousands upon thousands of elderly people waiting in lines trying to get into public housing, and that has to be addressed in the Congress.

Of course, we have an administration that has been more or less down on public housing for elderly; but I think in some way this can be changed. We have to meet that obligation, and in the areas of national health insurance it's the mandate of the people that we have national health insurance. This will not only help the elderly

people, but it will help our working people all over the United States. I am very, very highly honored that I have been invited by Senator Church and Senator Pell to participate in the committee deliberations today. I will do my utmost as Senator Church has said, in the other body, to serve the elderly people, the 22 million elderly Americans in this country and try to help them have a better life in their golden years. Thank you, Senator.

Senator CHURCH. You're welcome. Without objection, your prepared statement will be inserted into the record at this point.

PREPARED STATEMENT OF CONGRESSMAN EDWARD P. BEARD

Congressman BEARD. I welcome the distinguished Senator from Idaho, Senator Frank Church, my own dedicated colleague, Senator Claiborne Pell, and members of the staff of the Committee on Aging.

It is most appropriate that you show concern for Rhode Island's elderly by coming here to listen to the hardships that our people have endured in a period of great inflation and unemployment. Everything has skyrocketed so much that those who have to depend on social security are severely victimized.

One of the most tragic things happens when a recipient of social security has a check misplaced or lost. The consequences are devastating. Anxiety, fear, and genuine difficulties are presented. Because recipients must depend on a fixed income for their survival, their normal way of life is at best marginal. This fact of life made me introduce in the House of Representatives a bill that Senator Claiborne Pell had introduced in the Senate, the Social Security Fairness Act, which would expedite claims where a check has been stolen or misplaced. It would permit the Government to issue a check to the recipient in much quicker and responsible fashion, so that the beneficiary can meet his monthly obligations.

Even beyond that, I believe that the time must come whereby older people can work in part time jobs without paying a penalty if they earn above the present restriction. I see a lifting of that restriction to a more reasonable amount such as \$6,000 or so. It is unfair for older people to be discouraged from taking a part time job because of a government restriction on the amount they can earn which is no longer valid in the face of our economy. The only way we can change this is for the elderly people in America to bang on the doors of the Congressmen to tell them it is time for a change. That restriction must be raised to a figure that meets present day standards.

Senator CHURCH. Congressman Fernand J. St Germain is unable to be with us today. He has submitted a statement for the record, and without objection, I will insert it at this point.

[The statement follows:]

STATEMENT OF FERNAND J. ST GERMAIN, A REPRESENTATIVE FROM THE FIRST DISTRICT OF RHODE ISLAND

It is a pleasure to be able to present my views on future directions for elderly programs, with particular reference to social security reform.

At the outset, I would like to voice my extreme concern about the President's proposal for changes in the social security system. I am sure that we are all agreed on the need for change; however, the administration has given us a proposal which can only hinder the development of a program responsive to citizen needs. The Presi-

dent's proposal continues to make demands upon lower income workers to sustain the social security program and is clearly an expediency measure which would cause only short-term relief to the problem of funds for social security. Therefore, the need is to establish a long-term financing program which would not only impact upon lower income persons, but would affect upper income workers as well.

Further, we must look to alternate sources for funding of the Social Security Administration, since the growing number of benefit recipients is fast outpacing the number of workers contributing into this system. It is apparent to me that general revenues must be considered as a possibility if we are to maintain the benefits program we currently have.

I know that my colleagues in the House have been highly responsive to the need for social security law reform and have encouraged the passage of legislation affecting all phases of the social security process. The results have been gratifying, and I am sure we can look forward to comprehensive legislation in the near future.

LEADING PROVIDER OF HOUSING FOR ELDERLY

While I am in an optimistic vein, I would like to draw attention to the many benefits we are currently providing to our elderly citizens, benefits which are often overlooked in our discussions of future directions. For example, Rhode Island is a leading State in providing elderly housing, transportation and meals-on-wheels services. Further, Rhode Island's Division on Aging has established a hotline for information on any problems or questions our elderly citizens may have. For these reasons, Rhode Islanders may turn with pride to their State as a model in its services to our senior citizens.

However, there is much more to be done, and I am certainly anxious to assist in every way possible to continue the progressive trend of elderly programs in Rhode Island and in the country. National health insurance is a major item which I feel we must address as soon as possible. The establishment of a catastrophic health insurance plan will help somewhat, but this can only be an interim step toward the full coverage which all our citizens desire and deserve. Our elderly particularly need the security which a comprehensive health plan will provide, and I am confident this plan will be enacted in the near future.

Ultimately, the problems of the elderly hinge upon the inadequacy of the income upon which they must depend. Although there has been legislation introduced to provide more frequent cost-of-living increases to social security recipients, it is obvious that this is not feasible until the financing of the system is once again stabilized. Therefore, our priorities are clear: Reform of the trust funding formula, increases in the benefits, and restoring the faith of our citizens in the stability of the Social Security Administration.

Forums such as this hearing can only yield positive results in helping us, as Members of Congress, to inform our citizens as to what we are doing for them, as well as to learn from them where the serious problems lie and how to best serve their interests. I am greatly pleased to be able to share in this give-and-take experience, and I appreciate the kindness of Chairman Church and members of this committee in allowing me this opportunity.

Senator CHURCH. This hearing gives me the opportunity to become acquainted with your public officials in this State, and I know of no one about whom I have heard warmer, more enthusiastic remarks, than Lt. Gov. J. Joseph Garrahy. He is here to welcome the committee, and I would like to recognize him at this time.

STATEMENT OF LT. GOV. J. JOSEPH GARRAHY, STATE OF RHODE ISLAND

Lt. Gov. GARRAHY. Senator Church, Senator Pell, Senator Pastore, Congressman Ed Beard, Mayor Cianci, I join with our congressional colleagues in welcoming Senator Church here this morning officially. I had a chance to chat with him last night. I know of the work he has been doing on behalf of Rhode Islanders in the Congress. He has taken on the responsibility in a sensitive area of examining our intelligence agencies in the country. He is also looking at the multinational corporations. If you read this morning's paper, you will

see that some of the work that Senator Church has been involved in is crucial to Rhode Island, particularly because of the economic situation here. The Senator, of course, is aware of the high unemployment rate in Rhode Island and the needs that we have here in this State.

I might like to point out that the new budget has been submitted to the Congress by the President. We hope that those particular cuts in that budget will not be shifting the financial burden to the States, particularly to Rhode Island which is already overburdened with economic problems and high unemployment in trying to grapple with State finances during a very difficult time. I want to welcome the Senator, and I know that he is here to listen to the senior citizens of this State as to the problems here having to do with housing, having to do with medicare, having to do with social security, transportation, and all the problems really that affect Rhode Islanders.

RSVP PROVIDES OUTSTANDING CONSTRUCTION

I might like to just put a plug in. Although we are here to talk about different programs and how they affect the welfare and the living of senior citizens, one program that I am particularly excited about, and that I see our senior citizens working with in the State of Rhode Island is the RSVP, the senior companion program. They contribute so much to this community as senior citizens in helping us in nursing homes, in helping us in our instructions, in providing the type of care and compassion in helping people who in some instances do not have anyone to look after them. I want to congratulate those in the RSVP and the senior working program for the outstanding work they have done in the State of Rhode Island. I have seen the results of that work. I might like to say this morning, which is a bad morning, that to see so many people here this morning is gratifying. Senator, it demonstrates that the people wanted to come, and we are delighted to have you with us.

Senator CHURCH. Thank you. Of course, we are the beneficiaries of the hospitality of this city, and here on behalf of the city is the mayor, Vincent Cianci.

STATEMENT OF HON. VINCENT CIANCI, JR., MAYOR, PROVIDENCE, R.I.

Mayor CIANCI. Senator Church, Senator Pell, Senator Pastore, Congressman Beard, Lieutenant Governor Garrahy, and all interested people: On behalf of the citizens of the city of Providence, R.I., I welcome you as you conduct your hearings on the impact of the cost of living on the senior citizens of this Nation.

As the Senate of the United States receives testimony from senior citizens on their experiences in trying to cope with high prices for essential goods and services which they require to live according to a decent standard, I wish to join with them in bringing to your attention some of the greatest needs as told to me in my meetings with them.

There is a continuing plea that the costs involved are so high in maintaining a quality of life which seniors deserve, that their fixed incomes are insufficient to provide for just bare and minimum requirements.

Fifteen percent of the people of Providence, over 26,000 people are 65 years of age or older. It is easy to understand why I believe that their case is an important one to be made before this august committee. What is of great importance also is that 80 percent of the 45,000 families in the city of Providence earn less than \$15,000 a year.

Senior citizens have told me in a litany of frustration, that: (1) "The cost of living is too high." (2) "Social security benefits don't begin to make it possible for me to eat well and to have my medical problems met." (3) "The cost of food is too high, and all costs, as well." (4) "My own costs for medical care are so high, something has to be done about improving medicare, medicaid, or create a national health insurance program." (5) "Social security checks take too long to be changed when I change my address or lose my husband." (6) "The social security checks that I have directly deposited in the bank are often delayed." (7) "With the amount of money I get, I can't even pay for heat and lights." (8) "Even though we have a free transportation program for senior citizens, I can't always get them when I need them; I can't pay for any other means of transportation when I am sick." And the litany goes on.

I have been told that when Federal social security payments are increased the State and public housing authorities often decrease other payments. There should be clauses in the Federal legislation which will not permit this corresponding decrease in funds, or increase of cost for services.

Senior citizens feel that social security payments have never coincided with the cost of living. Even though there are cost of living increases built into the payments now, the basic minimums are so insufficient, that cost of living increases have little or no effect.

Seniors who are trying to maintain their own homes are often forced to sell because of rising fuel, utility, and maintenance of housing costs. For those who have lived in their homes for many years, and have raised their families in the same neighborhoods, this is a most serious wrench in their lives which public policy should not cause. In fact, Federal public policy should insure that this does not happen.

The demand upon public housing among the elderly is heightened by rising costs.

MEDICARE LACKS COMPLETE COVERAGE

The medicare program does not provide complete hospital, doctor, or prescription costs. For many of this program, it is still considered necessary for them to maintain Blue Cross or other health insurance coverage paid by them, in order to supplement their medicare coverage. Private health insurance costs are also rising. This results in an additional reduction in their income for more basis food, housing, and utility needs. Since the State medicaid program only covers those at the lowest economic level, more attention should be directed by the Congress to pass a workable and effective health insurance program for all of the Nation's seniors.

I, too, feel frustrated as does the senior citizen. But I responded as quickly as I could.

Just 1 month after I took office, I called upon the banks to sell food stamps to seniors on every day of the month in the city. Until then, the seniors had to find other places to buy them, which were often inaccessible to them, or were not secure enough for them. By March of 1975 the banks had responded positively to my request.

Shortly thereafter, I appointed a senior citizen task force made up of a senior citizen representative, medical, and social service professionals, and other senior citizen interests. This task force was charged with providing me with advice and counsel on matters relating to the medical, biological, psychological, and social conditions and concerns of senior citizens with a view toward the establishment of programs and services for senior citizens.

The task force has been meeting regularly and will shortly provide me with a report which will recommend the development of a city-government-based capability to deal with all issues relating to senior citizens.

TASK FORCE STUDYING NEEDS

In all the years that the needs of the seniors in city of Providence have been growing, the former administration only responded with a recreational activity. I have re-staffed this program and have charged them with working with my task force in outlining what the city should do to meet the needs of those 60 and older.

Heretofore, there has been little coordination of existing public and private programs. In the past no one in city government had tried to pull together all untapped resources. With a few short weeks the task force will deliver its report to me, and I expect to immediately establish priorities in this area.

Senior citizens are an integral part of the total Providence community, and as such are entitled to the benefits of all the resources which the city has at its disposal and the creation of new ones, if necessary.

The winter of 1976 will not pass until I recommend a city government course of action which will lessen the impact of finances on the city's senior citizen.

I urge the U.S. Senate to respond to senior citizens as well. Thank you, Senator.

Senator CHURCH. Thank you, mayor. The mayor has certainly given us many of the problems that face people, and it is obvious that we are going to have the level that these hearings must at the State level of government and the local level.

Now, let's hear from the senior citizens. That is what we came for, and we have our first panel. Let me say this. That there will be an opportunity for all of you who want to offer us recommendations or to tell us about problems that you personally face to do so. You can do it in two ways. We have got to cover a lot of ground this morning.

First of all, we are going to feature some panelists, and we will hear from the panelists. Second, we will distribute, make available to anyone who wants it, a special form, an easy form. This is the first Government form you have ever seen that's easy to fill out. It's practically a blank sheet of paper with space for your name and address. So if you want to write us something that you think

we should know, these forms will be available for you to do so, and you will be sure that they are read, because we carefully review them after the hearings.

Third, as time permits, depending on how quickly we can move along, we will call upon individuals in the audience who wanted to say something, if they will promise to limit their remarks to just a minute, or—well, two, so we can be sure that we spread it around as much as possible.

First of all, we go with the panel, and, remember now, we are going to discuss the role of the Federal programs, the role of the Federal Government today, and our first panel consists of Clifford Shaw, Fred Creighton, and Dorothy Craighead.

I am told that Mrs. Jennie Jacques has the flu this morning and could not be with us, so our panel is reduced to three.

STATEMENT OF CLIFFORD SHAW, CRANSTON, R.I.

Mr. SHAW. I am Clifford Shaw, and as the opening speaker I should like to take the privilege of thanking Senator Church and Senator Pell for including Rhode Island in these hearings and giving us a chance to put this on the record. It is a little challenging to find that even before we, the representatives of older citizens, start to speak, most of our problems have already been touched upon.

Perhaps we can give them a little bit closer focus. Two concerns impel me to speak on behalf of older citizens. At 74, I guess I qualify as one of them.

My first concern is the effects of inflation and the second is a more productive use of the time and talents of the retired.

I speak for a group of retired people not generally thought of as being in need. The needs I present certainly are not as urgent as those of the really desperate. But as long-range goals, I think they are vital to the future of millions of retired people and the country as a whole.

Today I speak for myself, but what I have to say could well represent the views of one group with which I am actively associated—Cranston Leisure Learning. More than 300 retired people hold 6-week sessions twice a year to stimulate the concerns, skills, and participation of anyone who still wants to be active. We are self-supporting. The group is ecumenical. It is not unique. There are 5 or 6 similar programs in Rhode Island.

INFLATION IS PRIME SPECTRE

Inflation is one of the prime spectres in the lives of retired people in this category. Their incomes are admittedly above the poverty level, but still are fixed and inelastic. Some say needs diminish when you retire. After 40 or 50 years of married life, however, material things begin to fall apart. A range you bought 20 years ago for \$100 has to be replaced, and now you discover something similar costs \$500 or \$600. The same for refrigerators, sweepers, all household needs.

Many of us are property owners. Taxes take a bigger and bigger slice from the family dollar. If the roof goes or the cellar wall springs a leak, repair costs are astronomical for us. We are no longer do-

it-yourselfers. And where, 20 or 30 years ago, we could float a loan to meet such costs, now we worry that the loan will last longer than we will.

I am not saying that the government should consider financial aid to people in this category. What I do urge is that this committee and every government agency make control of inflation a basic objective, to be weighed and involved in every step they take.

Second of my concerns is the way our society wastes the capabilities of the millions of retired. Any man or woman who leaves a job after 40 or 45 years in good health represents an asset in skills, experience, and tested knowledge that should be used for the good of the entire community.

I know there are many efforts today to harness these resources, but these efforts are largely local and limited. SCORE, for example, provides management aid for small businesses, but this is only one aspect of the infinite variety of experience available.

What I am suggesting is a committed philosophy for government, business, industry, the professions that will make continued use of the retired part of our society's operation, just as we expect the young worker starting his or her career to go on to achieve success. It need not be a financial burden. These are people who can earn their own way in services that will increase the productivity and the stability of our economy.

OLDER CITIZENS SHAPING DIRECTION

Older citizens are seen as becoming a major factor in shaping the direction of our society. But oldsters lack the solidarity to shape society to their needs. Society itself must understand the potential of these millions and put them to constructive use before we deteriorate into a generation of disgruntled has-beens whose only effectiveness will be to slow down and misdirect the progress of our civilization.

To paraphrase President Kennedy: "We ask not what our country can do for us. We ask what we can do for our country."

Those of us who have lived through the vicissitudes of this century, and those who are going to retire with the same kind of invaluable preparation in the future ask only the opportunity to do something for our country and for the society of which we are still a potentially creative part. Thank you.

Senator CHURCH. Mr. Shaw, that was not only a very fine, but a very commendable statement. Thank you. Let's hear from all the panelists here. Fred Creighton.

STATEMENT OF FREDERICK W. CREIGHTON, PROVIDENCE, R.I., LEGISLATIVE CHAIRMAN, RHODE ISLAND COUNCIL FOR SENIOR CITIZENS; MEMBER, GOVERNOR'S ADVISORY COMMITTEE ON AGING

Mr. CREIGHTON. Thank you, Senator Church, Senator Pell, Senator Pastore, Congressman Beard, and all the distinguished people here, and also my friends and neighbors, senior citizens.

I happen to be one of you. My name is Frederick W. Creighton, and I am also legislative chairman of the Rhode Island Council for

Senior Citizens which is affiliated with the National Council, and I am also a member of the Governor's Advisory Committee on Aging. I am an advocate for the elderly.

As an advocate of the elderly I became very much interested in the SSI program. That was passed on October of 1972, and it actually became effective on January 1, 1974.

The way the bill was passed, the State could either keep it the way they had it, or they could turn it over to social security. Well, that meant that I had all kinds of meetings and letters of correspondence with the State, finally with the Governor, and 2 weeks before it became effective they turned over about 9,000 people to social security, and what a mess it was—they didn't know what to do with the programs because it was new. They didn't have the people to really get the program going. We still have a problem because these people—I can't understand why—after we find these people, and they apply to social security, why it still takes 2 or 3 months before they get their checks.

This is one of the problems, and in the meantime these people, they are very low income. They don't have the money to live, to exist, pay the rent, and so forth.

DOOR-TO-DOOR SEARCH

Now, I really think that we have a program that actually may show results. The Division on Aging, they had a meeting with the Social Security Administration. This was in April before the Information Privacy Act was enforced. They received about 10,000 names, but the real problem is this. It now becomes a door-to-door proposition to find the little old lady, the little old man on the side street, the little old lady or little old man in the suburbs. They don't know exactly what's going on. I do a lot of speaking all over the State to organizations, and I find even there these people won't come forward for the simple reason they don't want to let their friends know that they are on low income.

So it has to be done in the homes on a friendly basis. The Division on Aging has had CETA workers. I believe they started off with 30, due to the fact of getting other jobs and so forth, they are down now to about 17. But this is time-consuming work. Besides, they have caseloads after they find these people, and therefore now they only have about two people to go out and find these people. The Division on Aging went to social security and they got the names before the Privacy and Information Act became effective.

We have about 9,000 more people to see. I am going to give you a breakdown of what actually happened. Today there are 934 names that have been screened, and 700 completed—with questionnaires and have been returned to social security. Of the 700 it was noted that 86 elderly were potentially eligible for SSI. It is further projected that of the 86, 75 percent should be actually eligible for SSI. Only 2 percent of these people contacted were already receiving SSI.

Of the 700 people contacted, 127 or 20 percent are in need of various services, and will be added to the direct service caseload.

DIVISION LACKS MANPOWER

There are other things besides money. There are people we find that really should be entitled to food stamps. They should be entitled to medicaid. I don't know what SRS is doing to find these people. I can understand why they don't do it because unfortunately they do not want to increase their caseload; but they have to be found because these people are really in need. Now, in order for the Division on Aging to continue what they have started, the success of the project depends on CETA aides. As of this date we only have about 17 working, and about 2 actually trying to find these people.

It would need about 15 more people, and that is something that CETA aides should be doing. Instead, they are probably in some office doing nothing and getting paid for it. This is actually very imperative that we find these people.

Thank you very much.

Senator CHURCH. Thank you, Mr. Creighton.

Senator Pastore?

Senator PASTORE. Mr. Creighton, I noticed one time while watching television in Washington, when I had a little time to do it that there was an ad on the screen advising people who were entitled to food stamps and who were not getting them, to go ahead and apply for them. I quite agree with you. There are a lot of people who are entitled to these food stamps that are not getting them. One case may be because they don't know how to apply while in some other cases, they are too proud to apply. What is your answer? What is the best way to bring it to their attention?

Mr. CREIGHTON. I really think these old people—I am old, too.

Senator PASTORE. So am I.

Mr. CREIGHTON. But my brain is active. I am physically in fair shape. I think what the problem is that a lot of these people do not know how—they see these ads in the paper. Possibly, also, they see it on television. It is a fast 90-second deal, and they soon forget all about it. They have to be really counseled. They have to be talked to, telling them what it's all about. If they become an SSI recipient they are automatically entitled to food stamps.

NEEDY MUST BE FOUND

That is one of the good things about it. Of course, what we really have to do is find that person that's entitled to SSI. I can say this: Any person here or wherever, if their income—that includes all income—social security or whatever in this State as an individual would be less than \$209.14 should apply to social security. Now, if they are a couple, it's a different story. In other words—I am talking now if they have social security. It would be \$315 if their resources should be no more than \$1,500—but if they don't have social security, it is a different kind of a deal.

As an individual it's \$189.14. As a couple it's \$295 because with social security there is a \$20 disregard. If people, in their later years really want to become active, and they can find themselves a part time job, even though they have SSI, they can work. Because the first \$65 a month is disregarded, and 50 percent of the balance of that is disregarded.

So if their social security check or their income, is around \$125 or so, they can still work.

I want to thank you. Any other questions?

Senator CHURCH. No, I am going to stop right there, because you see when Senator Pastore wants to ask a question he can ask a question any time he wants. He's my senior in the Senate; but I am going to enforce the rules where the others are concerned.

Actually, Senator Pastore has to leave at 11 o'clock, and I wanted to be sure he had a chance to ask what questions he wished beforehand, and it may be that our next panelists will not have finished by the time the Senator has to leave.

Senator PASTORE. May I have 1 minute? I will leave at 11 o'clock because I have another commitment. I will repeat again—I am not a member of this committee; but I am very much interested in the workings of this committee, and I have pledged to the members of this committee all the assistance I can give.

Senator CHURCH. Thank you very much, Senator Pastore. Our next and last member of the first panel is Dorothy Craighead. Dorothy, we want to welcome you this morning.

**STATEMENT OF DOROTHY CRAIGHEAD, WARWICK, R.I., MEMBER,
PROJECT HOPE AND NUTRITION COUNCIL TITLE VII PROGRAM**

Mrs. CRAIGHEAD. Thank you, Senators, and good morning, ladies and gentlemen. I am Mrs. Craighead, a member of Project Hope and Nutrition Council Title VII Program. I am mainly interested in good nutrition for senior citizens, and I believe that good nutrition is very important for senior citizens.

Having a well-balanced meal adds to the joy of living, promotes good health, and cuts down on medical bills.

As we grow older, our eating habits change, and we find that we do not eat as much as we did when we were younger. That is why it has to be a well-balanced and nutritious one. I would like to give a sample of meals that are served 5 days a week in the Greater Providence area by Project Hope. This is just a sample: Vegetable soup, baked chicken, mashed potatoes, squash, coffee, and, milk.

Now all the vitamins are in this one meal. As you know, there are many seniors living alone on fixed income, and because of the cost of food they buy the things that are cheapest and not all seniors are able to receive food stamps. There are some seniors I find that are eligible for food stamps who do not receive food stamps.

The food stamps cost the seniors more to receive, and with the cost of food the way it is, the food stamps don't go as far as they should. So we find that a lot of seniors, they are unable to afford the kind of food that they should buy. There are also seniors who are unable to get out and do their shopping, and someone has to do the shopping for them, which is a pretty unstable thing for them because they can't get the things they want. They just write a list, and somebody gets it for them.

The stamps don't go as far as they ordinarily could go. So Project Hope is trying to help and assist them by delivering a hot meal to shut-ins. They are delivered by meals-on-wheels. I wish I could explain to you gentlemen the joy that people have with the different

food, eating their meal in a social setting. Some seniors have enough to take home for their evening meal, and this is a savings to them.

CO-OP PROGRAMS AID SENIORS

I would like to say that food co-op programs started by Project Hope at the different centers helps seniors to buy food at a lower cost than they would in the market. Also, they can buy it at a great savings. They can buy cuts of meat, vegetables, produce and staples, all at a savings. This program is very important, and we are trying to reach as many seniors as possible. All these things help with the budgets, and the well-balanced meals, and physical well being of senior citizens.

We hope that these programs will be able to continue because good nutrition keeps the body in condition, and the mind functioning properly. Senior citizens can participate in all phases of the center's activities, and I just hope that Congress will continue to have this available so more seniors may be reached with these programs. Thank you, again.

Senator CHURCH. Thank you very much. I certainly do agree with you about the importance of the nutrition program and the whole effort that's been made on meals both with respect to those that are served at the senior centers and those that are served as shut-ins who can't leave their own homes.

I have two announcements to make before we go to questions. For those of you who are standing, I can hardly see beyond the light, here, but every once in a while I have a sense that there are people standing here in the back of the room, and there are still a few chairs, a few seats here that are not occupied. I wonder if those who are sitting next to an unoccupied seat will put their hand up and give some of the older folks a chance to come and sit down. Will you do that, so people can see where the few empty seats remain? Come on down. Don't behave like you're in church and have to sit in the last pew. Come down to the front. There are a few seats down here.

One other announcement. This is a splendid public library. I hadn't had a chance to see it. You people in Providence should be proud of it. Just outside the door, I am told, the library has provided, on a table, pamphlets, books, and other information of special interest to senior citizens. So if you have the time, you might want to take a look at the library materials that have been set out on that table.

Instead of leading off with the questions, I would like to defer to your Rhode Island Senator and Congressman, and let Senator Pell commence with the questions.

S. 352 TO PROTECT RETIRED HOMEOWNER

Senator PELL. Thank you, Mr. Chairman. In connection with a point that Mr. Shaw made about the increasing cost of maintaining one's residence. It's a very valid point, indeed, and I have introduced a bill, S. 352, Retired Homeowners Protection Trust Fund Act. You have to have a study; sometimes you have to have two studies, and then eventually you will get the bill through, and what this does is to authorize the study of this bill, keeping the Social Security

Trust Fund separate from others to enable retired homeowners to retain their home. I think if you would examine that bill sometime, Mr. Shaw, you will find this would meet that problem.

Maybe you could generate some support for it from across the country. I think this would be a very specific help to that problem. That was more a statement than a question. I would like to ask one further question of Mr. Creighton. The question is, how can we go about this outreach a little bit more? Who should pay for it, and what more specific suggestions do you have to make sure that those who are eligible for food stamps and SSI are informed?

Mr. CREIGHTON. I think really the Social Security Administration should pay for it. But I don't think they are about to do it, because I don't think they want any more clients. I also think SRS, if you know what I am talking about, would pay for it, too.

Senator PELL. What is SRS?

Mr. CREIGHTON. That is the Welfare Department we have. I don't think Jack Affleck would be in favor of it to increase his budget, actually he would have to take and subsidize more people. I think what has to be done—and I also think there should be a law passed by Congress that when these costs of living increases come about—increases such as in social security and SSI—the full amount is passed on to the recipient. On SSI, the last time around, there was an 8-percent increase but the State only came up with 4 percent.

I think that it should be mandatory that there should be a law with your Federal Government that they would have to pass this full amount along to the people.

Senator PELL. Mrs. Craighead, I wonder if you could describe to us a little bit what a typical meal would be under the program. Incidentally, as to the prices I gave as to the hamburger and so forth, those are the prices in the butcher shop in Greenville, R.I. They are not prices pulled out of thin air. Let me assure you of that.

Mrs. CRAIGHEAD. Well, Senator, I gave you a sample of the meals that we do serve at the different centers. They start off with a soup.

Senator PELL. What kind of soup?

Mrs. CRAIGHEAD. They have different soups. There is a vegetable soup, chicken soup, pea soup, or chowder.

Senator PELL. Are they canned or fresh?

WELL-BALANCED MEALS

Mrs. CRAIGHEAD. No, these are fresh soups made in the kitchen. I would like to say these are cooked on the site. They have their own cooks; all centers have their own equipment, their own refrigeration, their own storage, and all these things are cooked on the site. The other meals are brought in in containers and served hot. These meals are well balanced because they consist of meat, a vegetable, and a salad. The seniors therefore have meat and two vegetables, and they have dessert and coffee, and they have milk which is all the vitamins that they need.

Senator CHURCH. That sounds like a good balanced meal.

Mrs. CRAIGHEAD. Well, it is a good balanced meal.

Senator PELL. Are you concerned with the question of cholesterol and the dietary content of the meals?

Mrs. CRAIGHEAD. Yes, that is all taken into consideration for the senior citizens.

Senator PELL. Thank you very much.

Senator CHURCH. Congressman Beard, please?

Congressman BEARD. Thank you, Senator, distinguished panelists. I would like to tell you that in considering the Older Americans Act, I had the honor to serve as a conferee along with Senator Pell. Meals-on-wheels will go on. That was highly emphasized in the legislation. It's very, very important. I also notice from Fred Creighton's testimony, one of the things is sending a message home to the thousands not only in Rhode Island but throughout the country who are not aware of the programs they are entitled to.

I think if the Government, in my opinion, was as efficient in trying to get information to the elderly as they are to the citizens with their income tax forms, we would be a lot better off in this country. I have a question for Mr. Creighton. In the time I have been here this morning, I haven't heard transportation discussed. I know senior citizens have been issued identification or transportation cards. Through the surveys that I have taken in one area in the State, they only have a card which entitles them to free transportation, but there are no buses. So what is the situation there?

Mr. CREIGHTON. Well, actually, I think we are very fortunate to get what we do have. The mass transit, free bus service for people 65 and over, we have been fortunate to get this.

Senator CHURCH. I don't know of any other State that has that. Do you?

Mr. CREIGHTON. Rhode Island and Hawaii have it.

Senator CHURCH. The first State and the last State leading the way.

Mr. CREIGHTON. They didn't want to give it to us; but we had to fight for it. Really, what Congressman Beard is talking about I believe is where the mass transit doesn't exist. Now, I think that the State should subsidize the local bus companies so that the senior citizens could ride for free. Otherwise, they should put their buses on those lines because they say it's statewide; but as Congressman Beard says, it's not for the whole State because they don't cover the whole State.

FREE BUS TRANSPORTATION

Congressman BEARD. Mr. Creighton, Senator Church, I believe the record would be interested in my recent trip to Hawaii with the Select Committee on Aging in the House. There is a similar problem in Honolulu where they have free bus transportation on off-peak hours. On the islands of Molokai and Oahu the senior citizens have their cards for transportation. Under the Older Americans Act we have extended funds to the States for rural transportation. So I would hope that the State officials will take advantage of that. We could have an extension of what we have in Providence, Cranston, Warwick and elsewhere where we have the transit system.

Mr. CREIGHTON. In Newport and Portsmouth, and down in that section of the State around Pascoag, and other sections of South County, there isn't any transportation. These are the people that should be taken care of.

Senator CHURCH. Why don't we look to the provision of the new law that Congressman Beard is referring to and maybe there would be some opportunity there for Federal involvement which might be helpful.

Mr. CREIGHTON. But I am going to tell you it would take some doing in the State to get them to do it, even though the money is there.

Senator CHURCH. My turn—Mr. Shaw, first of all, you spoke of something, and that is the talents, the experience, the wisdom that older people have, and how we should try to keep them engaged, keep them interested. Of course, there are some that would like to continue to work at least on a part-time basis who may be able to work and have something to contribute, some skill, and an opportunity to work except they are very severely limited under the social security system as you know as to how much they could earn.

Do you have any recommendation to make there.

Mr. SHAW. I think, Senator, this may have been over-emphasized. I think there are a great many people who have these talents, these skills who aren't too much concerned about how much they would lose from their social security if they could continue to use their talents. I am afraid what I was talking about this morning is the least interesting of the problems that are to be discussed here, and so I didn't want to take too much time. But my feeling is that the way to approach this is not to set up another government agency to dispense funds, but to try to get some kind of program where industries, for instance, and government could work together, so that industry would set up some kind of program to use these talents within the context in which they have been used for years. This I think is a great field, and I don't think it is the amount of income that would worry the people who could do this sort of thing. It's just a chance to continue to be useful.

Senator CHURCH. Just an opportunity.

Mr. SHAW. I think a lot of us are suffering from what I call the "Shaw retirement syndrome." The less urgent things there are to do, the less urgency there is to do anything. We are victims of that, and we would like to get away from it.

Senator CHURCH. Fred Creighton has mentioned a number of people who may be eligible for the SSI benefits who are not getting the information, who do not know. Fred, could you give us an estimate? You know a lot about this subject in Rhode Island. Could you give us an estimate of about how many people you think are living in this State who should be getting the SSI benefits who are not getting it?

Mr. CREIGHTON. That would qualify?

Senator CHURCH. That would qualify, but people who would qualify just don't know, and aren't included.

DON'T WANT WELFARE

Mr. CREIGHTON. I would really think there could be, I am not talking about the people who have already qualified and are being taken care of. I think out there wherever they are, I don't know, probably on some third floor, someplace there might be at least 1,500

or 2,000 people. I think that would cover it. There may be a little less; but you have to talk to these people because the old people are out there and really, they want to keep their dignity. You see these people are not like young people. They don't want welfare, and they won't admit that they need it. This is the problem. There is one more thing, Senator, I want to say before I leave here. Being the legislative chairman in Rhode Island here, I have had a bill, what they call the generic drug bill. I know if you could pass that federally, it would be a wonderful thing for these people. I have had it about 4 or 5 years in the State here; but the lobbying against it is pretty tough. In other words, the AMA, the pharmacists association, and the legislators that we have, as a matter of fact are lobbying against it. The legislators that we have happen to be either lawyers or pharmacists, and they are there for their self-interest. Now, what we need actually is a Federal bill, and then they would have to do it, and I think that is very important, the generic drug, and also a circuit breaker. You know what I am talking about?

Senator CHURCH. Yes, I know what you are talking about, and we are looking at both of these subjects very, very seriously on the committee. I want to say one other thing on the subject of drugs or medicines. I think that the limitation in the present medicare program, that prevents anyone from having medical bills covered except when they are hospitalized is one of the most serious gaps in medicare.

I know so many people on very limited incomes who have a chronic illness of some kind that requires prescription drugs, not just one bottle of medicine, but every week or every month or every 6 weeks they have to replenish the supply, and they have no way of getting reimbursement under medicare, and in some cases that will come to 20 or 25 percent of the total income of the person, and I think that one of the things we should do as a priority in filling the gaps of medicare is to take people who are on prescription drugs or in that fix and see to it that medicare gives them help for the medicine that they have to have.

INFLATION FAR MORE SERIOUS TODAY

I want to say one other thing. I agree completely with what Clifford Shaw has said about the importance of getting inflation under control. That is critical. I also have to recognize that that problem hasn't yet been solved by any means. The inflation is far more serious today than it used to be. In the last couple of years we have had inflation of 12 percent 1 year; 7 percent this year; 7 percent is twice as high as the average in this country over the years. So inflation remains a very serious problem, and until we get the answer to it, and get it back under control again, then for goodness sakes let's make this cost of living passthrough work as efficiently as possible. When I first proposed the passthrough in an effort to make social security inflation proof, I was thinking about 3, or 4, or 5-percent inflation, not 7 or 12 percent inflation, and it's a big difference.

So we made it an annual passthrough, and when people are faced with inflation as serious as the recent years have been, that annual passthrough is a hardship. You can't wait 12 months before you catch up with what's happened. So I have a new bill in. I wish

you would get as much support for it as possible which would improve this. It would make for a passthrough each 6 months which can be done under the computer system as easily as 12 months, so this adjustment can come without people having to wait for 12 months, and it would adopt a new cost of living index that relates to the kinds of cost that older people face.

They have a different budget than ordinary people. You are not buying a new automobile. You are not doing that kind of thing. So we need a cost-of-living index that is adjusted to food and rent and fuel and medicine, the kind of things that make up the major components of the typical budget of an older person. Make that the basis for the adjustment in social security, and apply it also to SSI, and do it every 6 months if the inflation hasn't been whipped, and that would be a great help.

Mr. SHAW. Could we take time to ask for a question or two from the audience?

Senator CHURCH. It's a good idea. Do we have the microphone? I have this light in my face.

Mr. REGER. I am very glad to be here.

Senator CHURCH. Would you use the microphone over here, sir?

Mr. REGER. I have been a resident of New England all my life.

Senator CHURCH. Would you identify yourself?

STATEMENT OF ERNEST REGER, PROVIDENCE, R.I.

Mr. REGER. Ernest Reger. There has been a blueprint to solve the inflation problem in front of your nose all the time for the last 35 years. Our revered President Franklin D. Roosevelt had it, OPA wage and price control, an example of this is when President Nixon instituted an emasculated form of OPA or price control that worked. It worked too well, because it was a namby-pamby-type of thing. If you went back to Franklin Roosevelt and studied the NRA and the OPA which I lived under, I was in business, and I know how it worked. I couldn't sell what I was selling for more than I sold before the war. I could have gotten three and four and five times what I was selling it for if the OPA was not there.

The person who worked, that was the wages he got; but he was able to get along. There were many more shortages. People of that era should know that. There were many more shortages than we have now during the war. You couldn't get anything, yet we made out. Everything was controlled to the point that the working man, the working people on whatever salary they had seemed to get along very well. I know I got along very very well. I had no trouble. The only trouble was that, well, I couldn't get a new car. Well, it's too bad. The old Chevy went for 110,000 miles, and when the war was ended I got a new car during the year. Thank you very much.

Senator CHURCH. Thank you. I would like to say that I wasn't involved in the second world war, but in the Korean war I was involved in the price stabilization. I know something of what you speak.

STATEMENT OF ANNA BEARD, PROVIDENCE, R.I.

Mrs. BEARD. My name is Anna Beard. I am Congressman Beard's mother. The only thing I have to say is this: Every time social security

goes up—I live in public housing, and I notice everytime Social Security goes up our rents go up. So what are we gaining? We don't gain anything that way.

Senator CHURCH. There is a gentleman that would like to speak—are you speaking—we will let you both, one at a time.

STATEMENT OF BRUNO HOFFMAN,* PROVIDENCE, R.I.

Mr. HOFFMAN. I am Mr. Hoffman from Providence. I am active in senior citizens groups. I only want to make one remark to Mr. Shaw's statement about people working who are over 65. There's a limit to how much you can make without losing social security. I don't see any reason for this limit because it is not necessary anymore to keep senior citizens off the labor market and, if they work they pay income tax. The original idea is not valid any more. On the other hand there is a provision that came in under the Eisenhower administration: Somebody could collect social security in any month he doesn't make more than \$230; but in 1 or 2 months he could make \$5,000 or \$10,000 and still collect in the other months. This is a waste of money and helps rich people. It should be eliminated and used to increase the \$2,700 to \$5,000 or \$7,000, or eliminate the limit altogether.

Senator CHURCH. Will you speak into the microphone?

STATEMENT OF VINCENT VESCERA, PROVIDENCE, R.I.**

Mr. VESCERA. My name is Vincent Vescera. I had money before Roosevelt was elected; but I followed with the NRA. I lost \$500. I had to go to WPA myself; but I was proud. There was a time when the administration, they wanted to vote for the people, and the rich people, the Republicans, they ashamed. That's why we leave the country. Let's get the country going like it was when Roosevelt was in office.

Senator CHURCH. Folks, we are going to hear from two more. Just two more, and we will have the next panel, and then we will give you another opportunity to speak.

May we hear from this gentleman?

A VOICE FROM AUDIENCE. You made a remark, Mr. Chairman, that I am only allowed 1 minute. I have something here that I have kept a secret for 14 years, and I thought that today would be the proper time for me to expose this. But I can't do it in 1 or 2 minutes.

Senator CHURCH. Let's wait and see how much time remains when we are finished. We will do our best.

Mrs. TRITENDI. He can talk. I am Rose Tritendi.

Senator CHURCH. You are going to speak from the panel?

Mrs. TRITENDI. Yes.

Senator CHURCH. Let's go to the next panel. Dr. Mary Mulvey, Madeline McKiernan, Jim Keegan, and Janet Lewis are the members of the second panel. Before this panel begins, I want to tell many of you who may not know about it, that Dr. Mary Mulvey has been promoted to vice president in the National Council of Senior Citizens which is a great recognition for the work that she has done.

* See additional statement, appendix I, item 2, p. 2127.

** See letter, appendix I, item 9, p. 2135.

**STATEMENT OF DR. MARY MULVEY, PROVIDENCE, R.I., VICE
PRESIDENT, NATIONAL COUNCIL OF SENIOR CITIZENS**

Dr. MULVEY. Thank you, Senator Church, Senator Pell, Congressman Beard, other distinguished guests on the platform, our senior citizens and guests. I have a lengthy written statement. I will streamline it now; and I respectfully request that the full statement be included in the record.

Senator CHURCH. Of course.

Dr. MULVEY. I am also State Chairperson for the National Health Security Committee. I am convinced the only way to solve the health problems for all Americans is the Health Security Act (S. 3 and H.R. 21), the Kennedy-Corman bill. President Ford promised a national health insurance program for this year in his 1975 state of the Union address; and he now declares that we cannot afford national health insurance. Yet, 20 million Americans have no health insurance, and another 30 million have inadequate insurance.

MAJORITY FAVOR NATIONAL HEALTH INSURANCE BILL

The way is not through the catastrophic health insurance proposed by President Ford, which would require the elderly to pay \$500 out-of-pocket for qualifying hospital expenses, and a \$250 limitation annually to qualify for medical services. These amounts would increase proportionately with cost-of-living increases in social security. It is important also to note that the prestigious Cambridge Survey revealed recently that 57 percent of our population is for a national health insurance bill at least as comprehensive as the health security bill.

Kennedy-Corman makes everyone in the United States eligible for coverage. The program would pay nearly all personal health care services including catastrophic coverage.

Preventive care would be an important aspect of that program. It points toward organized arrangements for patient care and would support HMO's—Health Maintenance Organization—and other prepaid group practice plans, such as the Rhode Island Group Health Association (RIGHA).

Mrs. Lewis, who is on this panel, is going to talk about RIGHA, this morning. We have had medicare for 9 years, and we are grateful for what it has accomplished. But it covers only 38 percent of health care expenditures for older Americans; and Mrs. McKiernan, on this panel is going to talk about medicare.

National health security is the answer; but even if enacted now, it could not become fully operative for several years. Therefore, I recommend prompt changes in medicare, not only to close the loopholes, but also to conduct a mini-health security program for the older segment of the population as a prelude to, and demonstration for, extension to all segments of the population.

Our recommendations are to merge medicare and medicaid in a federally administered program covering all persons, 65 and over, and all other medicare and SSI beneficiaries. Part A and part B would be combined so that premiums now charged under medicare part B would be terminated.

Benefits now under medicare would be expanded and payable without co-insurances or deductibles. Nursing home services, re-

ardless of prior hospitalization, would be covered up to 120 days, and without limit if furnished in a nursing home affiliated with a hospital. Other benefits would include out-patient drugs, care of eyes, ears, and feet.

Many sources have labeled President Ford's medicare catastrophic health insurance proposal a fraud perpetrated on the elderly. He proposes to increase the out-of-pocket payments for medicare beneficiaries by requiring them to pay a co-insurance charge of 10 percent of all daily hospital charges, following the first day for which they pay the full cost; to impose a 10-percent co-insurance charge on hospital-based physician and home-health services; and to raise the part B supplementary medical insurance deductible from \$60 to \$77 in 1977, increasing thereafter proportionately with social security cost-of-living increases. These measures would wash out future social security cost-of-living increases.

PROPOSED CHANGES "A HOAX"

These changes are a hoax on the elderly. For example, under present law, the patient pays \$104 the first day in the hospital and no more for 60 days; but the President's plan would increase the cost for the medicare patient upwards of \$250 for an 11-day stay, which is the average medicare patient hospital stay. Medicare patients will pay 10 percent of hospital costs day after day until they spend \$500.

It is estimated that this proposal would not offer a savings until after a patient had been hospitalized for 75 days since, under the present program, medicare patients would have to be in the hospital 75 days in order to spend \$500 out-of-pocket. Yet, only 1 out of 1,000 remains 75 days in a hospital, so the President's plan will benefit only 1 out of 1,000 Americans under medicare, not the millions of senior citizens who are sick and infirmed.

Actually, the President's program imposes upon the elderly \$2 billion more than they are paying now and provides a paltry \$500 million rebate in the form of catastrophic coverage, the result being a Federal budget saving of \$1.5 billion at the expense of the elderly, sick, and disabled. Implications are that the Federal budget will be balanced on the backs of the elderly, sick, and poor.

We urge the U.S. Senate Committee on Aging to prevail upon Congress to oppose the medicare catastrophic health insurance proposal of the President and to consider our recommendations for improvement of medicare until such time as the national health security is enacted. We congratulate you, Senator Church, on your initial step toward this goal through the submission of Senate Concurrent Resolution 86, "Opposing Increases in Medical Costs for the Elderly."

Equally objectionable is President Ford's proposal to lump medicaid with 15 other Federal programs, and give the States only \$10 billion in block grants with no strings attached for State matching funds. This revenue-sharing plan represents less money than before for those who need it the most since, under the present program, the Federal Government now provides \$11 billion and the States must provide \$8 billion in matching funds.

If medicaid costs should increase at even half the rate of last year, with only a \$10-billion budget for all health programs for the poor, serious cutbacks in some programs and elimination of others would result.

REVENUE SHARING HAS DRAWBACKS

Revenue-sharing could seriously affect such categorical programs as community neighborhood health centers which serve the poor of all ages, SPOC, which is the Special Project for Older Citizens that you will be hearing about on this panel, and other programs. Older persons have never received their rightful portion from revenue-sharing and other consolidated programs because they have had to compete with more vocal programs in the power structure; and this is the basic reason for our establishing categorical programs, including elderly housing, medicare, medicaid, the Older Americans Act, and subsequent amendments, et cetera. Incidentally, the President already proposes cutbacks in the nutrition program for elderly under title VII of the Older Americans Act.

The logical solution is to scrap the patchwork approach to health care through enactment of S. 3, H.R. 21, the Kennedy-Corman bill, not only for the elderly but for all Americans. We are the only industrialized nation which still makes adequate health care a privilege of those who can pay for it.

Comprehensive health care for all our people must be established as a matter of right, like the right to education and the right to vote. Thank you.

Senator CHURCH. Thank you. I had some remarks here about Mr. Ford's state of the Union proposals; but Dr. Mary Mulvey has summed it up so beautifully that I am just going to associate myself with her position because it says it all, and it says it well.

Dr. MULVEY. Thank you.

[The prepared statement of Dr. Mulvey follows:]

PREPARED STATEMENT OF DR. MARY MULVEY

Senator Church, Senator Pell, honored guests and senior citizens of Rhode Island. As vice president of the National Council of Senior Citizens (NCSC) and director of the Rhode Island Council (RICSC), I am very much involved with issues concerning a better life for seniors. And, the cost of maintaining good health directly relates to the quality of life.

I am deeply moved by the plight of the senior citizen living on a fixed income in these inflationary times, who can be financially devastated when faced with overwhelming health problems. Hospital and medical costs are soaring faster than all other items in the Consumer Price Index.

As chairperson of the Rhode Island Committee for National Health Security, I am convinced that the only way to resolve health care problems for seniors, indeed for all Americans, is through passage of the Health Security Act (S. 3, H.R. 21), the Kennedy-Corman bill.

President Ford promised a national health insurance program for this year in his 1975 state of the Union address; and he now declares that we cannot afford national health insurance. Yet, 20 million Americans have no health insurance, and another 30 million have inadequate insurance.

The way is not through the catastrophic health insurance proposed by President Ford, which would require the elderly to pay \$500 out of pocket for qualifying hospital expenses, and a \$250 limitation annually for medical services. These amounts would increase proportionately with cost-of-living increases in social security. This would be catastrophic—indeed a disaster for most of our elderly.

STATEWIDE SUPPORT FOR KENNEDY-CORMAN BILL

The Rhode Island Committee for National Health Security has statewide support for S. 3, H.R. 21, the Kennedy-Corman bill. With us are: the entire Rhode Island congressional delegation, the State administration, leaders of community action and senior groups, labor, civic, student, and religious organizations.

It is important also to note that the prestigious Cambridge Survey, conducted by Patrick Caddell, and released quarterly, revealed (*Parade* magazine, November 30, 1975) what many of us have known for a long time: "The people of this country are fed up with the usual way of paying for health care."

We are finished with the old approaches. The Cambridge Survey asked for a response to four different health proposals. The results present such dramatic evidence of public thinking, I will read the four proposals and the percentage for each one as reported in the Cambridge Survey.

1. Keeping things as they are today—only 13 percent.
2. A small system where poor people are given medical insurance and everyone is protected against sudden major illness, 23 percent.
3. A system of national health insurance which guarantees every person as much care as he or she needs, 35 percent.
4. An amazing 22 percent lined up behind the most radical alternative—a totally nationalized system where not only is everyone guaranteed as much health care as he or she needs, but doctors and hospitals are taken over by the government and prices are regulated, 22 percent.

Yes, the people of this country are overwhelmingly in favor of a big change in health care—"a system of national health insurance which guarantees every person as much care as he or she needs"—and that would be the Kennedy-Corman bill. Fifty-seven percent of the population (totaling items No. 3 and No. 4) is for a national health insurance bill at least as comprehensive as the health security bill.

Kennedy-Corman makes everyone in the United States eligible for coverage. The program would pay nearly all personal health care services including catastrophic coverage. Covered would be physicians' services, inpatient and outpatient hospital services, home health care, optometry and podiatry services, devices and appliances, prescription drugs, some psychiatric services and nursing home care. It would cover, at the outset, dental care for children up to age 15, and eventually the entire population. And, most important, it would establish pilot projects to determine the feasibility of home maintenance care for the chronically ill or disabled. Remember, even if a nursing home is good, most people can be better rehabilitated in their own homes with proper care.

EMPHASIS ON PREVENTIVE CARE

Preventive care would be emphasized, as well as early diagnosis and medical rehabilitation through a vastly improved health care delivery system—pointing toward organized arrangements for patient care, such as HMO's (health maintenance organizations) and other prepaid group practice plans, such as the Rhode Island Group Health Association (RIGHA). RIGHA is unique and has received national recognition for its innovative practices.

Other national health security aspects include: Administration by the Social Security Administration: financing through a health security trust fund created by a tax on employers, employees and the self-employed, with the amount matched by Federal general revenues; a quality control commission to develop cost control features, including national standards for health care providers; consumer input in policy, administration and development of health security on national, State, and local levels; public accountability; and a resources development fund to support innovative health programs in manpower, education, and group practice development.

We have had medicare for 9 years; and we are grateful for what it has accomplished. But medicare covers only 38 percent of health care expenditures for older Americans. National health security is the answer; but even if enacted now, it could not become fully operative for several years. Therefore, I subscribe to the position of the National Council of Senior Citizens for prompt changes in medicare, not only to close the loopholes, but also to conduct a "mini" health security program for the older segment of the population as a prelude to, and demonstration for, extension to all segments.

Our recommendations are to merge medicare and medicaid in a federally administered program covering all persons, 65 and over, and all other medicare and SSI beneficiaries. Part A and part B would be combined so that premiums now charged under medicare part B would be terminated and beneficiaries would no longer have to meet these payments out of limited and fixed incomes.

Benefits now under medicare would be expanded and payable without coinsurances or deductibles. Nursing home services, regardless of prior hospitalization, would be covered up to 120 days, and without limit if furnished in a nursing home affiliated with a hospital. Other benefits would include out-patient drugs, care of eyes, ears, and feet.

Some portion of the cost of coverage would be borne by general revenues, and the remainder by payroll taxes—the same for employee and employer.

The need for these changes in medicare is great because of the ever-increasing costs to medicare beneficiaries—the latest being from \$92 deductible charge to \$104 for the first day of a hospital stay up to a 60-day period—plus increases in copayments. No! Poor, sick, elderly, and disabled people cannot bear additional out-of-pocket payments for medical treatment such as those proposed in President Ford's medicare catastrophic health plan.

Many sources have labeled President Ford's medicare catastrophic health insurance proposal a fraud perpetrated on the elderly! He proposes to increase the out-of-pocket payments for medicare beneficiaries by requiring them to pay a coinsurance charge of 10 percent of all daily hospital charges, following the first day for which they pay the full cost; to impose a 10-percent coinsurance charge on hospital-based physician and home-health services; and to raise the part B supplementary medical insurance deductible from \$60 to \$77 in 1977, increasing thereafter proportionately with social security cost-of-living increases. These measures would wash out future social security cost-of-living increases.

PRESENT CHANGES A HOAX

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It is estimated that this proposal would not offer a savings until after a patient had been hospitalized for 75 days. Yet, only 1 out of 1,000 remains 75 days in a hospital; so the President's plan will benefit only 1 out of 1,000 Americans under medicare—not the millions of senior citizens who are sick and infirm.

Actually, the President's catastrophic program for medicare beneficiaries must be looked at within its devious context; in reality it imposes upon the elderly \$2 billion more than they are paying now, and provides a paltry \$500 million rebate in the form of catastrophic coverage, the result being a Federal budget saving of \$1.5 billion at the expense of the elderly sick and disabled. Implications are that the Federal budget will be balanced on the backs of the elderly, sick, and poor.

We urge the U.S. Senate Committee on Aging to prevail upon Congress to oppose the medicare catastrophic health insurance proposal of the President and to consider our recommendations for improvement of medicare until such time as the national health security is enacted. We congratulate you, Senator Church, on your initial step toward this goal through the submission of S. Con. Res. 86 "Opposing Increases in Medical Costs for the Elderly."

Equally objectionable is President Ford's proposal to lump medicaid with 15 other Federal programs, and give the States \$10 billion in block grants with no strings attached for State matching funds. This revenue-sharing plan represents less money than before for those who need it the most since, under the present program, the Federal Government provides \$11 billion and the States must provide \$8 billion in matching funds. Furthermore, the administration has expressed alarm over the 25 percent rise in medicaid costs last year; but, if medicaid costs should increase at even half the rate of last year, with only a \$10 billion budget for all health programs for the poor, serious cutbacks in some programs and elimination of others would result.

CATEGORICAL GRANT PROGRAMS COULD SUFFER

Revenue-sharing could seriously affect such categorical programs as community neighborhood health centers which serve the poor of all ages, SPOC (Special Project for Older Citizens) which specializes in resocialization and de-institutionalization of older hospitalized persons, and other medical services to meet the needs of those who can least afford the costs—the poor, the elderly, the medically indigent, the under-served, and those who require mental health care.

Categorical grant programs were established to define problem areas, furnish Federal support to help deal with the problems, provide direction and control of funds as Congress intended, and establish priorities and standards of administration to assure

quality and responsiveness. So, President Ford's proposal to consolidate categorical programs is a giant step backward.

Older persons have never received their rightful portion from revenue-sharing and other consolidated programs because they have had to compete with more vocal programs in the power structure; and this is the basic reason for our establishing categorical programs, including elderly housing, medicare, medicaid, the Older Americans Act of 1965 (authored by the late Rhode Island Congressman, John E. Fogarty), and its subsequent amendments. Incidentally the President already proposes cutbacks in the nutrition program for the elderly under the title VII of the Older Americans Act. Again, as in the proposed medicare cutbacks, the President's proposal is a well-planned method of cutting health care specifically designed to help the underprivileged to survive in the abyss of poverty.

The logical solution is to scrap the patchwork approach to health care through enactment of S. 3, H.R. 21, the Kennedy-Corman bill—not only for the elderly but for all Americans. Our objective is a better life for everyone. It is everyone's right to have the best of health care in our society. We are the only industrialized nation which still makes adequate health care a privilege of those who can pay for it.

We speak of our freedoms in this country. If we are to hold up our heads among other industrial countries in the world, we must affirm one more freedom—the freedom from fear of ill-health and its financial consequences for the old and the young, poor and affluent, employed and unemployed. Comprehensive health care for all our people must be established as a matter of right—like the right to education and the right to vote. Thank you for giving me the opportunity to present this statement.

Senator CHURCH. Now may we hear from Mrs. Madeline McKiernan?

STATEMENT OF MADELINE McKIERNAN, PROVIDENCE, R.I.

Mrs. MCKIERNAN. Honorable ladies—I did see Eddie Beard here; but I guess he is gone.

Senator CHURCH. Eddie is coming back.

Mrs. MCKIERNAN. This is a pretty tough act to follow. I have no prepared text. I can show you there is a list of these going back, but this is a combination of medicare and Blue Cross, and I have the two top ones which are treatments, and we got this one c.o.d. I call it. It's \$104.50 each treatment.

Senator CHURCH. Could you pull the microphone a little closer, please? You're doing fine. We just want to hear you.

Mrs. MCKIERNAN. I am not going to argue with medicare, inasmuch as we have used it. I am very, very delighted; but we have been in a position where Blue Cross is taken out of my husband's pension, and this is \$21.26 a month, and we have medical bills. I have one here, one druggist alone I ran into this morning is \$71. I have also been taking a continuing treatment and medication for my blood pressure, and that I have been able to get at cost.

I can only agree with everyone here that understands what it is for people, as I say, I don't want to use the word "retired," because I don't feel I am retired. I had to leave my position because of the budget. I worked for model cities. But I still am continuing in that vein for many, many people that used our services, and I can hardly turn these people off. But I have had to listen to people speaking about food stamps, and I will jump away from medicare for a moment and make the suggestion that when people do go on medicare and social security that food stamps become involved, even if it's at a maximum, but they should also be tied in with medicare—food stamps. I don't believe it's so at the present time, but also I feel that Mr. Shaw said there are so many people that are giving their time because they can't turn people off in their own positions that they have held.

We could use so many senior citizens to teach people that can't read or write, and you would be amazed at the people that we have had to help to make out forms, to read letters for them. SSI—here is a country that pays social security. Is that supplemental? I don't know. SSI—they can't read or write.

Senator CHURCH. SSI?

Mrs. MCKIERNAN. It hands them a check for \$189 and gives me one for \$169, and they don't take any effort to see that these people know how to spend it, to shop, to pick up the ads in the paper. They are not even able to do this.

To get back to medicare, I would like to see the Kennedy-Corman bill passed as soon as possible.

Senator CHURCH. Thank you, very much. I would like to underline what you said by pointing out when we passed the medicare program, and it took a long fight to do it, when we finally got it passed it took care of 50 percent on the average, 50 percent of the cost of medical care for the elderly.

MEDICARE LOSING GROUND

Today it takes care of 38 percent. So we are losing ground with the medicare program, and instead of getting proposals to reverse the trend we are getting the opposite kind of proposals that are going to stick the people with a \$1 billion or \$2 billion more of out-of-pocket costs. So that the coverage will drop to 25 percent or less. That's the direction we are going in. It's just the wrong direction.

Mrs. MCKIERNAN. Just one more thing, if I may, Senator. I have a bill here. This bill is for office visits and treatment which is for \$104.50, and you pay this as you get the treatment. Well, I have called and talked to Blue Cross. I think medicare doesn't care, but Blue Cross said, "Yes," they think they will review it and take care of the percentage. I am wondering about the doctors. We get 100 percent, and we that can't afford it only get a percentage back of what we paid, and I think that's something that should be looked into.

Senator CHURCH. Would you just restate that? I missed it.

Mrs. MCKIERNAN. That's all right. I said that I called medicare offices. I called Blue Cross on this \$104.50 which is every month. They said they felt they could review it, and very possibly they would pay a percentage. But do I understand we pay 100 percent? We are hoping we will get back a percentage; so it's the consumer that's being hurt, the patient that's being hurt all the time. That's all. Thank you, Senator.

Senator CHURCH. Thank you. Could we hear from Jim Keegan next, and then we will finish up with Mrs. Lewis. Senator Pell would like to introduce Mr. Keegan.

Senator PELL. This is a slightly separate subject, but one of the most important purposes of this hearing was to explore Rhode Island's solutions to national problems, and the effects of institutionalization upon the human spirit and in economic times having an individual institutionalized as opposed to being out in the general community. This morning we visited a fine project in Warwick* which is a day

* For additional information on the Warwick program, see appendix 3, p. 2139.

care center for seniors that provided an alternative to institutionalization. Everyone of those individuals probably would have been institutionalized had it not been for the day care center. In Cranston there is a special program appropriately named the special program for older citizens (SPOC) which has conducted work in deinstitutionalizing and resocializing old people. We have Mr. Keegan who is a participant in the special program for older citizens designed for deinstitutionalizing and resocializing of elderly patients at the Institute for Mental Health.

Senator CHURCH. Thank you, Senator. Mr. Keegan.

STATEMENT OF JIM KEEGAN, CRANSTON, R.I., SPECIAL PROGRAM FOR OLDER CITIZENS (SPOC), INSTITUTE OF MENTAL HEALTH

Mr. KEEGAN. My name is Jim Keegan. I am from the Institute of Mental Health, and I am a participant in the (SPOC) special program for older citizens.

What we do at SPOC is an actual—we do cooking. We have mutual activities, field trips, and we go around visiting with other groups. The question is, "What does SPOC do for me or for people there?" And it's hard to answer because you don't know until you finish it. I am about, I should say, in about the middle of it. I think it has helped me mentally, physically, and spiritually.

I would recommend the program to anybody that's interested in furthering their own self interest. That's it.

Senator CHURCH. Thank you, Mr. Keegan. Our last participant on panel No. 2 is Mrs. Janet Lewis.

STATEMENT OF JANET LEWIS, WARWICK, R.I.

Mrs. LEWIS. When I was asked to participate in this panel I asked exactly what I should do, and what information I was supposed to bring to you, and I was told, "Tell it as it is." "Tell it from your own experience," and this is what I plan to do. RIGHA, the State's largest and first maintenance organization, became the first and to date the only certified HMO in Rhode Island on February 7, 1975.

Later in the year RIGHA also received national certification.

Senator PELL. Could I interrupt for a minute? Actually RIGHA has been the first federally fully qualified HMO, not only in Rhode Island, but in the United States.

Mrs. LEWIS. I received that word when I was on a trip to Hawaii. People knew that I was interested. They mailed me the article, and I didn't have it to follow. I have been a member of Rhode Island Group Health Association for 4 years. My husband and I chose to go into this program because we felt the coverage was more complete than that of any other health insurance we previously had, and that the cost would be less expensive.

This has proved to be true, especially after my evaluation of the benefits received so far from our membership in this health maintenance organization referred to commonly as HMO.

APPOINTMENTS EVERY 3 MONTHS

Appointments were scheduled for us every 3 months for a doctor, and medicine, and much more often if necessary. Emergency calls are handled 24 hours a day. If your own physician is not available, there is always another physician ready to consult with you who has ready access to all your files. Services are available for all types of emergencies. I woke up one morning with a very painful eye. RIGHA was called, and by 8:30 a.m. I was examined by one of their staff doctors who immediately referred me to an ophthalmologist who diagnosed the injury as a corneal abrasion. In simple terms, I had cut the cornea of my eye. Proper treatment was given immediately, and within 3 days my eye was back to normal, and was followed up by frequent appointments.

My husband's condition became more serious over a weekend when normally it is hard to get in touch with a doctor. On calling RIGHA I was advised that our physician would meet us in an emergency room at the hospital where following an examination he was admitted as a patient. After major surgery, complications set in. So he was hospitalized for 3 weeks. During this time I was able to see and to talk with our physician daily. Following the death of my husband I was deeply impressed by the expressions of genuine sympathy extended to me by many members of the RIGHA staff.

At no time have I ever felt I was just a number in such a large organization. I was always treated as a person, as a real, human being, which I am sorry to say was not my experience at some of the hospital clinics which I attended with my husband previous to our affiliation with RIGHA. There was no additional expense for my husband's surgery or hospitalization or for specialists who attended both of us.

As of January 1, this year, the total health care for me now costs \$10.75 for RIGHA and \$6.70 for medicare per month. I have total coverage for \$17.45 paid on a monthly basis. The RIGHA Building is located at 210 High Service Avenue, North Providence, adjacent to Our Lady of Fatima Hospital.

RIGHA is not a part of Fatima Hospital. It is a separate HMO facility. The complete unit for HMO's is in one building, on one floor, with ramps at every entrance. Laboratories are housed in one section, so all testing can be done on the premises. A pharmacist is available for the filling of prescriptions at a reasonable cost. Throughout the building are the waiting rooms, reception desks, and offices of the professional staff.

Nursing care is available at home if needed after hospitalization, or if your illness is not chronic a nurse will call at your home once a day if the necessity arises. Doctors will also make house calls when needed. Preventative health services include physical examinations, immunizations, and also periodic vision and hearing tests. All these services are included in your monthly charge. Additionally, you are covered for emergency care outside Rhode Island, but you must notify RIGHA at the time you receive the care.

There are many other advantages too numerous to mention, but which are listed in the RIGHA health care benefits. At the age of 65 all hospital blood transfusions must be paid for, or blood used must be replaced on a 1-to-1 basis up to the first 3 pints used.

If 10 pints are necessary, you are still only responsible for replacement of the first three pints. Under the age of 65 it is the policy to replace all blood used on a 2-to-1 basis. This was the only thing that I had to do above the cost of being a member. I replaced 3 pints of blood for my husband.

Most of the information I have given you is from my own personal experience over a period of 4 years. I feel that I can truthfully say I have used 90 percent of the benefits available with this health maintenance organization, and all these benefits were included in my monthly payments. Thank you.

Senator CHURCH. Thank you. It's good to hear about something that's working.

Mrs. LEWIS. It is working.

Senator CHURCH. First, I would like to recognize Senator Pell for whatever questions he may have of the panel.

Senator PELL. Thank you, Mr. Chairman. Dr. Mulvey, you really are the successor of Congressman Forand and Congressman Fogarty in carrying the torch for the elderly in our State, and just as they did, acquiring a national reputation and consistency in carrying it, so I think that everyone of the people who are in this room owe a great deal of credit to you for what you have done.

COST OF DRUGS

I would like to get to a rather hot subject. That is the question of the cost of drugs. Generally speaking, are the older citizens able to get drugs at reasonable costs, or what is the situation in this regard?

Dr. MULVEY. No, they are not. In hospitals, of course, the drugs are paid for. When they get out of the hospital they buy their own, and they have to buy the brand name drugs which are about 5 to 10 times the cost of the generic drugs.

The generic drug is provided in the hospital to the patient, but when they get out and have to buy their own, they have to pay the price of the brand name. Am I answering your question?

Senator PELL. Exactly.

Dr. MULVEY. And certainly, as Senator Church has mentioned before that one of the first things that we should do is to put prescription drugs in the medicare program because in many cases the cost of prescription drugs annually for the average medicare beneficiary is more than the medical costs for the year.

Senator PELL. Is there any place in Rhode Island where a citizen can buy drugs under the generic labels.

Dr. MULVEY. I think that RIGHA does carry the generic drugs.

Senator PELL. Is this only open to people enrolled in RIGHA?

Dr. MULVEY. Yes.

Senator PELL. What about the citizens here?

Dr. MULVEY. No, not unless the doctor writes the generic name on the prescription label; but then the patient may have the problem when he gets to the drugstore that the drugstore does not stock the generic labeled drug, because there isn't as high a profit on the sale of the \$2 generic drug as there would be for a \$10 drug by the brand name, which is exactly the same thing as the generic drug.

Senator CHURCH. What a racket.

Senator PELL. Isn't it true now where you can read the hieroglyphics on the prescription, if you get through the hieroglyphics, that the drug is usually identified by its content, or does the doctor usually prescribe it by brand name?

BRAND NAME VERSUS GENERIC

Dr. MULVEY. The doctor almost always, I would say 99 times out of 100, prescribes the brand name, because in most cases that's the only name he knows. The generic name is this long, and the brand name is about this long. We in Rhode Island supply the members of the Rhode Island Council and many other senior citizens with a list of the generic equivalents of the brand name drugs. As Fred Creighton has mentioned, for 5 years in the State legislature, we have not been able to pass the generic drug law which would require the physician to write the generic name on the prescription. If he did this, the patient could shop around for the generic drug, although it is difficult for the elderly to shop around, but if he were able to buy the generic drug it would be helpful.

Many States have the law, and I know Massachusetts has run into this problem. They passed a law about 6 or 7 years ago, and the pharmacists as a rule did not stock the generic drug. So a consumer group has arisen to take measures to require the druggists to stock the generic drug.

Senator PELL. How do you think somebody might go and buy this on a mail order basis where you could write or send a check or money order for it?

Dr. MULVEY. Again, the physician has to write the generic name, because the pharmacist cannot substitute.

Senator PELL. What is the name of the nearest mail order place where they can get generic drugs?

Dr. MULVEY. First, I want to mention that the National Council of Senior Citizens has a mail order service in Philadelphia. The AARP has a mail order house in Hartford, Conn., and in Boston too. They have them in various places.

Again, the constraints are that the physician must have written the generic name on the label. The National Council drug service does carry generic drugs.

Senator PELL. Thank you. I would like to ask Mr. Keegan a couple of questions. Thank you, Dr. Mulvey, very much.

Mr. Keegan, what activities are you doing now, or do you participate in or do you help with?

Mr. KEEGAN. I do general—I call them household chores. We clean up. We do our own cooking. Everybody participates in activities, such as music. We work. We generally help out.

Senator PELL. What is the difference between the program you are in now and what you were in a year ago?

Mr. KEEGAN. A year ago I was doing nothing and I am not being funny.

Senator PELL. Thank you very much.

Senator CHURCH. Congressman Beard?

Congressman BEARD. Dr. Mulvey and distinguished panelists. You know we have covered quite a few topics here today. We have talked about the transportation. We have talked about food stamps, and we have heard excellent testimony on national health insurance and problems of health.

You know it seems to me that here it is, 1976, and we have done so little for the elderly. We have legislation we have introduced for 5 years in the Rhode Island General Assembly trying to get generic drugs, the equivalent, in trying to get something done for the elderly on their medicines, so they could have the chance to have a choice whether to purchase the brand drug or the generic drug which is 9 or 10 times cheaper and still has the same effect. Yet, over the same length of time we have spent billions on wars. In 14 years of Vietnam we spent \$150 billion. Here we are talking about transportation to areas in our own State where there is no transportation for elderly people.

"A ONE-WAY STREET"

Hawaii, as I mentioned earlier, was built as a great resort, yet there are elderly people there who are not even aware of social security. I have had a chance to talk to them. In this country where we have all the money and all the riches that we have, all the emphasis is on major commitments overseas in helping this country and that country, but no one in the world is coming to the United States offering to help the United States to give us economic assistance. It's all a one-way street.

So here we are, in 1976, with all the modernization, the cars, television, and everything that we have, and we can't solve the problems of 22 million elderly Americans.

Let me tell you something. We are lucky that we have fellows like Senator Church, Senator Pell, and other Members of Congress who have done a good portion of work in this area. They have spent their entire legislative careers trying to solve the problems of the elderly. But take a look at the U.S. Congress. Take a look at the Senate, and you take a look at the House. Most Presidents, most of them are senior citizens, and I say, "Shame on them that in 1976 we don't have national health insurance. Shame on them." These are elderly members who lead the committees, in most cases. Most of them are senior citizens in the Congress. You take a look at the age bracket in the Senate or in the House, and you will find that the chairmen are the members who have the most authority, the most push, they are in the elderly bracket. I say, "Shame on them that they haven't taken care of their 22 million elderly Americans in this country." Now we have a balance. Maybe there is a ray of hope. There are good young Democrats and young Republicans who are working for a new concept of serving the people first, serving the people first. We have a balance in the House and Senate. I think the fact that Senator Church has traveled to Rhode Island, is testimony to you people that have come out on a lousy day like this. But this is a problem all over the country, and it's a shame. I think it's important.

Senator CHURCH. Go ahead.

ELDERLY DESERVE EQUAL CONSIDERATION

Congressman BEARD. I think it's very, very important that this Congress and the Senate and this will be recorded, and I will be able to read this, that the Members who have the authority, the Members who have the seniority, and the Members who have the push, if they would only take a look at that minority of population, 22 million elderly Americans, and give them the same commitment and the same consideration as the President and the Congress give foreign countries.

If we did that we wouldn't have to have this meeting here today. I would like to congratulate Dr. Mulvey for her years of service and the distinguished panelists and members who have testified today. This is what it's really all about. We are here to serve you. Sometimes I might get up tight, and you wonder why I get mad. I have seen the bureaucracy of government. I see an administration that pushes one thing and yet when he was a Member of Congress voted against medicare or medicaid. That's the truth. We have got to get together in this country and eliminate the problems of health that we have where people cannot get decent services, and that is necessary, and we have got to have guarantees that we won't have to worry about pensions.

People are losing \$1 on every \$2 they earn; they take a dollar out. That is ridiculous. You paid your dues, and we need not only transportation, but we need services on every level, for the working people, middle aged, and our youngsters.

If this is an indication of the way we treat our elderly today, what is going to happen to us later on? We better set an example. I am telling you this whole country better set an example.

Too many people are willing to shove their relatives into the nursing homes, and institutions, and lock the door and forget about them. That's a matter of fact.

I hope the time will come that I will be able to say, "Senator Church, Senator Pell, there is no need of having hearings in Rhode Island or anywhere else in this country. The elderly people are considered No. 1." They should treat you the same way as they treat you on election day.

Senator CHURCH. You can see why Ed Beard and I get along well. Let me just add one word about this problem. The committee that I head up, the one that Claiborne serves on, when it was set up it wasn't given any legislative power. All it was given was the right to go out and find out what the problems were and to make recommendations.

We have been making recommendations. Some of them have gotten enacted into law; but I find myself over and over again doing the kind of thing that Mary Mulvey mentioned, trying to play a defensive role.

REAR GUARD ACTION

We have a new recommendation from the President of the United States which is in the name of doing something for improving medical care for the elderly which in fact does just the opposite. It increases the charges on the elderly by \$2 billion and gives only \$500 million back. You see, I have to go to the Senate and say, "Here is a

resolution to reject." Let the Senate express its sentiments that they are opposed to this program, and let them vote to reject the program so that it gets no further. But that's not doing anything affirmatively. That's a rear-guard action to prevent things from getting worse, and until you get somebody in the White House who is willing to work toward making things better, that's all you're going to accomplish.

May I say to the panelists how much I appreciate their contribution. We have a third panel, and we want to give you people out there a chance to speak up again before we finish. So let's give this panel a hand.

We are going to the floor, again, and let's turn that microphone around. Would you first give us your name; identify yourself for the record, please?

**STATEMENT OF BROTHER CHARLES WINN, PROVIDENCE, R.I.,
SENIOR CITIZEN AND REPRESENTATIVE, SENIOR CITIZENS OF
RHODE ISLAND ACTION GROUP**

Brother WINN. I am Brother Charles Winn, a senior citizen and the public relations representative of the Senior Citizens of Rhode Island Action Group.

I would like to speak to the subject of generic drugs. The availability of the drugs was brought up by Dr. Mulvey. Some druggists do not stock them, but I want to underline the fact that clinics, the Veterans' Administration, and animal hospitals use the generic drugs. They are available in quantity, and I had the personal experience of going to a clinic for an emergency and being given a sample or a temporary supply of generic drugs with a prescription for the same drug, and I remember very distinctly the scowl on the druggist's face when I handed him the prescription with the generic drug. I have been using that drug ever since. That is 3 or 4 years ago. It has proved effective, and there have been no complaints as far as my health is concerned. So I wanted to give that specific testimony that the drugs are not only available; but they are consistently used by clinics, public health clinics and hospital clinics, and the Veterans' Administration, and if it's good enough for the U.S. Army, I think it's good enough for me.

**STATEMENT OF MRS. CURLEY, PAST PRESIDENT, RHODE ISLAND
COUNCIL OF SENIOR CITIZENS**

Mrs. CURLEY. Mr. Chairman, Congressman Beard, Senator Pell. I am Mrs. Curley, past president of the Rhode Island Council of Senior Citizens, and also a member of Congressman Beard's advisory council, and I am also a senior aide in Dr. Mulvey's office, and we all work for our money in Dr. Mulvey's office, the chairman and volunteers on the SSI, and I would like to say my last figure was 1 out of 8, regretfully, we reached in Rhode Island on that program.

May I say a word about President Gerald Ford. He is now known as Nixon's revenge. He established the record of voting against everything to help the elderly, and now he is trying for a veto record. We have a candidate right here who I think is ready, willing, and able to replace him. So I am voting "No" against an elective term for President Ford, and to use a play on words. Remember that old saying, "See you in church, Senator." Well, Senator Church, we'll see you in the White House.

Senator CHURCH. That wasn't a put-up job, folks. Here comes another gentleman. Let's hear from 1 or 2 more, then go to the third panel. Then there will be still another opportunity for others to speak.

STATEMENT OF ROBERT BURNS

Mr. BURNS. My name is Robert Burns, and I would like to ask a question. In reference to a generic drug, when a patient goes to a doctor, and he asks the doctor to prescribe it in a generic term instead of the brand name, can a doctor refuse? Now, the doctor might say he is not familiar. If the patient is familiar with the different setups where he can get the generic named title, could he present that on an authorized paper to the doctor so the doctor could verify it, possibly not right at the moment, but within a short order in the future?

Senator CHURCH. You asked the question. I will have to give you a curb-stop opinion. I am a lawyer, you see, in addition to everything else. So I love to give curb-stop opinions. This advice is just as good as what you are paying for it, which is nothing. But my guess would be in answer to your question that in the absence of a law on the subject, the doctor could do just what he pleased. He could either cooperate or not cooperate, and I think that's probably the situation in most States. Isn't it ironic that it's harder for people to find out how to get generic drugs, and thus avoid getting charged 3, 4, or 5 times as much as you should, than it is to get generic drugs for animals? There is no problem there. You can get it for your dog; but you can't get it for yourself unless you can figure out the system, and not many people have been able to figure out the system. It's just that complicated.

Mr. BURNS. May I say one more thing on this? The reason I raise this question is too many people when they go to the doctor or the druggist are more or less like ashamed or face-down, so that they will take the brand name.

Senator CHURCH. Yes, I think that's true. May we have this young lady; this gentlemen; and then we will go to panel three.

STATEMENT OF BETH TAYLOR, NEW ENGLAND ELDERLY DEMAND SOCIETY

Miss TAYLOR. Thank you, Senator Church, Senator Pell, Congressman Beard, members of the committee. My name is Beth Taylor, and I represent the New England Elderly Demand Society, and I have a short prepared statement that I would like to read to you.

The New England Elderly Demand Society is working with the institutionalized elderly toward nursing communities with proper medical and now psychiatric care. As an advocacy group for the elderly, we are concerned that the treatment that they receive, particularly in institutions, is dehumanizing and does not adapt to the real needs of the elderly. Medicare is just another institution which consists of a lot of redtape and eats up the taxpayers' dollars with administration, and ingores the proverbial saying, "Treat the cause, not the symptoms." It does not insure that the elderly will receive quality health care. That problem is especially true among institutionalized elderly. An inmate is normally considered less than a normal person. For

the elderly the attitude is often compounded by misunderstanding of geriatric illnesses. This leads to misleading treatment because they are too old.

We should stop putting too much energy and investigation into programs which do not interest the needs of the elderly, and start building programs for the elderly so they can live out their lives with the dignity and respect they have earned. Thank you very much.

STATEMENT OF MICHAEL BODAY, CHAIRMAN, GRAY PANTHERS

Mr. BODAY. Mr. Chairman, Senator Pell, Representative Beard, I happen to be Chairman of the Gray Panthers that fought for elderly in the State of Rhode Island. We don't have to go any farther. We are in the State of Rhode Island still fighting for the handicapped, for busing, we are still fighting for the elderly, and I have been a resident of the State of Rhode Island for 72 years, living here, almost 73. We are still fighting for the elderly of the State of Rhode Island. We wrote a wonderful letter to Beard. We wrote a letter to Pell this morning. We wrote to Congressman Beard first, and we got a wonderful answer that he is supporting the handicapped. Here we are fighting the State of Rhode Island. We have about 30 percent of the elderly that have transportation. We have people out in the town of Westerly, and all through Burrillville, Warwick, Warren, and up to Newport where there is no transportation. They went around the State to get and snap the pictures of the elderly at a dollar apiece. Now, this is awful. The State of Rhode Island goes out and takes a dollar off the people who have no transportation, and I am ashamed to be a resident of the State of Rhode Island. I am ashamed that the handicapped have no transportation in the State of Rhode Island, and we are talking about the drug bill. The House has passed it, but what did they do in the Senate? They pigeonholed it right in our own Senate. We've got to clean house right here in our own State. Our own State has got to be cleaned up. We have got to find out who is with the elderly and who is against the elderly, and we have a wonderful Congressman sitting right here, and Senator Pell. We are thankful we have people like that in Washington fighting for the elderly. We have people in the State House that we are dissatisfied with, and we absolutely should have them working with us, or else we are going to go out and clean house.

Senator PELL. What we are focusing on here are the Federal issues, not the State or local issues.

Mr. BODAY. That's a Federal issue, also, Senator Pell, and I also was in conventions when we heard Senator Church speaking, and I am going to tell you, he will get our support. As far as the elderly go, I think he is a wonderful man, and it's good to have somebody like him. I want the Senators out of our State to know what we are fighting. I know what I am talking about, because I have been all over the State of Rhode Island.

Senator CHURCH. If you are the head of the Gray Panthers and a member, you know what you are talking about. That's a great organization.

Mr. BODAY. We are organized all over the country, and we intend to get something.

Senator CHURCH. Thank you. May we go to panel No. 3, please? The panelists on the next and final panel are Edmund Beck, Henry Graham, and Rose Tritendi.

Congressman BEARD. I would like to present this from the Warwick Community Action Group.

Senator CHURCH. Thank you very much. I will be happy to accept it.

You have been wonderful and very patient. It's a crowded room. People are still standing in the back. There are some seats in the front now. If anyone wants to come forward, they are invited to do so. Let's give this last panel of the morning our attention. First of all, may we hear from panelist Edmund Beck?

Mr. BECK. Thank you. I have a statement that will be read for me, Senator. But I would like to ask permission to let Mr. Graham present his statement first.

Mr. GRAHAM. My name is Henry Graham. First of all—

Senator CHURCH. Do you have Mr. Beck's statement to read?

Mr. GRAHAM. No; I have a statement of my own which I would like to make at this time, with your permission.

Senator CHURCH. You may proceed.

STATEMENT OF HENRY GRAHAM, EAST GREENWICH, R.I.

Mr. GRAHAM. Thank you. I will now start, Senator Church, Senator Pell, Congressman Beard: You have listened to a great many dignitaries and others discuss the various problems of the aged. I trust we might show our appreciation in some small way for your help. Some time ago I was invited to attend a meeting in the office of the State Division on Aging on the subject of the problems of aging. At that time I stated that the No. 1 consideration of my organization was tax relief for the elderly. Maybe passing it to the Federal Government is what I am going to propose in some instances later. I was called by Mr. Harris, and asked to participate in this hearing.

I might also advise Senator Church that the letter you dictated on January 16 asking me to get in touch with Mr. Harris on the 23d arrived at my house on Saturday the 24th.

Senator CHURCH. That is the Post Office Department.

Mr. GRAHAM. I don't know where we pass the buck; but that's a Harry Truman expression.

The issue in my organization is actually tax relief for the elderly. Now, it can be done through the State, or we can get some assistance from the Federal Government in my opinion. I would like, therefore, to just dwell a moment or two on taxes locally. The taxes on my house have risen in the past 13 years 240 percent. I am sure that the same thing applies to you. This then says to me there is only one answer to tax relief for the elderly, and this is by legislation that would freeze the tax rate and the property evaluation on homes in which we reside. There are admittedly many factors that must be taken into consideration, however, such as tenure, income property, exemptions granted for other purposes, and so forth. Incidentally, I had to spend Saturday afternoon in the library because of short notice, and it shows that the exemptions are now being granted to the very poor, \$1,000 to \$4,000. Personally, I will sell any income property. However, if there has to be such a requirement that real

estate could be sold. A man works for many years contributing social security, and reaches a maximum for the entire period. This money was taxed on income at that time. They are now retired and collect jointly \$650 monthly or \$7,800 annually from social security. In my opinion, this money is theirs, bought, taxed, and paid for. It should not be included in any calculation for income purposes.

If you now want to calculate income, let us not forget that there are a great many frugal people in these United States.

There are also many people who spend every dollar they get, and more. Should the frugal person be penalized because he was frugal? Because he saved a few dollars? There is also the person who is retired, maybe because he had to, who can't live on what is coming in. So he and his wife get a part-time job and earn money within the limit of social security, \$4,000 or \$5,000. If this was added to their \$7,800 social security, should they be penalized for it? It's obvious to me that at least any income factor used in calculating earnings for income tax purposes should be \$15,000 or \$20,000. At this point gentlemen you may say that this sounds well, Mr. Graham, but where is the money coming from? Before you get to that, may I point out to you that 60 to 70 percent of my town's tax dollars go to the support of public schools. The taxpayer has been asked to pay more and more, and I believe we are getting less and less for our dollar. We have high school graduates unable to read and write. Despite the increase in educational costs, a great deal of this comes down from Federal Government, therefore more juvenile delinquents, rapes, thefts, and all sorts of crimes.

The elderly are being assaulted along the streets. In my opinion this has reached a point where people are so educated that they won't accept a job with minimum wages. These jobs go vacant. If anyone wonders what this has to do with them, let me remind you. It's your taxes that support this, whether you do it through the Federal Government or whether you do it locally, and I ask you what are you getting for it? Why do schools only operate 180 days a year? It's a known fact that anybody that operates a program 5 or 6 days is operating more economically.

ENORMOUS WASTE OF TAX DOLLARS

I believe the Federal Government should be reviewing the tax dollars it pours into the educational system. A lot of it in my opinion is wasted money. I might add, a short time ago I read the *Providence Journal*, on January 19, great big headlines on the first page, "Inmates Paid \$120 a Week To Get Degrees." Fifteen inmates were involved and it was spread out over a period of 2 years. This isn't my idea of educational money. I don't think we should be paying them \$120 a week after they have committed some crime to get into prison. Personally, I think my figures are \$120,000 off, but I still contend that nearly a quarter of a million dollars is a bundle of money. I don't object to preparing a prisoner for re-entering civilian life; but I think such spending is outrageous. I will call your attention to another article in the *Providence Journal*, January 16, that quotes Representative Alphonso Bell of California. I presume that our friend, Congressman Beard probably knows him. I suggest you read it in

its entirety. The thing I want to point out to you is that in the last 20 years when the population was increasing by 30.5 percent, and the inflation was ruining our dollar by 83.4 percent annually—pardon me gentlemen—the cost of running Congress has increased by 560 percent according to an article in *Time Magazine*, June 2, 1975, "A New Way for the Aging." There are approximately 22 million Americans 65 years of age or over. You realize that there are more or less the same number of people employed by the various Federal, State, city, town, and municipal governments. To say it another way, for everyone of them, there is one of us.

I recall reading that 200 years ago, 1776, the cry was "Taxation Without Representation." We now have "representation," and I think it's time that we took a hard look at our "taxation."

The entire system needs overhauling. Where moneys are spent in the State, someone should be policing the expenditures and if that be the case then a quarter of a million dollars wouldn't have been spent at the State institutions. They should have a watchdog in their office for moneys which are appropriated that they voted for which they in all probability asked for. When it comes in there, it runs rampant. It is obvious. It must be obvious to you that I feel there is a great many dollars being spent by the Federal Government. I think many of them are spent unwisely. I think if there were less politics and spending and more thrift there would be moneys for better health care, such as medical health insurance.

I would like now to revert back to the subject of taxation for the elderly. A person 65 years old has in all probability been paying taxes to the school system for 45 years. I think it's now time that he be relieved of that responsibility.

FREEZE ON TAXES SOUGHT AT AGE 65

I recommend that towns and cities freeze their evaluation of real estate and freeze his tax rate beginning at the time of his 65th birthday. I would further recommend that the loss of revenue be passed on by the Federal Government.

This evening after writing this article I picked up the *Sunday Providence Journal*. I took a look at an article referring to the boat show. I saw boats selling from \$2,000 to \$150,000. It occurred to me that I have to pay a tax on my 1971 car, and I need this car to get around in. Why then don't the affluent who can afford these expensive toys pay taxes on them?

For the record, I would also like to refer the committee to the *Readers Digest*, July 1974, page 135; and also *Readers Digest*, February 1975, page 73. Both of these articles refer to ways of saving money by the government. Thank you, gentlemen.

Senator CHURCH. Thank you very much, Mr. Graham. When I first introduced Mr. Edmund Beck, he had a prepared statement, and that statement will be included in full in the record,* and Mr. Beck, if you have anything further you would like to add to your statement please feel free to do so at this time.

Mr. BECK. Not to the statement, Senator, but I do want to thank you and Senator Pell for introducing or rather supporting S. 1183

*See p. 2112.

which is the disability bill. I am sure Senator Hartke must be frustrated because you supported it for 6 years, and passed the bill; but the House didn't do as well.

I have written to Congressman Beard, and I hope he will be able to help us in the House; because that's where it has fallen down. Senator Pell, we want to thank him for S. 2478 which is the Bill of Rights for the Blind, which he introduced last year, and of course we all appreciate it very much. I am sure Senator Church will cosponsor or support the bill.

Senator CHURCH. I certainly will.

Mr. BECK. The local legislators have received a lot of flak here this morning, and I am not here to defend them. I am sure they can do that themselves. However, we do have some legislation, I am sure, Congressman Beard is aware of it. He is a former representative of the State House. That will enable him to alert the Federal legislation; the catastrophic law bill was mentioned quite a few times today.

We have that in Rhode Island, and many other laws that we can't get federally, so I would like to point that out. I wouldn't want Senator Church to go back to Idaho or Washington and think that poor little Rhode Island can't do anything.

Senator CHURCH. Actually, I have had a very favorable impression of Rhode Island in every way, and I will take that back with me. This has been a very good hearing. I have problems with a plane because of the weather. I am told, and I hope to hear from each member of the panel; but after that if I have to leave please accept my apologies. Senator Pell and Congressman Beard will complete the hearing so everyone who wants to be heard will have a chance. I am running out of time, so that's my problem.

Mr. BECK. I had hoped that someone would read my statement, and then I could add something to it, but except for that I don't have anything at the present time to add to it.

Senator CHURCH. Thank you very much for your statement, Mr. Beck, and we will come back to you again later if you think that you would like to have your own statement read.* But let us go on at this time to—

Mr. BECK. Excuse me. I would like to say something else. I am greatly privileged and honored to be on the same panel, on the same platform with Senators Church and Pell and Congressman Beard.

Senator CHURCH. Thank you. We are pleased and honored that you are here. Rose Tritendi, please. Rose? I have an announcement here. Evelyn LaBonte should go to the back of the auditorium where a member of her party is waiting for her, if she is here in the audience.

You may begin, Rose.

STATEMENT OF ROSE TRITENDI, PROVIDENCE, R.I.

Mrs. TRITENDI. Senator Church, Senator Pell, Congressman Beard, I am very happy to be here to testify for the seniors. One of the big problems in Rhode Island, and I guess it covers the whole national country is the utilities, and I am going to speak on utilities. One of the biggest problems of the elderly in Rhode Island is utilities. Many of their utility bills have increased by more than 100 percent in 2 or 3 years. These fixed, low-income people cannot pay their

utility bills except by doing without food, clothing, and medicine. A lifeline rate may make it possible for them to have a basic supply of a vital necessity at a price they can afford. Why should utility companies get bigger and bigger profits while elderly people are freezing in the dark?

Poor people are using less fuel and paying bigger bills so the investors can keep getting their high rate of return, and the utility companies get bigger and bigger corporate profits and pay smaller and smaller corporate taxes.

Shut-offs of utilities is another serious problem of fixed income elderly. There is a need for a more human treatment of people who cannot meet the rising cost of energy. The companies should set up their policy for their offices that would make it easier for elderly people to catch up on heavy winter bills or pass due bills. For instance, a woman in Pawtucket, for example in her seventies owed \$150 to Blackstone Valley Gas. She was shut off in the summer. When winter came again she could not afford what the company demanded to have it turned on again. She had to move. That is the biggest problem we have here in Rhode Island, and I think the whole Nation has it. I have some bills here which compare to last year, and all the fuel adjustments and the rates that we got for this year—

Senator CHURCH. Rose, I have a suggestion to make. I hope we can find a way to do this nationally everywhere. I don't know yet just how to approach it; but I can't make any sense out of the fact that here we are talking about the energy crisis, our increasing dependence upon foreign oil. There is a big monopoly called the OPEC cartel that sticks us with this provision, and this was 6 years ago, and that has nothing to do with the cost of oil. They are raising the price of Saudi Arabia, and we are paying \$13 or \$14 a barrel, so we talk about conserving energy. Yet we have a rate system that operates just the other way around. The less you use, the more you pay. The more you use the less you pay. Why can't we turn that around? People that are limited in their income and who have got to watch their bills, those who turn off the lights and use only as much as they need to get by on—they ought to be charged the cheapest rate. People who can be extravagant with their electricity and don't care how much they use—they ought to be charged with a higher rate.

We just have it upside down, and we ought to be able to turn that around. It would make sense from every standpoint.

TELEPHONE A BASIC NEED

Mrs. TRITENDI. Another item which is affecting the elderly is the telephone—many elderly cannot afford a phone. That's a must. An elderly person has got to have a phone. As you know, Senator, they may get sick. They are up in their third floor room. They are all alone. If they have a phone whenever they get sick they could call. But a lot of them have to go without it because they cannot afford a phone.

Another thing they have trouble paying their bills. After the general assembly amended the general laws, chapter 256, to authorize the Public Utilities and Common Carriers to give free or further reduction

rates to elderly, that was H.R. 2035, that was passed in 1971. New England Telephone gave a \$1-a-month discount to the elderly. The law is still on the books, but the discount was taken back. This is a question that I have been asking myself. Why? Why have they done this? Special application forms were provided by New England Telephone and for a while some elderly got a little relief. Some people who must have phones have to do without. Better communications are needed between consumers and utility companies. There should be at least two low-income people on the board. This is what they are not doing. They have their own people, the big shots, you know, the stockholders. They have nobody from the low income, the elderly, which they should have being represented.

Fuel adjustment charges which are automatic should be outlawed. The utility companies should have to justify any increase in prices, and the Public Utility Commission should regulate fuel adjustments the same as they do the rate of use for services. The consumer should not have to pay the whole cost of fuel price increases. This is what's happening. They have to pay the whole price, which should not happen, especially for the elderly. They are not giving them any relief at all. There is plenty of evidence to show that the utility companies do not in good faith try to get cheaper fuel for themselves, and there is good reason to suspect that with the price of fuel charges, utility charges. The consumer pays the highest price possible with the fuel adjustment charge. We should do away with all fuel adjustment charges, or at least change the law so they are not automatic.

Senator CHURCH. Thank you very much, Mrs. Tritendi. Congressman Beard?

ROYALTIES ADJUSTMENT WOULD LOWER FUEL COST

Congressman BEARD. You mentioned the fuel adjustment charges. This has been a tremendous drain on not only the elderly people but really on all the people of the State as well as around the Nation in various degrees. I think if the major corporations, like Gulf Oil and other major corporations had a royalty adjustment of what they pay to foreign countries to extract this oil, we would be a lot better off in this country. For example, \$500 million to the country of Angola as a starter. If there was an adjustment to royalties of what they pay in order to extract oil, we would be better off.

Mrs. TRITENDI. Congressman Beard, I am going to ask you one question. Would you see to it that the dollar discount that they did take away from the elderly in Rhode Island, will you see to it that there is something done about that? The law is still on the books.

Congressman BEARD. That would be a State issue now. It is out of my jurisdiction; but I supported you the last time on that. I am very sympathetic on that issue. There is not too much I can do. That's up to the telephone company.

Senator CHURCH. Ladies and gentlemen, my time has run out. I am sorry I cannot stay; but the whole time you have been awfully nice to me. I appreciate the hospitality that you have greeted me with in Rhode Island.

Senator PELL [presiding]. Is Bill Lynch here?

Mr. LYNCH. I am here. I will get Senator Church down there.

Senator CHURCH. All I can say is I am leaving Rhode Island in very competent hands. Thank you very much for attending.

Senator PELL. This has been a great hearing. I want to make sure that everybody has an opportunity to express themselves that would like to, and in this regard, I am referring to Mr. Beck's statement. He is an old friend of mine. I will put his statement into the record. He might like to digress and just make a few points himself. I think it would mean more if you said what was in your heart. The statement will be inserted in the record.

Mr. BECK. All right, Senator Pell, thank you. What I have in the statement is in reference to the handicapped as well as the elderly. The cost of institutionalizing handicapped are 4 times as much as if they were in low-income housing. They have a housing project. It is called Highland Heights which is in Fall River and is for the elderly and handicapped. They have nurses, doctors, all sorts of health care, quality treatment, and food, which of course is on the premises for those who want it, and don't want to use their own facilities and apartments. It is so much better for the people to be in this environment than it is to be in an institution.

They made a study of 26 people that were transferred from nursing homes and institutions into Highland Heights for a whole year. They studied them and found that they have done so much better at Highland Heights living in independence and freedom. Here they are able to socialize with other people and are able to go out and do things as other people do. Here in Rhode Island we are very fortunate to have Lieutenant Governor Garrahy interested in the elderly, the handicapped, and the people in the State, and he has conceived the idea for Rhode Island, and we hope we will have such housing here in the State.

I think that about covers it, Senator Pell.

[Mr. Beck's prepared statement follows:]

PREPARED STATEMENT OF EDMUND BECK

Historically, when decisions were made concerning the need for housing the public, disabled people were not considered. Their needs usually did not enter into the calculations of the developers, the designers or the officials of the various levels of government. Consequently, millions of disabled people have had to find their shelter somehow, somewhere, often in most uncomfortable and undesirable situations. Many disabled people have been forced to live out their lives in dull and dreary institutions because no alternatives were available. For many years, the establishment of institutions was accepted as being the best and most economical means of doing something for and with the handicapped. Consequently, many young and alert young people have been forced to spend their lives in nursing homes surrounded by ill and elderly people.

There exists a need for 10,600 elderly public housing units in the State, and 2,750 moderate-income units. These figures come from the 1973 Department of Community Affairs report, "The Elderly and Their Housing."

Approximately 15 percent of Rhode Island's population (represents the noninstitutionalized population) are physically handicapped.

Approximately 26 percent of Rhode Island's physically handicapped citizens (represents the noninstitutionalized population) are 65 years of age or older.

Approximately 11 percent of Rhode Island's physically handicapped, permanently disabled population are 65 years of age or older. The majority, 77 percent are between the ages of 45 and 64 years. These figures come from Summary of Findings of Rhode Island Department of Community Affairs.

Care, whether good or bad is most frequently custodial rather than restorative and goal-oriented. Eventually, most of these patients are sequestered in institutions or isolated in their homes, no longer considered "patients" with short and long-

term therapeutic goals, but rather regarded as invalids requiring only supportive care with occasional crises intervention.

LOW-INCOME PUBLIC HOUSING

The Independent Living Authority, a nonprofit corporation of Rhode Island was formed for the purpose of developing low-income public housing specifically designed to meet the special needs of the elderly and handicapped individuals and families. It will be a 14 story building containing 200 one and two bedroom apartments. Each apartment will be a private unit containing all of the facilities one would anticipate in a public housing development. Architectural barriers will be eliminated.

A nurse on the premises will respond to an emergency alarm system originating in each apartment. Routine nursing services will also be available on the premises. We will seek cooperation from the community and agencies to help furnish nursing, homemaker services, occupational and physical therapy, social services, entertainment, and recreation and other services.

It would be to the advantage of the occupant to live in an environment of freedom and independence. They are also expected to have easy access to public transportation, doctors' offices, hospitals, shopping center, etc.

Independent living is not merely a pipedream. Due to the foresight and imagination of Dr. David S. Greer, associate dean for medical affairs at Brown University, there is a model residence already functioning, a few miles outside of Rhode Island in Fall River, Mass., at 100 percent capacity, since September 1970, with a waiting list of eligible tenants.

The tenants of Highland Heights range in age from 21 to 95 years although 75 percent of them are 62 years or older.

There are no architectural barriers there. The elevators are large enough to accommodate multiple wheelchairs. Everything in the kitchens and bathrooms are designed at suitable heights to accommodate people in wheelchairs.

A significant point is that a project such as Highland Heights satisfies both housing needs. The handicapped can live independent lives, free of institutional restrictions and architectural barriers. The elderly are also provided for far better than many would be in conventional public housing, since so many of the elderly are also handicapped.

Senator PELL. Thank you very much. Congressman Beard, you may have some questions.

CONGRESSIONAL PRIORITIES TWISTED

Congressman BEARD. I think your point is well taken. Again, I am kind of embarrassed the House hasn't done as well for the legislation you referred to earlier for the handicapped. I can assure you that as I serve on the Select Committee on Aging the needs of the handicapped and elderly will be served, we are certainly doing the best we can. Unfortunately, sometimes the priorities are twisted in the Congress. I have stated earlier that with so many senior citizens in this country, and a majority of the Congress almost, individual members who are senior citizens, we should have a lot more progress. Perhaps that will help not only the elderly but the handicapped people.

But one thing—I did have a change, and you will certainly appreciate this. Again, for the handicapped children we did pass legislation in 1975 that would eliminate some of the architectural barriers in schools and to give youngsters who are handicapped, disabled, an equal opportunity for an education.

I was very, very happy that we had that chance, and I participated again along with Senator Pell on that legislation.

Mr. BECK. There is no reason for you to apologize, Congressman Beard, because you have not been in office that long. We have a bill in there, H.R. 821 which was introduced by Representative Burke from Massachusetts, and I am sure you will do everything in your

power as well as Congressman St Germain who has already told us he would, and with your good work there I am sure we will get it through.

Senator PELL. As I think back 4½ years ago when we had the last hearing of this committee in Rhode Island, I realize that conditions are still very poor, but they are better than they were, and they are improving, thanks to the work of many officials at all levels of government, and we should also bear in mind the situation throughout the country is worse than it is here. There are very few States, for instance, which even have off-hour busing, public transportation. Our programs are in advance of the Nation, and our job is to try and improve it on a national level. I received a letter from Mrs. Susan Tomasso describing the work that the RSVP program has done, and I will insert this in the record.* Now, we will hear from the interested citizens who are on the floor. This lady was first, and if you will identify yourself.

STATEMENT OF SUSAN TOMASSO, WEST WARWICK, R.I.

Mrs. TOMASSO. Senator Pell, I am from West Warwick, and I am very proud to be in RSVP and Community Action of Warwick. I am glad to get out and proud of what you are doing, and I hope you keep us going by appropriating money for more buses and all that.

Senator PELL. You are Mrs. Tomasso, are you not?

Mrs. TOMASSO. Yes.

Senator PELL. Thank you very much, indeed. Your letter will be part of the record as well.

Mrs. TOMASSO. Thank you very much.

STATEMENT OF BARBARA L'HEURAUULT, PAWTUCKET, R.I.

Mrs. L'HEURAUULT. My name is Barbara L'Heurault from Pawtucket Inner Cities Senior Citizens Group. The program is too limited a coverage, and too expensive, because the deductions that must be paid before coverage begins. Part A, hospitalization coverage costs \$39 monthly unless you are covered by social security, in which case it is free.

Medical coverage, part D, costs \$6.70 per month. If you are hospitalized you must pay \$92 before coverage begins. If you are hospitalized for over 60 days you must pay \$23 per day for days 61 through 90. Medical coverage, part B requires a deductible of \$60 before coverage begins. Many services are not covered. Medicare will not pay for nursing care in the home, drugs, and prescriptions, homemaking service, eyes, ears, for glasses or hearing aids. For those reasons our group urges your support for comprehensive Federal health programs as would be provided for in the Kennedy-Corman bill.

Senator PELL. Thank you very much.

STATEMENT OF LOLA GENDRON, CENTRAL FALLS, R.I.

Mrs. GENDRON. My name is Lola Gendron from Central Falls, and I am interested in legislation which relates to the Social Security

*See appendix 1, item 10, p. 2135.

Administration policy of collecting overpayments when it is clear that the recipient is not deliberately at fault.

Since 1971, I have had several problems with the Social Security Administration regarding overpayment benefits. I have with me copies of correspondence dealing with these problems which I shall give to the committee.* During the year 1971 I had several disputes with the SSA about the amount of my benefits.

I even contacted Senator Pell's office for help. On January 13, 1972, I received a letter from the SSA stating that I had received \$164.80 more than I should have. The reason for the incorrect payment was in their words caused by a special action which was to expedite payments to me. The letter explained that I must send a check for that amount within 30 days which I did. I sent the check even though the mistake was entirely the fault of the Social Security Administration. In May 1973, I received a letter from SSA pointing out that I was overpaid \$500 because I had worked in 1971. Since they did not withhold enough in 1971 they would withhold \$500 from my checks of May through July of 1973. This was 2 years after this mistake on their part. In August of 1974, I received another letter from the SSA. The letter claimed that they overpaid me \$5.30 a month for a period of over 1 year.

ADMINISTRATION'S BLUNDERS CAUSE HARDSHIPS

These overpayments continued from January 1973 through May of 1974. This overpayment was entirely the fault of the SSA. There was no way I could have known that these checks were higher than they should have been, but the letter said they would recover the money by taking it out of my next few checks. With the help of Project Hope, Central Falls, I protested this action. No money was taken from my checks, and I assumed that the matter had been dropped. In November of 1975, I received another letter regarding the same, old, alleged overpaid benefit. The letter said that they would withhold my January 1976 check and take \$98.78 out of my February check. This would mean I would repay \$365 because of a \$105 mistake made by social security. With the help of Project Hope I once again protested. I filled out several forms, answered many questions, and signed several statements.

I was told by Mr. Kempf of the Pawtucket Social Security Office that there was a possibility the SSA would waive its recovery of the benefits paid me.

It was almost 3 years ago, and I believed paying it back would be a hardship. I feel anyone living on a fixed income should not have to pay for a mistake made by social security. I still have not heard about my request for a waiver. I request that this system of harrassment of innocent recipients of mistakes made by SSA be discontinued.

In each of the instances I told you about the SSA has not denied that it was their fault. At no time did I know that the social security checks reflected errors made by the SSA, but I was expected to pay for these errors.

*Retained in committee files.

I am only 1 of millions of social security recipients, and I am sure that many others have similar problems. I feel it is up to Congress and this committee to develop legislation which will protect social security recipients from this needless aggravation. Thank you.

Senator PELL. Thank you Mrs. Gendron. Also, the Social Security Fairness Act that I have introduced and Congressman Beard has cosponsored and Senator Church has cosponsored, if it is passed it will resolve some of these problems that you mentioned.

Mrs. GENDRON. Thank you.

Senator PELL. Sir?

STATEMENT OF CHANDLER W. JOHNSON, PROVIDENCE, R.I.

Mr. JOHNSON. Thank you very much, Mr. Chairman. My name is Chandler W. Johnson. I am an elector of the State of Rhode Island, and Providence Plantations. I am a resident of Providence, and I appear here without presuming to represent anybody else but myself alone. I am what has been recently labeled as a senior concerned citizen, and you, Senator Pell, more importantly in this respect, it is necessary, Congressman Beard and I have known each other for years, beginning with his activities in the local general assembly before he went to Washington.

So that if any representations or whatever regarding me without going to the CIA, I hope they haven't caught up with me yet. I don't have a telephone so I am not afraid of having it bugged now, and that's another reason why I am glad I don't have a telephone. Without being repetitious of what I have already heard, I have these very few short observations to make. But with your indulgence I would like to add a short prefatory remark.

Senator PELL. I would get on with your observations, and also talk right into the microphone.

Mr. JOHNSON. I can't do it, and with all due respect I would prefer not to do it until I have expressed my appreciation to you and your colleagues on the committee for the opportunity afforded here, and I am sorry that Senator Church had to leave before I could give it to him straight from the horse's mouth, and I appreciate the service that you three gentlemen have been doing during your service in the Congress.

Now, for the few points. In connection with the facilities afforded to some of us senior citizens in the housing facilities, I am accustomed to appearances at hearings like this, and I have been informed that it is the members of the committee that are supposed to be the beneficiaries. I am not used to these modern technological contraptions. I have been accustomed in attending such hearings as this that the members of the committee are the individuals who are supposed to be the beneficiaries of whatever contribution the people want to make. So as far as I am concerned I am addressing my remarks respectfully to you gentlemen on the committee, and through you to your colleagues in the Congress. I am a resident of one of the housing authority facilities for the elderly, and I had an experience just last night that I feel should most respectfully be brought to your attention for whatever influence you may have in straightening the problem out, and I am one of those political heretics who believes that whatever is good for Rhode Island and its citizens, if it is good, will have its application for the citizens elsewhere in the country.

TENANTS CANNOT AFFORD TELEPHONE

There is no pay phone in that facility up there available to the tenants like me who can't afford the luxury of a telephone. So I had to go down and in response to a message delivered to me by the local police department, to put in an emergency call to my son who is serving in Germany, and when I went downtown to try to make the call in response to this message, at one of the pay phones down at Kennedy Plaza, there was nobody that I was able to reach in the telephone company on duty at the time between 8:30 and 9 o'clock who could unscramble the numbers, and I have never indulged in the numbers racket anyway. So I couldn't do it myself. So I decided to go up to the police department headquarters from whence I got the message to see what they might be able to do about it.

And, fortunately, I am very grateful for the assistance that was given me there at police headquarters, Lieutenant Murray, particularly. They have ways and means of breaking through and overcoming obstacles like that. So that in about an hour's time they had the same experience I had; but they were able to overcome all the obstacles the telephone company threw in its way, and I finally got through to my son. So my point is that to me whatever the technical obstacles there are in the way, and it was explained to me that no paid telephone could be installed in that facility because it isn't open 24 hours a day for the public, and I don't care under the circumstances about the public generally with all the pay phones available to them, if they need them elsewhere; there should be a paid telephone in the facility for the likes of the tenants like me who don't have a telephone.

Senator PELL. Thank you.

Mr. JOHNSON. Just a minute. You aren't through with me yet, with all due respect, Mr. Chairman.

Senator PELL. There are several others that wish to make remarks, and maybe you could digest your thoughts.

Mr. JOHNSON. I have. Don't worry. I have faith. I hope you have.

Senator PELL. Excuse me. I must interrupt here. The Warwick Community Action Bus must leave, and would Mrs. Greene please come to the elevator or she may be left behind. Mrs. Greene?

SAVINGS AT EXPENSE OF HEALTH

Mr. JOHNSON. More importantly, and with whatever national effect it might have, you people in Congress now have the administration's—more particularly the President's—budget before you, and I want to record officially for the record my protest as strongly as I can make it, and through you to your colleagues in the Congress that the priority for savings should not be made in the area of health, education, and welfare in view of all the benefits that is accorded to the Defense Department in preference. And the protest that the President would make about not having money available, the savings in the Defense Department budget since it should not be our concern to look after the people elsewhere in the world before we look after our own here at home. The savings in the Defense Department budget to our side of the budget could more than make up the funds necessa-

ry to continue and improve the benefits in that health, education, and welfare side. Thank you very much, Mr. Chairman.

Senator PELL. Amen.

Brother WINN. I am Brother Charles Winn, again. I want to make a brief comment on the public utility situation. I know from attending many, many hearings, the public utility people, the Public Utility Commission hearings, and a great many other people are aware of Brother Charles Winn as a frequent testifier at the hearings, the rate hearings. I have been to Washington to see Mr. Nassikas at the Federal Power Commission office, and it is to that point that I address the national representatives, Senators and Representatives from Washington. I don't know what influence Congress has on the departments like the Federal Power Commission. I know when we wanted to see Mr. Nassikas, Senator Pastore got on the phone and he said to him, "These people from Rhode Island want to see you now," and after a brief pause he said they want to see you now, so I presume you have some influence in getting through to them. What I am getting at is this. The Federal Power Commission has on several occasions overridden the State Public Utilities Commission in New England, particularly, where the power companies operate a conglomerate that covers the entire area. The electric companies and the gas companies are interstate, and this probably is true in many areas of the country. But the Public Utilities Commission is a State regulatory organization.

COOPERATION NEEDED AT ALL LEVELS

Without cooperation from the Washington office and without regional organization, it is an extremely difficult if not impossible task for the State regulatory agency to make effective decisions.

This is one of the problems of the Public Utility Commissioner to be able to make decisions that will stick, because we are dealing with the electric companies for example, and there are seven of them in New England, all under the New England Power Co. The parent company controls the prices, the charges for services. Rhode Island does not produce but a very small fraction of its electrical power, and for the Public Utilities Commission to make reasonable regulation of Narragansett Electric, or Blackstone Valley Gas, or any public utility that operates outside of the State, is an extremely difficult job. I would say, I would ask the representatives of the Senate and House to use whatever power you have to get the Federal Power Commission to cooperate with areas like New England so that we could arrive at a reasonable decision on rates. This is my main point.

Congressman BEARD. Brother Winn, recently the Federal Power Commission granted an increase for Blackstone Valley and I vigorously protested in my office because I feel that our own case here with the utility being before the Public Utility Commission there is always a chance for the public in most cases to be able to testify.

In this case it is almost impossible for people, unless they read the fine print in the paper to know about it, and, secondly, the only chance would be in Washington, and this would rule out 99 percent of the people in the State of Rhode Island. I am very sympathetic to what you are saying. I have vigorously protested the procedures of the Federal Power Commission.

Brother WINN. At the time we went to Mr. Nassikas; we asked him to hold meetings in Providence, and he said this was impossible, and he left to catch a plane to Montana. That is a long way from Washington and much further away than Boston or Providence.

Congressman BEARD. I agree.

Senator PELL. Thank you very much, Brother Winn.

STATEMENT OF CYNTHIA NEAL, PROVIDENCE, R.I.

Miss NEAL. My name is Cynthia Neal. I am asking for a better clarification of the medicare benefits and limitations. I feel very strongly about this, particularly of the clause dealing with custodial care. My mother is 86. In 1952 she started to carry private medical coverage to take care of her in her old age. She has continued to carry it; but when medicare came, the policies which costs between \$400 and \$500 a year were tied into medicare, which comes under, as defined, "custodial care." So she is not able to collect any of her insurance moneys, and I think that other people may have this very same problem, and I think it's very important that the medicare benefits be more clearly defined, and particularly the clause on custodial care.

STATEMENT OF RALPH PERROTTA, PROVIDENCE, R.I., FEDERAL ADVISORY COMMISSION ON LEGISLATION

Mr. PERROTTA. My name is Ralph Perrotta. I am a member of the Federal Advisory Commission on Legislation. In fact, I am the only New England representative on that committee. I would like to address myself to the energy policy on New England, because I think what's happened is a much larger share of the burden of the so-called energy crisis has been put on the backs of New Englanders, and on Rhode Islanders in particular. While the Consumers Price Index showed that prices in general went up 11 percent in the years 1973 to 1974, the increase for electricity was 18 percent, and the increase for fuel oil was an astounding 5 percent for New England. When you consider that New Englanders have much colder winters than the rest of the country, that means that we are paying huge fuel bills far out of proportion to what people in the United States generally are paying. At the last meeting of the Energy Administration Committee, I asked John Hill, who is a deputy director, what he is doing to come up with a pricing policy to distribute the burdens of the energy crisis more fairly than they are now, and I think the short answer is "nothing." The administration's policy now is to equalize prices of fuel oil around the country and have different kinds of fuels around the country; but for New England which relies heavily on one of the most expensive fuels, namely fuel oil, as opposed to natural gas, and coal, and so on, that policy is an unfair policy, and needs to be changed. Thank you.

Senator PELL. Thank you, Mr. Perrotta.

STATEMENT OF HAROLD CORRIS, PAWTUCKET, R.I.

Mr. CORRIS. Mr name is Harold Corris. I live in Pawtucket, R.I. I only arrived at 11 o'clock, and if this has been brought up I will retire. Has any question been brought up about page 20 in the social security booklet relating to self-employed persons?

Senator PELL. No.

Mr. CORRIS. I am self-employed as a manufacturer's representative which I set up years ago because I felt that when I reached a certain age if I worked for one company I might be laid off, or retired, and at a certain age would be unable to find another job. I represent three companies. I sell raw materials to the jewelry factories. I work on a commission basis only. I pay my own expenses, receive no pensions, and no one pays my social security except myself.

On page 20 in the social security booklet very few people that I have spoken to know anything about the restrictions on the hours of labor. My doctor tells me not to retire. He said to keep working. If you retire you get sick. What I want to do is as my doctor says—to begin to cut back and work part time—but to work the rest of my life if possible. I contacted social security; but I read the law thoroughly first. A self-employed person like myself, and there are many around the country, and that includes many attorneys whom I happen to know, can only work for 45 hours per month which means if I wanted to drop one of my companies or two and work part time I have been told by social security they will check the time I leave my house. They will call my companies and see what days I report in to the factory. They will check my customers. In other words, I cannot work and cut back and draw social security. As a self-employed person I have to pay both the employer and the employee share of social security. The average person has a job. The employer pays half of it. This past year in 1975 I paid \$1,042.80 for social security. In 1976 I will have to pay somewhere between \$1,100 and \$1,200. I have been paying since social security laws started. I will probably never collect a dime. What I want to know from you gentlemen now is the answer to this question, and I believe I wrote to Senator Lowell Weicker, and Senator Barry Goldwater who both are trying to sponsor it. I want to know why a person is restricted to 45 hours a month if you are self employed, which means approximately 11 hours a week, and no company is going to allow a person, particularly salesmen, to go out and work 11 hours a week.

I want to know why this law cannot be changed so that a person who pays since its inception and it is my money, should not be able to work if he wants to at 65 and draw social security. If I want to work part time and work five mornings a week, it's my money, and I want to have the right to work instead of not working, and I feel that this social security law should be changed. I am directing my question to both of you gentlemen, because I know that some of the Senators, particularly Senator Lowell Weicker, and Senator Barry Goldwater, who happens to be Republican, and Weicker a Democrat, have been trying to get this law changed for years, and have come within one or two votes, I believe, and I feel that this is very important.

I have talked to a lot of other people, other salesmen, and I can't see the sense of making me work only 45 hours a month if I want to work more.

Senator PELL. Two thoughts, two points: First, you will be glad to hear I am a cosponsor of the Goldwater bill. Actually Goldwater and Weicker are both Republicans. It is a darn good bill. I am glad to be a cosponsor of it.

NEW PENSION LAW

Second, there is a new pension law. There are provisions whereby you can set money aside, defer tax payment.

Mr. CORRIS. I am not interested in the money. I want to work.

Senator PELL. I can't promise you any more than I myself am cosponsor of it.

Mr. CORRIS. One more fact, am I taking too much time—

Congressman BEARD. Can I make a brief comment?

Mr. CORRIS. Sure.

Congressman BEARD. Trying to understand without having the material in front of me which you expressed—

Mr. CORRIS. Page 20—

Congressman BEARD. I don't have that. I see what you are saying, because you happen to be a self-employed businessman you are being punished.

Mr. CORRIS. That's right.

Congressman BEARD. As far as I am concerned I will take a look at this legislation. I have always supported legislation that's going to give the elderly person an even break. Just as I have introduced legislation to raise the amount of money to \$6,000 before a person is penalized, where they have to pay like \$1 or \$2.

Mr. CORRIS. I don't care if it's \$6,000 or \$10,000, you can't work more than 45 hours a month.

Congressman BEARD. There are so many inequities in the law. I support Senator Pell, being a cosponsor; I will be happy to introduce it if you would send me a written statement on that to the House in Washington, I will be glad to introduce that in the House.

Mr. CORRIS. When the social security law was passed it was passed under the assumption that everyone reaching 65 would have a pension, working for someone, he would get out of the labor force and let the young people work. The other bad feature about the social security law which is being evaded by many people, I know many of them, professional people, businessmen, is they take the social security law which says you can have all the income you want from dividends in stock and you can still draw social security. So many professional men and many businessmen take their company, and you can investigate this, they turn the corporation over. They draw themselves off the payroll, draw no money. Someone else runs their business; but at the end of the year they can draw \$150,000 or \$300,000 in dividends from the company, and they are still drawing social security.

Senator PELL. The reason for that is that they pay into social security.

Mr. CORRIS. So have I paid in. I can't draw. I can't work. I want to work.

Senator PELL. Thank you. Before the next person, if you will forgive me, I would like to introduce Mrs. Brown, who was asked to come here. She is considerably older than you are, she is 92. I thought we ought to ask her to speak. Maybe you could bring the mike over to her. Excuse me. All of you may have read the article about Mrs. Brown. It was in the *Providence Journal* this very morning.*

*See appendix 2, item 2, p. 2137.

STATEMENT OF SIDONIE BROWN, PROVIDENCE, R.I.

Mrs. BROWN. Thank you, Senator. I have been asked to come here today to thank Mrs. Eleanor Slater. She is the lady that's in charge of the elderly, because she had heard that I was an invalid to a certain extent, and that she saw to it that I got material brought to me so that I can sit down all day and work and make all kinds of fancy things, anything at all in occupational work. I do this for the people my neighbors, for the children, and for the elderly that come to me. I have people that send me material. I cannot mention their name because they would probably be invaded with people going up there looking for them, but they bring me the material, and I hook rugs. I crochet rugs. I give them all away. I make them by the hundreds because I am very fast with my hands. If somebody sends me yarn, I take it and make shawls like the one that I have on, and I make all kinds of fancy work. I make afghans. I make booties, and I make bonnets for babies. If they bring me the yarn I make jackets, little afghans for the baby cribs, and anything anybody wants made, if they bring the material. I do beautiful needlepoint which I have learned how to make in Europe. I am Belgian born, but an American citizen, and these people bring me the material. I will manufacture and make beautiful designs for them.

Some people bring me the canvas, buy me the yarn. I make their needlepoint the way it was taught to me in Europe. Anybody that wants to learn to do needlepoint can come to my apartment and I will sit down and teach them to do it, anything, even making oriental rugs which I know how to make, which was taught to me in Europe in occupational work. I thank people very much that come to my house. I will give them anything that I made like bonnets, little booties for children. I make little booties for people. They come. As long as they bring me the material, because I cannot afford it. I live on social security, and I cannot afford to buy the material, but everybody is welcome if they have the material to bring it to me, and I will make it. I will make something, even if it's a half a yard of elastic, I will make something out of it. I thank you very much.

Senator PELL. Thank you, Mrs. Brown. You epitomize the thought that you live and receive by your giving to others over the years in your wisdom and age.

Mrs. BROWN. I don't know what they said about me in the article. I will have to read that.

Congressman BEARD. Mrs. Brown, Congressman Beard. I think what Senator Pell said is true. You know, I notice the newspaper mentions the longevity of your family. I believe your grandmother lived to be quite elderly.

Mrs. BROWN. Yes, my great-great-grandfather was the inventor of the strike-anywhere match. I only have two left. He was a landowner in Belgium, an *Elano*, which in English spells *Elano*. Franklin Roosevelt was a distant relative of my mother. So, therefore, when he came to this country he did not speak English, and when he told the people what his name was, and when Sarah was born she was named not Sodonie because in this country they make mistake. They want to call me Sodonie. I told him I was 11 years old when I landed in America. My name is spoken with a soft "i," not a "y."

He said, what are you talking about? I learned English in Belgium. I learned all my foreign language in Belgium. I have done a lot of work. When I hear people speak in German about something in this country I always reported it to somebody in authority. When I heard in Italian or in Spanish I went right to town on them. Flemish birth, which I am, and I thank you very much.

Congressman BEARD. I am only a baby looking at your longevity. It's tremendous. Let me tell you this, we are working to try to improve all the elderly people's lives in this country, and we will do our utmost. It's wonderful to have a person like you who can come before us. When you read the story, I would suggest everyone get a copy of the newspaper and read the life of Mrs. Brown. I think it's a tremendous life, and it's a tremendous story of what has taken place in your life.

Mrs. BROWN. I sit all day long on my chair, and I am desperate and most comfortable. I don't go out very much. I am thankful to the Jordon School. They allow us to go shopping. They pick us up. It makes it nice. I couldn't carry bundles anyway. Sometimes I go to Mrs. Eleanor Slater's office to see if she's got anything I can use, a little bit different, to make something pretty. They bring me back. They always take me home. They get mad if I take the bus. I should call them up, and they will pick me up to go pick my things out.

As I say, people are good to me.

Congressman BEARD. God bless you, dear.

Mrs. BROWN. As I am diabetic and arthritic, I am ready to sit down. Thank you very much.

STATEMENT OF DAVID MALONE, SOCIAL WORKER

Mr. MALONE. David Malone, and I am a social worker. I deal with the aged on a daily basis. I have found with my experience working with this group of people that they are in need of many things—not only of money. In their economic situation it is a problem. I feel they need help in the medical area, for example, in homemaking. I feel that homemaking services should be paid for by medicare, because a lot of these people have an income of social security which makes them eligible for homemaking payments through public assistance. They have to dish out money for someone to come in and cook and take care of them. So I feel that medicare should include homemaking services to be paid for the elderly or even the disabled who are receiving social security payments. I think it was Fred Creighton, he mentioned one of the problems during the first panel discussion. Many people are eligible for various programs. They don't know anything about these programs. Believe me. I deal with them every day. I feel there is a shortage of staff for private and public agencies.

I think that something should be done, also, with the staffing of these people to go out and see the results of these programs, social workers, aids, just interested volunteers, or whatever. I think title XX of 1972 or 1973 by Congress, services for the elderly, the blind, families under a middle income limit, I feel that the stress in Congress should be to increase funding to the various States to provide more staff for public and private agencies to get to these people, and

seeing that these people are doing all right in the community. Thank you.

STATEMENT OF FLORA WARE, CHARLES PLACE TENANT ASSOCIATION, PROVIDENCE, R.I.

Mrs. WARE. Senator Pell, Congressman Beard, it is my pleasure to be here. I represent a group of senior citizens in an apartment complex. It has been subsidized. It has been of great concern to me, the situations that have existed in this particular complex for the services they pay for, the rents every month. The complaints are ignored to a certain degree. They have been recognized and they have been checked, but it is inconsistent. The checking is inconsistent, sir. They are paying an increase in rent in the past year of \$21 to \$22, which has been denied them even though they are the most cooperative group of people I have ever met. Our citizens and our people are very cooperative to everything we propose as an organization. I can bring them social activities. They will cooperate and provide great generosity, sir, to any mass that may be brought into the building, which I have unfortunately been able to bring them only twice in the past year. We now have conditions in this building where we have a recreation room which is unusable because of inadequate heat. I ask you—where money is subsidized by the taxpayers in Rhode Island, why do my senior citizens have to be refused activities in a recreation room that has inadequate heat? We have lived in this building, sir, for over a year. I am greatly concerned for my people. I know others in other buildings must have other complaints. I know this; but my concern is with the people I represent, and I have taken this opportunity that you have given me to speak up for them. I am not quite as old as they; but I am very concerned because the time is coming when I, too, will be in their position, and hopefully, God grant that, someone else may be younger than I. Then they will speak up as I am today.

Congressman BEARD. Would you contact my Providence office and explain the dilemma, and I can assure you we will get to the bottom of it?

Mrs. WARE. I spoke to a Mr. Newmeyer. He is in your office. I will check it out for you. If it is a—

Congressman BEARD. If it is a State problem, or if it falls under Federal jurisdiction, one way or the other we will assist you.

Mrs. WARE. Please don't make me start at the bottom, again.

Congressman BEARD. You start with my office.

Mrs. WARE. I am already near the top. I won't disclose the names of the agencies to whom I have approached and who have tried to be helpful; but I have gone through State, city and some Federal, and I would ask that you give me a little extra consideration, knowing that I have gone through these aggravations. Yes?

Congressman BEARD. Right.

Mrs. WARE. I will contact your office.

Congressman BEARD. I am making my office available to you, if we can assist you.

Mrs. WARE. Thank you very much.

Senator PELL. Thank you very much for being a very patient and interested audience and participants. I think this has been a good

hearing. It is only too bad that President Ford's budgetmakers couldn't have been here listening to us before they dreamed up his budget. I completely agree with the gentleman who spoke about the law of priorities in his budget. They should have done this rather than appropriate money for defense in the hardware sector; they should have appropriated more for the human, aging, health educational sectors, and this is the direction that many of us in the Congress will seek to push the budget into, to carve the budget more along the needs and true desires of our people. Congressman Beard, do you have some closing comments?

NATIONAL HEALTH INSURANCE IS GOAL

Congressman BEARD. Yes, again I am very honored to have been invited by Senator Church and Senator Pell to participate in this committee hearing. I serve on the counterpart in the House, and I think collectively the House and Senate Aging Committees certainly will do their utmost to make sure that the elderly people are given a little better shot in this regard. My goal, and I know Senator Pell's goal, is to see national health insurance implemented in this country.

Senator PELL. Thank you very much and may I add that Congressman Beard in the Congress, just as Senator Church is in the Senate, is noted as one of the most vigorous fighters or participants in all matters to promote the well being of the elderly. There is no more vigorous spokesman than he, which is shown by his patience in sitting through this hearing.

I present the compliments of Mr. Church who would like to have stayed with us. His plane was canceled through Green. The only possible way he could get a flight was to make his way back to Washington and leave by plane from Logan.

This meeting will now be shortly recessed. It was 4½ years ago when we had our last meeting. Maybe we will try to do it sooner next time around. Meeting adjourned.

[Whereupon the hearing was adjourned.]

APPENDIXES

Appendix 1

STATEMENTS AND LETTERS FROM INDIVIDUALS AND ORGANIZATIONS

ITEM 1. STATEMENT OF EMILE DENIS, SENIOR CITIZENS OF RHODE ISLAND ACTION GROUP

A SUGGESTED PLAN TO IMPROVE HOME HEALTH CARE BY IMPROVING MEDICARE BENEFITS UNDER SOCIAL SECURITY

First, as you know there are millions of medicare patients in the U.S.A. that are not completely senile or helpless, but are in institutions or nursing care facilities.

Second, we believe many of above mentioned millions would be happier in their own home environment thereby becoming healthier and recuperating faster. In their own home they would receive T.L.C. (tender loving care) by their spouse and other members of the family if some of the children are still home.

Third, many senior citizens between the ages of 65 and 72 because of their insufficient income and the fact that they do not want to depend on charity look for work, to supplement their income. But with unemployment as it is, sometimes it is impossible to obtain work. They may earn \$230 a month without losing the social security Checks.

Fourth, if some plan could be worked out so the government would pay the \$230 per month the spouse could then devote full time to care of patient instead of working 30 or 35 hours away from home.

Fifth, we understand that the government, Federal and State will pay the minimum cost of care in the above mentioned care facilities. The cost is \$15 per day or \$450 in a 30-day month.

Sixth, if some form of home-care payment could be worked out it would save the government money and leave the patients family feeling independent after working all those previous years.

ITEM 2. STATEMENT OF BRUNO HOFFMAN,* PROVIDENCE, R.I.

SOCIAL SECURITY

Recently we heard a lot about "Problems of the Social Security System" about a Budget Deficit and about the needs of a review of the system. Since its inception and for many years afterwards, right wing circles of our political spectrum were fighting social security and what it stands for. Now, with President Ford's budget message and his proposal of an increase of the social security payroll tax, we hear all kind of arguments about the health of the system and future dangers.

Social security as insurance.—Originally this was supposed to work like real insurance. Employer and employee would pay annually a certain premium, which with interest earned over the years would guarantee a certain income at retirement age. This was not kept up, first by adding certain welfare aspects, like giving a minimum income even to people who had not contributed to the fund. And in recent years the steady inflation made it necessary to make adjustments according to the increase in cost of living. This was done, for quite a few years by special laws of Congress, always much later than necessary; finally in 1972 Congress passed a law giving automatic increase of the social security benefits according to the Consumer Price Index.

*See statement, p. 2089.

Inflation and cost of living.—Did this law, that supposedly was part of the cause of the deficit really make up for the losses and needs of the old people who had spent a lifetime in honest work? How was it handled? Everybody knows that the cost of living in 1974 went up 12 percent. Our government found a formula calculating it for only 8 percent. And the first payment was made in July 1975.

SSI.—Hardest hit by this system are the very low-income people of the SSI program, who can not make up for the tremendous increases of heating and electricity bills. They buy no cadillacs or frigidaires and therefore their cost of living index is gone up much more than 12 percent. And there the State of Rhode Island found a legal way to withhold half of this increase and use it for other budget purposes. A Federal law is necessary to order States to pay fully to all beneficiaries the increases coming from Federal sources.

Interest of the social security fund.—How much credit does the government give as interest? The inflation caused in the private economy a big increase in the interest rate helping the private investor to make up for some of the inflation (mortgage rate 9 percent or more). Maybe there would be no deficit, if the fund gets the right credit.

REMOVE EARNINGS LIMIT

Earning allowed for people of 65 to 72.—This too, stayed far behind the economic development. \$2,760, the new limit is much too low. Why should there be any limit? If the people work, there comes some more income tax in. But a figure of \$5,000 would make much more sense. On the other hand, there should be an elimination of the loophole, created under the Eisenhower administration allowing people to earn in one or the other month any amount of money (even \$10,000 or more) and to collect social security in all the other months fully, when they don't make more than \$230 in those months.

President Ford's proposals for social security taxes.—Again the administration came to the wrong conclusions about the consequences of inflation. Not only has the small income worker the same percentage charged to him as the man making \$10,000 or \$15,000, but people making more than \$15,000 or later \$16,500 pay no social security taxes from the amount they make over these limits. How can you justify to charge in round figures a worker making only \$5,000 annually, \$300 tax, i.e. 6 percent and somebody making \$33,000, \$990 tax, i.e. only 3 percent. And don't forget it does not make any difference if from the \$5,000 he has to support a wife and children. Mr. Greenspan, the President's economic adviser was in a television interview yesterday speaking out against an increase of the taxable base of income. He gives the old excuse, it would change the insurance system and bring more obligation in the future. I showed before that the insurance principle has been given up long ago. And why should Congress not have anybody pay the tax from all his income and still there could be a stipulation for a maximum old age income as there is a minimum income. It would be much more social justice and some more relief of the small income man would be justified and economically wise the same as the income tax relief voted on.

Medicare.—The cost of the contributions of the senior citizen went up every year—of course we know of the tremendous increase of medical expense. Mr. Ford, refusing a general health program talks under the title of "catastrophic sickness benefits," first of increasing some more the costs for the senior citizen, by charging him a percentage of all benefits and then promises to limit the expenses, to \$500 or \$250, respectively and only for hospital and nursing* homes. What about the catastrophic expenses for necessary nurses, ambulance expenses, etc.? Can people with a salary of \$40,000 or more and high expense accounts ever try to understand the plight of people living on \$250 or \$300 a month if an average heating bill is about \$50 a month or more?

ITEM 3. STATEMENT OF BEATRICE DOYLE, SENIOR CITIZEN OUTREACH AIDE

I am Mrs. Beatrice Doyle, presently Senior Citizen Outreach aide with the Warwick Community Action Program in the Westerly area of Rhode Island. I am here, however, as a concerned private citizen to point out the inequality of Federal supplemental security income payments upon which so many of our senior citizens depend.

*And doctor bills.

Currently a glaring inequity exists between Federal supplemental security income payments received by those (1) who are primary or secondary social security beneficiaries and the payments received by those (2) who have never earned sufficient social security credits as primary beneficiaries or are ineligible as secondary beneficiaries by reason of lack of marriage to a primary beneficiary, and who have no pensions, annuities, or other income.

Individual beneficiaries in category No. 2 receive under the Federal supplemental security income law \$20 less than category No. 1, even though the need is the same. How does this come about? The aim of the Federal supplementary security income program is to provide supplemental payments when needed, so that anyone 65 or older, anyone blind or disabled can have a basic cash income of \$157.70 for an individual or \$236.60 for a couple.

People can have money coming in (Social security, veterans payments, pensions, etc.) and still receive supplemental security income payments. In arriving at the amount to be paid, the first \$20 a month income will not affect the Federal payment. Any other income (apart from earnings), above the first \$20 a month will reduce the Federal payment. There is a different formula for earnings.

Therefore, if you have no money coming in, in the form of social security (perhaps because you were not engaged in covered employment or were not married to a primary beneficiary) have no pension, annuity, etc., your monthly income will be \$20 less. When you live at the lowest end of the economic scale, \$20 looms as a sizable amount.

A correction of this situation should be handled on the national level as it affects many, many persons. In Rhode Island with a population of under 1 million, there are 7,000 senior citizens so discriminated against.

Feeling that national action could not be waited for, a bill will be introduced in the Rhode Island House of Representatives this week to remove this inequity.

ITEM 4. STATEMENT OF ELIZABETH DOLAN, WARWICK COMMUNITY ACTION, INC.

My name is Elizabeth Dolan. I live in Warwick, R.I.

I would like for a few minutes to explain to you some things about the Warwick community action program to explain what they have meant to me personally and plead not only for their continuance but also for their expansion.

My primary contact has been with the foster grandparent program. Under this program, I work 4 hours a day, 5 days a week with mentally handicapped children in a special education class.

In this class, we work on a one-to-one basis with the children helping them with their needs in reading, writing, spelling and arithmetic. It would do your heart good to see a child master a problem that has been bothering him for hours with some help from a foster grandparent.

My experience with the foster grandparent program started after four operations in which artificial bearings were put into my hip sockets. After the operations I went from a wheelchair, to a walker, to crutches, and then to a cane. Then a friend of mine recommended that I join the foster grandparent program.

Since I joined the program I have never been so happy as I have been—to be able to go to work each day to help these children. This is now the joy of my life because I am a widow 71 years old and live alone. My work is my whole day.

Another way that Warwick community action has been a blessing to me and hundreds like myself is their housing assistance program through which I had some repairs done to my house. These were financed by an interest-free loan—which I have since paid back in full. What a thrill to restore my house to a sound home again.

You can appreciate that it would be almost impossible for a 71-year-old widow to obtain a conventional loan.

For myself and the many others who benefit so greatly from these elderly programs, please try to contemplate the heartbreak any reductions or cessation would cause and please support these programs that are so necessary in our senior days.

[Enclosure]

HOME MAINTENANCE PROGRAM FOR ELDERLY

FACT SHEET

The purpose of the program is to provide the opportunity for elderly with limited resources and fixed incomes to have available a program to make home repairs affordable without asking for charity.

Emphasis will be placed on providing the elderly with the opportunity to remain living in their homes.

Eligible activities:

- Structural repair.—Roof, walls, windows, gutters, downspouts, weatherstripping.
- Plumbing system repairs.—Minor nature.
- Electrical system repairs.—Minor repairs.
- Entrance repairs.—Doors, steps, and porches.
- Basic amenities.—Exterior painting and other improvements of psychological importance.

Eligibility:

- Homeowners aged 60 and over.
- Limited income and resources.
- No relatives physically capable of doing work.
- House structurally sound.
- Resident of Warwick.
- Can be improved with relatively minor repairs.
- Homes with minimum housing citations have priority.

How to apply:

Contact: Warwick Community Action, Inc., Housing/Community Resources, 2117 West Shore Road, Warwick, Rhode Island 02886.

Coordinator: Fran Pinto, 737-3743.

A worker will make a home visit. Initial intake will include personal data, financial data, and a brief description of the nature of the repair problem.

In the first program year one of the most significant statistics is the amount paid back. The agency projected that \$2,000 of the amount loaned out would be paid back. The actual amount was little less than twice the projected amount.

Elderly homeowners are proud and shrewd people. Out of very meager fixed incomes a majority of clients send payments on a monthly basis. At times perhaps only a \$2 payment is received, however, the payment is faithfully made.

In talking with clients, we find that their attitude is such that they are so appreciative of the program and realizing it is based on a revolving fund basis, they want to help perpetuate the services. We find they are satisfied with the quality of work and are appreciative of a program that enables them to financially maintain their homes with dignity.

Each application is reviewed on an individual basis. Home visits are made to obtain financial data as well as personal circumstances and maintenance needs. A visit is made by the maintenance director and the needs are discussed. Loans are granted for the purchase of materials. Labor is provided free of charge to the client. When repairs are completed, a financial repayment plan is made to fit in with the client's budget without adding financial strain. Also evaluations are completed at this time to be sure the work was completed satisfactorily and to discuss any additional needs.

My referrals are obtained through the Minimum Housing Department. These are handled on a priority basis. No one is refused because they have no way to repay for materials. In cases of this nature either the agency absorbs the cost or donations of materials is sought.

SERVICES PROVIDED BY HOUSING ASSISTANCE/COMMUNITY RESOURCES

Home maintenance program for elderly in Warwick

The purpose of this program is to help homeowners aged 60 and over with limited income and resources to do necessary repairs to homes that are structurally sound but have minimum housing violations or needed repairs that would qualify as violations.

Housing assistance—relocation

Keep a listing of possible rental units. Take names of people who are looking for housing and also make referrals to any programs of subsidized housing that might be available.

Housing assistance—landlord/tenant relations

Have a working knowledge of landlord/tenant rules and regulations to provide counseling and referral where problems occur.

Housing assistance—legislation

Knowledge of any new housing legislation, Federal, State, and local: and advising community people of such when applicable.

Emergency housing

Provide emergency shelter to families left homeless as a result of natural disaster such as fire, storm, etc. Referrals taken from anyone in need in the State of Rhode Island. Supportive services and followup provided. Occupancy is on a 5-day renewable lease contract.

Consumer education

Provide workshops in any area of consumer concern. Workshops and mini classes are held in any subjects relative to the high cost of living and consumer problems.

Winterization and fuel crisis

Aid and counsel clients in energy conservation and with heating and utility problems.

Community resources

Provide technical assistance to groups and organizations in the city organizing around a community concern. These may be established groups, or informal community groups formed to meet specific needs or problems. Emphasis is placed on working with and through area board representatives to keep them informed about Warwick community action programs and receive input as to community concerns.

ITEM 5. LETTER FROM LILLIAN N. OLIVER, CRANSTON R.I.; TO WARWICK COMMUNITY ACTION, INC.; DATED JANUARY 14, 1976

GENTLEMEN: I am a close friend of Mrs. Inez Shoren, and as she is totally blind, she requested my assistance in writing this letter. Her address is 108 Brinton Avenue, Warwick.

Last summer two of your men completed the following work for her—

1. Painted outside of her home.
2. Installed stairwells on porch.
3. Repaired screens on porch.
4. Repaired brick on front part of home.
5. Nailed some shingles down on home.

All of this work was done within a short period of time and the men were very good workers. Mrs. Shoren was thoroughly pleased and considers the job quite satisfactory. I personally thought the paint job was very nice and a wonderful improvement.

Mrs. Shoren extends her thanks for the help she received in this work which was very well done.

Very truly yours,

(Miss) LILLIAN N. OLIVER.

P.S. She regrets she is unable to attend the meeting.

ITEM 6. LETTER FROM S. EVERETT WILKINS, ATTORNEY, PROVIDENCE, R.I.; TO SENATOR FRANK CHURCH, DATED JANUARY 28, 1976

DEAR SIR: I attended your public hearing in Providence on January 26, 1976, and extend my compliments on a well managed affair. I am writing to express my concern over a subject which I did not present at the hearing because of time limitations.

I believe that unless escalating hospital costs are brought under stringent controls, any National Health Insurance program will bankrupt the country. Since medicare became effective, hospital costs have increased by about 300 percent, most of which can not be blamed on the national rate of inflation, which is much less than that. In Rhode Island the Blue Cross premium for Plan 65 (which reimburses for medicare deductibles) was \$4.45 per month in 1966 and is now \$12.03 per month. Furthermore the 1966 rate carried a factor designed to build a 2-month reserve, which by litigation

has been reduced to a half month. Of our elderly population of 105,000, almost 77,000 pay for this coverage.

What has happened is that the availability of open-ended medicare funds, disbursed with no effective controls, has caused hospital managements to become careless and irresponsible in the area of fiscal prudence. A prominent Providence doctor commenting on recent increases in Rhode Island hospital rates, said to me, "What can you expect? They have far more employees than they need. They are stumbling all over themselves over there, and 50 percent of them don't put in an honest day's work."

A lady of my acquaintance, a thrifty "Yankee Gal", related to me the following. While a patient in a hospital she remonstrated with a nurse who had thrown away an apparently usable piece of linen and received the following reply, "Say, if you knew the waste that goes on around here—why should I be careful?"

Incidents such as these do not in and of themselves make a hard case against hospitals, but they do give rise to well warranted suspicions; and the most appalling fact is that there is no end in sight.

Congress did not intend that medicare funds should be carelessly guarded. When medicare was enacted, Blue Cross Association sold the Government a phoney bill of goods to the effect that Blue Cross organizations could be trusted as fiscal mediators to monitor hospital operations. This was not true because they are too closely allied with hospitals and doctors, and also because no person examining a hospital to police its costs should live in the community where the hospital is located. The approbrium certain to result from a job well done will deter him from effective performance.

If you feel that this subject merits your attention, I suggest that it should be frankly acknowledged that Blue Cross cannot control hospital costs and that another means must be devised. As to the other means, I suggest that the existing system of examining national banks could well be emulated. What keeps a banker on his toes is the knowledge that any day he may find one of Uncle Sam's bloodhounds sniffing around his bank for something on which to chew. Hospitals need the same type of treatment.

Very truly yours,

S. EVERETT WILKINS.

ITEM 7. LETTER AND ENCLOSURE FROM CHARLES GERARD, PROVIDENCE, R.I.; TO SENATOR FRANK CHURCH, DATED JANUARY 28, 1976

DEAR SENATOR CHURCH: I should like to say at the beginning that I very much enjoyed the hearing held by your U.S. Senate Special Committee on Aging, at the Providence Public Library Auditorium, on January 26, 1976.

I wanted to insert at that time what I have said in my letter below, written to the *Providence Journal*. However, I considered it inappropriate to use the time needed for discussion, so I refrained. However, I did not intend to forgo expressing myself.

The letter was written on January 17th, but printing was delayed until I signed the form allowing the *Journal* to edit for space, libelous content, if any, etc. It finally appeared in the *Providence Journal* for today, January 28th. Meanwhile, I derived much pleasure from the *Providence Sunday Journal* of January 25th, where the subject was editorialized. I enclose a copy of the editorial, of which I have only one copy. This I am sending to you but am unable to supply a copy for Senators Kennedy and Pell.

[From the *Providence Journal*, Jan. 28, 1976.]

LETTERS TO THE EDITOR—SOCIAL SECURITY TRUST FUND

The Jan. 17, 1976 *Journal-Bulletin* stated that President Ford was planning on asking for 1977, a Social Security tax rate of 6.15 percent, to be applied to a base of \$16,500; up from 5.85 percent on \$15,300 for 1976.

Why don't Congress and President Ford face the inevitable, I.E. application of the rate—any rate—to entire earnings? This should be applied universally.

They should then extrapolate and compare with actual returns for 1977. They just might find that the percentage for everyone might be reduced from Jan. 1, 1978 on.

I read recently that 100,000 persons in the U.S. receive earnings of \$100,000. Now \$16,500 times 6.15 percent times 100,000 persons comes to \$101,475,000. Also, \$100,000 times 6.15 percent times 100,000 persons equals \$615,000,000—a difference of \$513,525,000 which would be added to the Social Security Trust Fund. Think what could happen with per- [sic]

Oh, the "hue and cry." But why not?

Most people earn below the taxable base. Why should they pay Social Security tax on their entire wages while others pocket the taxes they should pay on everything above \$16,500?

I am not unmindful of the employers' matching contribution. I hear many say: Why worry about federal deficits? The country is too rich to go broke. Perhaps everyone should be reminded that after World War I, one could buy one trillion German marks for a \$1 bill.

CHARLES GERARD.

Providence.

The unfinished remark in the fourth paragraph was—probably inadvertently cut off by the linotypist—that the social security fund could benefit far more from the persons earning from \$16,500 to \$100,000 and from \$100,000 to wherever it takes us. Imagine if you will, what the president of General Motors would pay at 6.15 percent, on \$750,000, the amount he was once paid during one year, as a salary and bonus. At \$16,500 he would pay \$1,014.75 as social security tax; taxed on \$750,000 he would pay \$46,125. social security tax. How about the tax on President Ford's \$200,000. A mere \$12,300 to add to the social security fund. Everyone is aware that labor cost is the most expensive part of any business. Just imagine the contribution to the social security fund, if the most expensive part (labor) of the trillion dollar G.N.P. were taxed at 6.15 percent.

I still contend that it wouldn't take too long to drop down the social security tax percentage for everyone, if everyone's salary or wages were taxed for their entire amounts. Start with 1976 or 1977, at 6.15 percent of everything, not \$16,500. There should never again be established a base for social security tax purposes, a base such as \$16,500, or anything else. When anyone and everyone pays his fair share the percentage should drop. A man earning \$100,000 would pay \$6,150.00 at 6.15 percent; but after the fund is built up and taxes are reported, the social security tax percentage could conceivably drop to 3 percent, taxing him \$3,000; or perhaps 4 percent, taxing him \$4,000. Now, to what other country can a man go to, to earn \$100,000 and take home as much as he does or even will, at the rates we apply for income tax and social security tax? Reasonable question, right.

I should like some "knucklehead" to explain to me the logic of a base of \$16,500 for social security taxes, but no such thing for income tax. If this is logical, then it is logical that a man and wife be allowed to combine their income for social security tax purposes, so that they will pay social security tax on only \$16,500. The \$25,000 man earning the \$25,000 by himself is allowed this privilege of stopping at \$16,500. The argument makes sense.

A person with a gross of \$100,000 could end up with a net of at least 17 times the social security payments made to a single person drawing the maximum, that is \$350.00 X 12 months, or \$4200.00. Why should the \$100,000 man be allowed to raise his standard of living to the point of using his entire net. He certainly should be able to put away more than the person, who, for any number of reasons never reaches beyond the minimum of \$2.40 an hour. He is getting his while he is working and will get the maximum social security when he retires. Not most, but at least a very great number of people don't earn enough now to qualify for maximum social security payments, which are based on payments made against established taxable bases. I remember so well the brouhaha that resulted when the late John E. Fogarty introduced, or threatened to introduce, a bill for a base of \$15,600. Now we're up to \$16,500. How do you like that?

It doesn't matter to him that today we have many aged persons starving, not quantitatively, but qualitatively and nutritionally.

NO ENERGY TO RESIST

President Ford, if he holds to his present logic, won't have to have ships, nuclear weapons, bombers, etc. to hold the Russians at bay. Pretty soon they will easily be able to take over, because the over 200 million of us will be chronically ill of some very debilitating disease. We will not have the energy to resist pygmies let alone Russians. Make a total of all disease totals and you will exceed 200 million, by virtue of the fact that many, not a few, have several chronic diseases. Between the FDA, AMA, HEW, etc., we've hit the jackpots on moronic regulations. Ask Senator Proxmire, he knows the battles he has had with the FDA, relative to asinine regulations for a simple thing like vitamins. We should thank God for fighters like him.

My personal feeling is that unemployment compensation percentages should be applied to a person's total earnings. Rhode Island and Massachusetts have each borrowed over \$100 million to date, for the payment of unemployment compensation. It is supposed to be repaid to the Federal Government within 3 years. Now, how do you

suppose they are going to accomplish that miracle. They have borrowed while collecting normal taxes. How much does the economy have to improve for them to get taxes that will allow them to pay off this indebtedness and build up a good black figure. Well, I don't think either one is going to make it within the next 3 years, nor the next 5 years, nor the next 10 years. These borrowings will be forgiven. Want to bet?

What is illogical about making business pay on all earnings, instead of \$4,200? Rhode Island has a piggyback income tax, based on one's Federal income tax, which in turn is based on one's entire income. So social security establishes a base and Rhode Island unemployment establishes a base. Crazy, huh.

Rhode Island put in a merit rating system for unemployment compensation, several years ago. To stop firms from moving to other States. If we didn't put it in would they go to Illinois and Michigan where percentages go up to 4.5 percent or a couple of others that go higher? No of course not. Those firms stayed, some at 1.2 percent, stabilized their work forces and robbed the fund of badly needed money. Those that have fluctuating manpower needs are not large enough or numerous enough to keep up the fund. Result, the fund is always in the red. Why not return all of them to 1 percent and see whether they move out of State. They may move out of State and suddenly see the percentage rise in that State.

For unemployment compensation there is only one answer and that is the same as social security. One percentage for all, and applicable to one's entire earnings.

CHARLES GERARD.

ITEM 8. LETTER FROM ROBERT WALSH, PUBLIC AFFAIRS OFFICER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; TO GARY GOOD, SOCIAL SECURITY EMPLOYEE ON DETAIL WITH SENATE COMMITTEE ON AGING, DATED JANUARY 21, 1976

DEAR MR. GOOD: The supplementary security income [SSI] rolls in Rhode Island have increased from 9,438 in December of 1973, just before the State relinquished administration of the program of aid to the aged, blind, and disabled to the Social Security Administration, to 16,141 in November of 1975. This increase of almost 60 percent represents the highest percentage increase of SSI beneficiaries during that period of any of the six New England States.

All District Offices of Social Security across the country, including those in Rhode Island, used leads from the social security master beneficiary records [MBR] in a program of outreach to elicit SSI applications. In Rhode Island, 16,000 people were contacted by mail in this endeavor. Of the 5,500 who replied only 10 percent were found to be eligible.

The names of the remaining 10,500 people culled from the MBR leads were provided to the Rhode Island State Division of Aging whose employees have been attempting to reach these potential eligibles through door-to-door contact since July of 1975. This outreach endeavor is being conducted in conjunction with the State Agency's attempt to reach aged people who can benefit from the State's programs of hot meals, transportation to hospitals and doctors, home health care, etc.

Since the inception of this latest outreach program the State Division of Aging has provided social security with the names of 955 possibles, only 77 of whom have been determined to be potentially eligible for SSI. SSA does not expect to get more than 5 percent of eligibles from the 10,500.

The Providence District Office estimates that only some 500 eligible SSI recipients, at the most, have not been reached.

As to media outreach efforts, all 10 radio stations in the State are still airing SSI spot announcements several times a day and have been since the inception of the SSI program in January of 1974.

All three television stations [the two in Providence plus the station in New Bedford, Mass., whose signal also covers northern Rhode Island] have been using the SSI spots two or three times a week. Some nine live broadcasts on SSI were aired on the Providence ETV station during the first quarter of 1974.

Releases have been appearing in daily and weekly newspapers at the rate of about two a week until lately when the dailies have cut back.

Field representatives and other officers of District Offices have been averaging about 35 to 40 speeches on SSI a quarter.

During the first SSI outreach program in 1974, District Offices conducted extensive training for the Red Cross volunteers who were the principal contact persons in that effort. Most recently, Rhode Island District Offices have conducted SSI training for employees of the State Division of Aging who have been working on the MBR leads.

Incidentally, over the past 6 months 70 to 80 percent of the SSI applications taken across the country have been for persons in the disabled and blind categories rather than in the aged category. In Rhode Island more than 80 percent of the SSI applications have been in the nonaged category.

Hope this report fulfills your needs and that the committee hearing in Rhode Island on Monday, January 26, 1976 is a successful one.

Sincerely,

ROBERT WALSH.

ITEM 9. LETTER FROM VINCENT VESCERA,* PROVIDENCE, R.I.; TO SENATOR FRANK CHURCH, DATED JANUARY 26, 1976

DEAR SENATOR CHURCH: Today I had the pleasure of seeing you in person for the first time. I was very much impressed by you. I am a little bashful when I speak in public as you may remember that I spoke at the hearing on only one subject. I said that we needed the W.P.A. back again. You told me to use the microphone and speak into it. I had never used one before. But what I had to say I said. I wish that you would run for President as you have been in the forefront for the betterment of social security which applies to all senior citizens. We need someone like you in the White House.

I would like to elaborate a little more on the fact that we need W.P.A. We do not need it to build roads, sewers, or sidewalks, or to cut down on the free time of so many idle people. We need it to build houses for the lower class of people. There is a great deficiency in finding housing for the poor people. The government should bear the cost of the labor of building these houses and let the poor families pay for the material that is used. What is needed is a three bedroom house, with a kitchen and a pantry on a lot 50 by 60. This would provide the elderly with some responsibility.

The government could put millions to work at prevailing wages. The family man could be put to work for 30 hours a week while the younger people from 16 to 20 years old could work 20 hours a week if they are single. Clerical jobs like bookkeeping should be done by girls who qualify for that type of work, not the kinds of jobs that they are doing today. We will never get rid of the depression the way that we are doing it today. They call it another name today—recession.

You know and I know that there are more people out of work today than during the depression of 1930 to 1941. It is not 8 percent but I believe that it is more like 18 percent if you count all the girls and boys who need work when they get out of school.

That is all I have to say.

Sincerely yours,

VINCENT VESCERA.

ITEM 10. LETTER FROM SUSIE TOMASSO;** TO SENATOR CLAIBORNE PELL, DATED JANUARY 20, 1976

DEAR SENATOR PELL: Six years ago, my husband passed away. Since he was an invalid, I devoted the last 20 years of my life to his almost constant care. When he passed away, I spent one of the most frustrating, depressing years of my life. My life no longer had a purpose, and I dreaded my very existence.

Then a miracle happened. One day a friend, Clarice Gottberg, suggested that I get out more and become involved with a Senior Citizens Group—RSVP. At first, I wasn't very excited about the prospect, but as I became involved, suddenly a whole new world opened for me. When I first joined, there were only a handful of us, but in the last 5 years our chapter has grown to over 300.

Through my association with RSVP, I became involved in many other volunteer groups—Save the Bay, eye testing of youngsters in schools, and volunteer work at the IMH—to name just a few. A singing group, The Gingham Girls, was formed, and we go out several times a week bringing happiness and meaning into the lives of people confined to nursing homes and mental health facilities.

RSVP and similar organizations mentioned above are mostly funded by local and Federal Government, and at this time we are desperately in need of funds. These, and similar Senior Citizens Organizations, have rescued a great many of us by giving our lives a useful and needed purpose and meaning. We have become dependent on them, more than they have become dependent on us. I, for one, wouldn't know what to do without them. I hope that you will do everything in your power to insure continued funding for such programs, in order for us Senior Citizens who have given so much to this great country, can continue to do so.

Thank you.

Yours truly,

SUSIE TOMASSO.

*See statement, p. 2089.

**See statement, p. 2114.

Appendix 2

RELATED MATERIAL SUBMITTED FOR THE RECORD

ITEM 1. EDITORIAL FROM THE *PROVIDENCE SUNDAY JOURNAL*, JAN. 25, 1976; SUBMITTED BY SENATOR JOHN PASTORE, FROM RHODE ISLAND

SOCIAL SECURITY NEEDS TOTAL REVIEW

President Ford is quite correct in recognizing that the Social Security trust fund "is headed for trouble." But his proposed increase in the Social Security tax is a mere stopgap remedy that would be inadequate and unfair to millions of workers. Instead, Congress needs to undertake a broad review of the entire system and develop a new revenue base that will produce equitable benefits while remaining fiscally sound.

Last year, for only the third year in its history, the Social Security system operated in the red: it rang up a \$3-billion deficit by year's end. Unless the system's finances can be brought into balance, the deficit is expected to reach \$20-billion a year by 1990. Ultimately, this trend would endanger the system's ability to pay benefits.

The system is sound enough for now: present beneficiaries have no cause for alarm. Even though benefit payments now are exceeding revenue, the system still has a cushion of more than \$40-billion, which is ample to insure benefits for at least the next several years. The real concern is over the system's long-range health, and it is on this point that Congress needs to concentrate.

What has happened to weaken the long-term integrity of this program that Mr. Ford called "a vital part of our economic system"?

One cause has been the changing ratio between the numbers of workers, whose payroll taxes support the system, and retirees, who receive the benefits. In 1950, there were 12 contributing workers for every recipient. Now, as the over-65 segment of the population has grown, that ratio has fallen to 2.5 to 1. There are fewer working taxpayers paying for benefits to more retirees, and this trend will be magnified as the population growth rate falls off.

Another part of the problem, dramatically visible because of the recession, is that unemployment reduces Social Security revenues. People out of work contribute no payroll taxes. At the same time, however, inflation has worked to increase benefits: under a cost-of-living escalator clause enacted in 1972, benefit levels rise in relation to the Consumer Price Index. Yet inflation has sped ahead of 1972 estimates: benefits are now rising faster than income, and in time some recipients may receive more in Social Security than they did while working.

Somehow, income and outgo have to be brought into line. President Ford's remedy of increasing the Social Security tax is unsatisfactory, principally because it hits hardest at low-income workers. Unlike the graduated income tax, the Social Security tax rate is the same for workers at all income levels. Indeed, an estimated 15 million workers with incomes too low to be subject to the income tax still must pay Social Security taxes. For these workers, especially, the present 5.85 percent rate is already too high.

INCREASE WAGE BASE

A preferable approach would be for Congress to increase the wage base subject to the Social Security tax. This base is \$15,300 this year and under a formula already in the law will expand to \$16,500 next year. But a further broadening, say to \$24,000, would raise more revenue while spreading out the burden among workers better able to pay.

Other proposed changes also would raise revenue as well as bring about greater fairness. Low-income workers could receive exemptions from Social Security taxes for part or all of their income, as is now done with the income tax. Social Security taxes could be extended to apply to all income, including that from interest and capital gains, instead of merely that from wages and salaries. There clearly is need, too, for revising the benefit formula to keep future payments from soaring out of control.

A Social Security tax increase, such as President Ford has proposed, would ease the short-term deficit at the cost of postponing the major structural overhaul that the system needs. Social Security cannot be evaluated in a vacuum: it must be analyzed in connection with other income transfer programs, existing and proposed, such as national health insurance and a negative income tax to supplant welfare programs.

It may be too much to expect Congress, in an election year, to grapple successfully with such a complex issue. Perhaps new budget data will show that the President's proposed tax increase is unavoidable. But Congress must avoid the temptation to let

the long-term problem slide: another few years without major reform of Social Security and its fiscal solidity will be dangerously weakened.

ITEM 2. ARTICLE FROM THE *PROVIDENCE JOURNAL*, JAN. 26, 1976;
SUBMITTED BY SENATOR CLAIBORNE PELL, FROM RHODE ISLAND

SIDONIE BROWN'S FULL LIFE IS TANGLED WITH THE THREADS OF HISTORY

[By Carol Stocker]

PROVIDENCE.—Sidonie (pronounced see-doe-ny) Brown is 92 years old, and yet it's true when she says, "People don't think of me as just an old lady."

Her vitality is amazing. She gets around town on the bus and watches television religious services in Hebrew, one of the eight languages she speaks. Her thick silky hair, once titian red, is now piled in white and butteryellow swirls. Her eyes are clear, her teeth her own and her mind is definitely her own. Her character is sturdy as a well-seasoned cast iron pot, the kind they don't make anymore.

One of the city's brighter secrets, she is tucked behind the anonymous facade of public housing units at Manton Heights. But inside the private world of her apartment, color explodes from mounds of braided rugs, crochet and petit point projects in electric blue, acid green and pinks hot enough to be combustible.

Although she once had servants and purchased her gowns at exclusive Fifth Avenue shops, Mrs. Brown now lives on Social Security which doesn't allow for non-necessities like knitting yarn. But that doesn't seem to bother her. Her basic needs are slight and she has either transcended the rest of life's baggage or lets it take care of itself.

The yarn and fabric, for instance, does take care of itself. It is contributed by local manufacturers, the State division on aging or people who want her to make things for them, for which she never requests payment. No visitor can leave her house with empty hands.

"I go down to the shopping center and give pot holders to the elderly people who shop there. Whatever my hand grabs, I give 'em," she says, proffering a fist full of pot holders. "I give 'em, I give 'em, I give 'em. It gives me pleasure."

Mothers from the project send their children over to Mrs. Brown's when skirts and pants need free-of-charge hemming. Neighbors lacking the necessary patience even ask her to sprout their avocado seeds for them. She may comment to herself about the fecklessness of the modern personality, but she complies.

"She's always a giving person," said William Speck of the Division on Aging. Director Eleanor Slater and Mrs. Brown have a first-name relationship. "You know Eleanor—I gave her one of these afghans."

Flowers and a new television set are from friends who want to return the good will, but it's doubtful that any reciprocate the regular hours each day that Mrs. Brown spends praying for "all the world." Hers is a very busy life then, lived in the present.

Longevity runs in the family. Her mother lived to be 99 and her grandfathers lived to be 103 and 107. But Mrs. Brown is more than a survivor. She had also lived richly enough that, like a character in a novel, her life story is tangled with the threads of history.

Her ancestors were prosperous landowners in Mrs. Brown's native Belgium, and one grandfather, Alphonse Delano, invented the graphite and sulfur match about 1840. But Mrs. Brown's father "liked to travel, so he flipped a coin for either Australia or America, and it fell to America." The family ended up in Johnston, where the father, Frank Bruyneel founded and ran a shop under his name which produced fine handmade cigars and employed about 25 persons.

But Sidonie didn't care for her new country at first. She found it puritanical. "They wore their skirts all the way to the floor and people called me a loose woman because my ankles showed." So, after a few months she returned to Belgium, where she entered the Order of the Holy Trinity.

It was at the convent that she was tutored in needlework and languages, but the order refused to assign her to its work with leper colonies "because I was too young and had a long time to live." Unenthusiastic about being cloistered instead, she left before taking her final vows.

PEOPLE DON'T THINK OF ME AS JUST AN OLD LADY

Her only marriage, to an American, ended after 4 years when he was killed in World War I. The young widow worked at Shepard's for awhile during the war. It was an era of immigration when downtown Providence was a babble of tongues and her facility with French, German, Italian—her family owned a villa in Italy—Spanish

and Flemish, in addition to Latin, Hebrew and English, made her a valuable employee. The same linguistic ability led to an important position in sales with Western Electric in New York City.

She was sent to Cuba when the oceanic telephone cables were being laid there, and the second dial phone call between Cuba and the United States was to her astonished family in Johnston, via a Providence operator. "They said, 'You're crazy! Where are you really calling from, Sidonie?'"

One of her mother's relatives was Belgium's consul general in Havana and got her work at both the Belgian and American consulates, all while she continued on salary for Western Electric. She was the model of the successful, feisty "working girl," in the new post-war 1920s world of the roaring Havana, and was a good place to be.

That vanished world suited her patrician orientation. "I liked it because there was no middle class, only the very rich and the very poor. And since I worked at the consulate, I was with the rich." There were nights at the casinos, dances and a trail of despairing Don Juans. There were also trips to a leper colony far from Havana, where she fulfilled a long-time ambition to serve.

It came to an end when she became ill. Her doctor didn't tell her that she had cancer, which was a word to be whispered if used at all then. "He just said I was going to be 'a very sick little girl' and that I should go home and be with my own people." The Cuban physician, also of the very rich, incidentally, was Fidel Castro's paternal grandfather.

It took more than 40 operations, large and small, before Mrs. Brown licked cancer, and went on to outlive all her doctors.

That triumph wasn't the end of the story. She went on to work, first as a volunteer, then paid, at the State Institute for Mental Health and the old State Infirmary, where she taught such crafts as chair caning and mattress making, sharing her belief that useful work sustains and enriches life. She also traveled abroad extensively. But her biggest duty was caring for her elderly parents in the big family house in Johnston.

ILLNESSES WIPE OUT FAMILY'S FINANCES

The protracted illnesses usual to old age wiped out the family's finances, and now that there is nothing left, Mrs. Brown speaks with unbiting enthusiasm about Medicaid.

But the eventual loss of her parents was a great shock. And in the following numb confusion, most of Mrs. Brown's personal letters and mementoes from her long life were callously thrown out by the woman who took over her home when she was moved into the Manton Heights apartment.

Mrs. Brown still seethes with incredulity about the treasures lost, including correspondences with her distant cousin, Sara Delano Roosevelt, which might have had historic value. The former President's mother's letters to Mrs. Brown, who is also a Delano, were fueled by curiosity about her adventurous father's origins in Belgium, and Mrs. Brown still honors the confidentiality of those family tales.

The two women corresponded largely in French, the mark of the socially educated, and "she invited me to Hyde Park, but I never got there." Franklin was a New York State official and married, during the period of the correspondence which continued until after he was stricken with polio.

"She was a strong woman. She wrote me, 'I am the head of this family and I will always be the head of it.' But no mother ever idolized her child the way she idolized Franklin. She didn't write much about Eleanor. She wrote mostly about Franklin."

Mrs. Brown added that she didn't think much of the recent dramatization of Franklin and Eleanor's life on TV. "There wasn't much to it. It took a little bit here and a little bit over there. It jumped around too much."

Of the treasures of a full life, there remain these things: An acorn plucked and saved at her birth on Sept. 3, 1883. Two ancient wooden matches in a plastic vial, handled reverently like splinters of the cross, the only relics left from a long board of matches which was given away piece by piece, from the old family match factory.

There were also old fine cigars, made by her father's hands, but she's given away even the last of them. "Not to be smoked! To be smelled!" There is a formal dress in her favorite color, blue, left from the many bought and given away in her younger days. This one, however, has been saved for a final function.

There also remains life. The years ahead will be measured in yards of yarn, and maybe other gifts.

Appendix 3

INFORMATION ON WARWICK, R.I., "GERIATRIC DAY-CARE" CENTER*

"GERIATRIC DAY-CARE" is the name of the innovative program for mature adults at the Warwick Central Baptist Church on 3270 Post Road. The goal of the program is to provide daytime physical and emotional care for the partially disabled elderly.

Designed to help keep families together when this would not be possible without daytime care, it fills the gap between self sufficiency and being institutionalized.



Mrs. Elaine Aldrich is director, and working with her full time is Mr. Craig Szwed, who has his Bachelor of Science in Human Development. There are, as well, volunteers from URI who work 24 hours per week as a part of their university curriculum. Pictured at right is one such volunteer, Miss Kathy Gibson, demonstrating an oxygen breathing device available at the center. There are some 40 volunteers who are on call as special needs arise.



The center accepts people on a weekly basis (Monday through Friday), or on specific days each week, or on an occasional basis as the need arises. The cost of this service is but a fraction of full time care in a nursing home, and this can be further reduced by financial assistance from the State Division on ageing.



The center accepts clients beginning at 7:30 a.m. each weekday and cares for them up until 5:30 p.m. A low salt lunch is served them, and snacks are available throughout the day. Beds are provided, and baths are given two days each week.

Pictured left is Mrs. Eva McGlaflin, who is able to find enjoyment at the center despite the fact she is 90% blind, confined to a wheelchair, and crippled in one arm. Limited therapy is provided, and the center is concerned with rehabilitation of the total person...which includes mental, physical, social, and emotional needs.

Pictured at right is Craig Szwed, (far right) receiving advice from Kathy Gibson as he plays cribbage with a client who has more experience at the game. The center shows weekly films from the Warwick Film Library, arts and crafts instruction is a regular part of the program, and field trips take clients to various places in the state.



The center just began operations with an initial grant from "Warwick Community Action," and new clients will be accepted. For additional information call 739-2828.

*See comments by Senator Pell, p. 2097

Appendix 4

STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing, a form was made available by the chairman to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read as follows:

DEAR SENATOR CHURCH: If there had been time for everyone to speak at the hearing in Providence, R.I., on January 26, 1976, re: "Future Directions in Social Security: Impact of High Cost of Living," I would have said:

The following replies were received:

DAWN ANN ADOIAN, PROVIDENCE, R.I.

I only work part time and my income is small. I will not be 62 years old until July of this year. I got stuck twice with apartments which did not include heat and they were so filthy I don't see how the inspectors let it pass. I had to move. In this place, the young people do not want the older people living in the same house. Many are using the hall and celler lights for their own use.

I do not have TV or other extras and my bill still goes up. I came home from work one day and found the outside back door wide open and latched to the wall. My gas bill for these 2 months were very high and I said I would not pay it. That door had evidently been left open everyday that I was at work. I complained to the owner and he called it petty. I have to pay the bills, not him. I called the electric company about the lights left on and he said that they [the owner] wanted a light on day and night. There was a big fight over this and names were called and I was then asked to move, which I wanted to do anyway. I complained to the gas company about the smell from the clothes dryer and the furnace. It was all too much for the chimney which needed cleaning. Nothing was done. This man upstairs is evil and he caused a lot of trouble for an older woman who lived here and finally caused her to be put out. You should hear the racket.

I came to the hearing while I was very sick with a high temperature just to be present. I ended up having to stay home from work since I was very sick with a bad cough.

I pray that I'll find a place by next week so that I can move. I leave people like this in the hands of God. You'd think they were coming through the ceiling. I had been in a State sanitarium for 4 years and 9 months. I could not walk and I was treated like an animal.

Please have the inspectors go and see some of these places and the kind of people that live in them and who try to run your life the way they want to.

THEODORE BELISLE, SLATERSVILLE, R.I.

I am an elderly 71 years old. The increasing cost of living is hurting to the point that in order to maintain our regular daily routine, I have to go out and get part time work. I do not want charity but the money that was taken from my pay years ago should insure my living without any worry. But that check that I receive every month is shrinking in buying power.

In 1937 when money was taken from my pay for my old age, I felt at that time that when I got old I would have some security. With the inflation, although we did get some increases, I find it harder to make ends meet. I do appreciate the fact that we have medical programs, but medication today is more costly than ever, even with all the help of medicare.

We, my wife and I, have to pay Blue Cross about \$240 a year and medicare costs us about \$135 a year. This total amount of about \$375 equals about \$7 per week which we could certainly use for a few extras once in a while.

Although I am complaining bitterly, my wife and I feel very fortunate to have good health. What will happen when our health fails? God knows.

Fortunately my wife and I do some RSVP volunteer work. It fulfills our need to be useful and needed. Also it provides the opportunity to meet other people and be of service to them. Thank God for RSVP.

ALYCE M. CROWDER, PROVIDENCE, R.I.

Let us remain in our homes. Find those that are taking our homes away from us because we cannot pay our bills with our welfare checks.

Get the young people back to work. They can and will help us.

I will pray for Senator Pell's bill. God bless all of you.

The attorney general's office took care of my bill but I still must pay my electric bill and I will receive it every month. I still owe \$42 on the previous bill. We have too many junk shops that do not pay any electricity.

Also, the withholding tax from our pay does not help us senior citizens.

BARBARA DENNETT, PORTSMOUTH, R.I.

So many of us who "live" on social security find it increasingly difficult to keep up with the high costs of food and taxes. We cannot buy food items that we need for good nutrition or clothing necessities. We must cut corners to pay the town taxes.

We worked so hard for so many years to own our small retirement home and it will break our hearts to have to sell it and leave the community we love so much. Please allow us to have these golden years without worry and care.

ADA FLETCHER, PAWTUCKET, R.I.

Why is something not done about the enormous rent increases. Never is anything said at any meeting which refers to rent controls. For instance, I am a senior citizen over 80 years of age and live in an apartment consisting of 1-3/4 rooms and a small pantry. All the furniture and the refrigerator belong to me. The refrigerator has to be placed in the parlor because there is no room in the pantry. In a matter of 6 months the rent was raised 56 percent. It was \$80 only 6 months ago when a real estate man bought this apartment house. Now my rent has been increased to \$125 per month which is more than I can afford as I only get social security. I have no other income. The high cost of food these days takes most of my pension. I pay my own gas, electric and telephone bill. I must have the telephone. Washing has to go out. I must also pay for insurance. I am not alone in this situation so it would be helping a lot for the aged if the gougers of rent was stopped.

ALINE GIGUERE

I am 68 years old and living on a limited income of \$209 a month.

The stamp office keeps calling me in for a re-evaluation and they raise my stamps \$2 more each time. I am now paying \$40 and I was paying \$36 and my income stays the same.

One time I had to go down and they raised me from \$36 to \$38 and did not give me more stamps. They took away the cost of living bonus we were given because I had to pay \$38 without more stamps.

We were given a raise in social security, they gave me raise in social security but they took it off my SSI check, so my income remains the same and they still keep charging me more for the stamps.

I am finding it very hard to live.

HOPE HUGHES, PROVIDENCE, R.I.

I find the price of oil to heat my home is outrageous. I live alone and pay over 40 cents per gallon. Electricity and food prices are all so high and are getting out of hand.

The above complaints are also from many of my senior citizen friends.

MRS. ORVIN LARLOX, WESTERLY, R.I.

None from Westerly feel that they can attend the meeting in Providence on the 26th because of the cost of getting there.

We would have liked to say that we could have used the money for transportation. We have no minibuses in Westerly although we have asked many times about them. We have always been told that there is no money for Westerly. We have none of the nutrition programs nearer than Peacedale which is at least 25 miles from here. You either have to pay for bus transportation or if anyone is able to drive his own car then that means money for gas.

Also reaching senior citizens who do not belong to an active group could or should

be reached and the money used to help them. With us being at the other end of the State, it would be nice if someone would come down and talk to us. We have two groups here.

ADELARD A. MENARD, WARWICK, R.I.

With the rising cost of living and the constant increase of property taxes, some relief be given to the senior citizens in this property tax area, to enable them to retain their homes and not be forced to fall on low-income housing and in many cases welfare. This they do not want, they wish to retain the home that they have raised their families and to spend their remaining years in peace and dignity.

In the transportation area we in Rhode Island are fortunate, to ride free on all buslines in the State. I am speaking now of the senior citizens who live off and away from the regular buslines and must depend on the minibus transportation to take them to their doctors, shopping, etc., but the minibus is underfinanced to a point where they must stop operations to maintain their buses as they are doing right now. More buses are needed so that they may be taken out of line regularly to make the repairs needed without shutting down the service.

WILLIAM A. PELLETIER, MAPLEVILLE, R.I.

The White House Conference on Aging held in Washington, D.C., attended by 3,500 delegates from every State in the United States, I being one of the Rhode Island delegates in 1971, took up the very question of where do we go in regard to social security?

The consensus of those attending were that the social security trust fund would some day be in trouble as it now seems to be.

It was voted unanimously at this conference that part of the social security benefits be paid out of general revenues instead of continuing increases in social security taxes and I have reasons to believe that these facts were to be reported to Congress.

We as a great Nation can afford to spend billions of dollars in foreign aid out of general revenues, for which I have no argument, but it seems to me that this great Nation which we all support can well pick up part of social security benefits out of general revenues.

TINA ROWE, WARWICK, R.I.

When you raise social security benefits for the elderly, you should raise the standards of the other programs, because I work with the elderly and have been doing so for the past 3 years. But because of the recent raises a lot of these people have been taken off the food stamps and medical assistance. In the end they suffer more because they have to buy their own medication which sometimes costs more than the raise they got. Some of these poor people at the end of the month have to go and beg for food. In addition, the months that have 5 weeks are unreal to them. I thank you for looking into and taking an interest in the elderly.

CHARLES B. RYAN, WOONSOCKET, R.I.

While social security strives to provide an adequate income for people in retirement, the retired senior volunteer program (RSVP) strives to make that retirement more meaningful by encouraging participation in unpaid volunteer community service. For those 1,400 retirees in Rhode Island who volunteer through RSVP, volunteer service gives purpose to their lives not possible through any other service to the aging. RSVP promotes physical, mental, and emotional well being. Further, RSVP restores to the community resources lost through retirement: The experience, the skill, and the energy of our retired citizens.

RSVP volunteers receive no stipend or other hourly payment for their volunteer work. RSVP programs provide their volunteers with accident insurance, reimbursement for out of pocket expenses, transportation, and coordination.

Through RSVP, retired citizens help other retired citizens: Delivering meals-on-wheels, waiting on tables at mealsites, assisting at special clinics, visiting with the homebound, and performing community outreach. People other than retirees also benefit from the help RSVP volunteers: School children are tutored, hospital patients are served, the retarded are encouraged. The retired senior volunteer program in Rhode Island works in cooperation with over 200 local community agencies. Last year in Rhode Island RSVP volunteers performed 180,000 hours of service, benefiting over 45,000 people.

We urge your committee to recommend renewal of RSVP enabling legislation which

is to be considered in June. We urge you to encourage a higher more adequate funding level for the program so that it may be made available to more retired citizens. We also urge that local match requirements for Federal funds for RSVP be reduced from the present 50 percent to 25 percent.

There are six retired senior volunteer programs in Rhode Island. They are listed below along with the names of their sponsors and the communities they serve.

RSVP	Sponsored by	Communities served
Blackstone Valley RSVP, 490 Broadway, Pawtucket, R.I., Maria Bankosky, director, telephone No. 732-5514.	Blackstone Valley Community Action Program.	Pawtucket, Central Falls, Lincoln, Cumberland.
Cranston RSVP, 52 Rolfe St., Cranston, R. I., Nancy Johnston, director, telephone No. 781-1275.	City of Cranston	Cranston.
East Shore RSVP, 100 Bullocks Point Ave., East Providence, R.I., George Foster, director, telephone No. 437-1005.	Self-Help, Inc	East Providence, Warren, Bristol, Barrington, Newport.
Providence RSVP, 1 Cathedral Sq., Providence, R.I., Helen Graves, director, telephone No. 861-9800.	Catholic Charities	Providence.
Warwick RSVP, 2117 West Shore Rd., Warwick, R.I., Clarice Gothberg, director, telephone No. 738-4727.	Warwick Community Action.	Warwick, West Warwick, Coventry.
Woonsocket RSVP, 45 Arnold St., Woonsocket, R.I., Charles B. Ryan, director, telephone No. 766-2300.	City of Woonsocket.	Woonsocket, North Smithfield, North Cumberland, North Lincoln.

CHARLOTTE SCOTT, PROVIDENCE, R.I.

I am an elderly woman with no savings, and only a social security check for income. My check is for \$249.10. After I pay my rent, gas, and electric bills, pay for food stamps, and life insurance for my burial, I am left with \$50 for the whole month, to pay for clothes, and other necessary items. This is not enough for me to get by on, and there are many with incomes less than mine.

With such a tight budget, I am rather upset to see the price of utilities go up and up. One year ago, in January of 1975, my gas bill was \$34.05. In January of 1976 I had to pay \$43.62. I am living in the same house, and this has been a mild December, so I do not see why I have to pay more.

One other complaint I have, is that the utility companies have little concern for the elderly. Last week my pilot went out, they said because of low pressure in the pipes. They would not turn it back on unless I paid them \$8 to have a man come out and light it. I won't have the money until the beginning of February. I have no choice but to wait until then until I can have my heat again.

Also, the last two times my social security checks have increased, my landlord has raised my rent. One time I got a \$10 social security increase, and my rent went up by \$10. The other time my check went up by \$18 or \$16, and my rent went up by \$13.

MARTHA W. SULLIVAN, PAWTUCKET, R.I.

The Blackstone Valley Community Action Program, Inc., supports senior citizens activities through a comprehensive senior center program and an extremely active RSVP program. Approximately 250 low-income elderly are reached each week through these programs. The availability of programs that offer meaningful activity to seniors; a place to go other than their one room, staff to counsel and assist them, and programs to help them maintain an active involvement in the community are imperative. Unfortu-

nately, funding for these types of programs is either completely lacking or require considerable matching funds; the RSVP program sponsored by this agency currently requires 40 percent matching funds.

The high cost of living makes it impossible for many senior citizens to participate in community groups without the support of local senior centers and related programs. Legislators should be aware that funds are mandatory if local programs are to continue to aid ever expanding numbers of elderly.

CHARLES SWARTZ, EAST PROVIDENCE, R.I.

I would have reiterated the attached statement which I sent to you in 1973. I received a courteous but unsatisfactory reply.

I am happy to see that you and Senator Fong are now cosponsoring S. 871 which would correct a long standing injustice.

I want to bring up for discussion something that has brought hardship and injustice to many people upon their reaching retirement age and that is the limitation on earned income that is written into our social security law.

The present limit is \$2,100 per year and will go to \$2,400 in 1974.

Upon reaching retirement age a person has only two choices:

1. Continue a full schedule of work beyond his strength and impaired capacities, or
2. Plunge into instant poverty.

There is no possibility for a third choice which would maintain health, dignity, and a decent standard of living by being able to taper off: Work on a reduced schedule at a reduced pay but still be able to earn much more than \$2,400.

Why should a person who has earned \$8,000, \$10,000 or \$12,000 per year suddenly be limited to \$2,400 in order to receive what he has paid for during a lifetime of work?

I know that there were historical reasons for this provision but I submit that they do not apply in today's inflation blated world. It is an anachronism and should be completely eliminated so as not to inflict unnecessary hardships on people willing and able to continue to be self-supporting, tax-paying, contributing members of society. Moreover, the limitation on earned income is unjust because there is no limit on unearned income. Income from investments and property; interest, dividends, rents, etc., do not limit a person by 1 cent in receiving his full social security payment.

Also, at age 72 there are no limits. Why is there this penalty at age 65? Why must these precious 7 years be years of overwork or years of poverty instead of years of gradual adjustment to a new situation?

The fact that Congress has been slowly and painfully raising the limit on earned income over the years is proof that our Senators and Representatives have recognized the basic injustice of this provision in the social security law and have sought to correct it. However by adding a pittance every few years they make it appear as though it were a privilege to allow a person to continue to be self-supporting after a lifetime of work.

Congress must be made to see the light:

1. That earned income at age 65 would have the same rights and privileges as unearned income.
2. That what is good at age 72 is even better at age 65 or even 62.

JOSEPH L. TURCOTTE, SMITHFIELD, R.I.

There should be a way to anticipate inflation to give the elderly a fair start on the cost of living increase. If he is on a soup diet when he gets his increase, he will be promoted to hamburgers, but by the time he gets his increase 18 months later he certainly will be back on soup again.

I am presently involved with RSVP and I think it is a well worthwhile program and should be expanded and financed by our government. It provides our elderly a chance to get back in the main stream of life.

VIRGINIA R. WHITE, PROVIDENCE, R.I.

I spent the month of May 1975, as a guest in the home of a family in Budapest, Hungary. The little I learned of the government health care available to the people was very impressive. I realize that the program may never be available in the United States but it might be worthy of consideration in the creation of a program for the elderly. Rhode Island Group Health Association comes closest of anything I know of.