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NUTRITION AND HUMAN NEEDS

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HEARINGS

BEFORE THE

SELECT COMMITTEE ON

NUTRITION AND HUMAN NEEDS

OF THE

UNITED STATES SENATE

NINETIETH CONGRESS

SECOND SESSION

AND

NINETY-FIRST CONGRESS

FIRST SESSION

ON

NUTRITION AND HUMAN NEEDS

PART 6—FOOD ASSISTANCE REFORM

WASHINGTON, D.C., MARCH 27, 28, AND APRIL 14, 1969



Printed for the use of the Select Committee on Nutrition and Human Needs

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION



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GEORGE MCGOVERN, South Dakota, *Chairman*

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MARLOW W. COOK, Kentucky

ROBERT DOLE, Kansas

WILLIAM C. SMITH, *Staff Director and General Counsel*

CLARENCE V. MCKEE, *Professional Staff Member for the Minority*

(11)

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CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

THURSDAY, MARCH 27, 1969

	Page
John A. Schnittker, former Under Secretary of Agriculture.....	2085

FRIDAY, MARCH 28, 1969

Hon. Marlow W. Cook, a U.S. Senator from the State of Kentucky, introducing Mrs. Mary Jane Dunn.....	2113
Mrs. Mary Jane Dunn, of Jackson, Ky.....	2120

MONDAY, APRIL 14, 1969

Ben W. Heineman, Chairman, President's Commission on Income Maintenance Programs.....	2139
---	------

ADDITIONAL INFORMATION

Statements:

Cook, Hon. Marlow W., a U.S. Senator from the State of Kentucky, introducing Mrs. Mary Jane Dunn.....	2113
Dunn, Mrs. Mary Jane, of Jackson, Ky.....	2120
Prepared statement.....	2114
Heineman, Ben W., Chairman, President's Commission on Income Maintenance Programs.....	2139
Prepared statement.....	2149
Schnittker, former Under Secretary of Agriculture.....	2085

Communications from—

Hon. Joseph D. Tydings, a U.S. Senator, to Hon. George McGovern, a U.S. Senator, chairman of the Committee.....	2087
William G. Peeples, M.D., to Hon. Joseph D. Tydings, a U.S. Senator..	2088
A. S. Holmes, M.D., to Hon. Marlow Cook, a U.S. Senator.....	2119

NUTRITION AND HUMAN NEEDS

THURSDAY, MARCH 27, 1969

U.S. SENATE,
SELECT COMMITTEE ON NUTRITION
AND HUMAN NEEDS,
Washington, D.C.

The committee met at 10:15 a.m., pursuant to recess, in room 1202, New Senate Office Building, Senator George McGovern (chairman of the committee) presiding.

Present: Senators McGovern, Talmadge, Yarborough, Percy, and Cook.

Staff present: William C. Smith, staff director and general counsel, Kenneth Schlossberg, professional staff member; and Clarence McKee, professional staff member for the minority.

The CHAIRMAN. The committee will be in order.

Mr. Schnittker, we will be happy to hear from you.

Our first and only witness today is the former Under Secretary of the Department of Agriculture, Mr. John A. Schnittker.

STATEMENT OF JOHN A. SCHNITTKER, FORMER UNDER SECRETARY OF AGRICULTURE

The CHAIRMAN. We are happy to welcome you to the committee, Mr. Schnittker, and to hear your statement.

Mr. SCHNITTKER. Thank you, Mr. Chairman.

I appreciate the opportunity to present my views on Federal food programs before this select committee.

Your hearings and on-the-spot studies and the preliminary report by Dr. Arnold Schaefer of the Department of Health, Education, and Welfare on the National Nutrition Survey have provided new proof of distressed living conditions in this country that have been known to exist but were often denied.

These new studies, together with the report by other Senators who observed similar conditions in 1967, and last year's congressional debates and public discussions of food and hunger in the United States, have made further denial of existing conditions of hunger and malnutrition at least unbelievable, if not impossible.

Your committee has set the stage for a really fundamental restructuring of food program objectives, operations and funding levels. The new public and political awareness of widespread hunger and malnutrition must be followed by a program designed and funded to end serious hunger within the year, and to make much more rapid progress on malnutrition and nutrition education than made so far.

IMMEDIATE STEP—ADEQUATE FUNDING

Adequate funding is the most essential. If nothing could be done this year except to double or triple the funds allotted to existing pro-

grams, that would be a great gain. Increases of that magnitude will be required to do the job, in any case, even if the food programs are substantially rewritten and reorganized.

The climate this committee has created, however, permits a total reexamination of priorities among the various Federal food programs, of methods of operation, and the location of administrative responsibility.

There are four essential features to a new start on food and nutrition program:

NATIONAL POLICY

Establish a national policy to end hunger in the United States in the shortest possible time and to speed public and private efforts to end malnutrition.

ADMINISTRATION COORDINATION AND EXPANSION

Rewrite existing legislation dealing with family food programs to bring together authorities written at different times for differing purposes and funded in different ways to amend such legislation where necessary, to insure rapid and effective program expansion, to integrate food programs with other welfare efforts directed toward families by transferring the programs to the Department of Health, Education, and Welfare, and to sharply increase the funds available for the food stamp program.

EDUCATION

Integrate school feeding programs now largely brought together under the heading of child nutrition programs with other aspects of the education process, accelerate the recent emphasis on assistance for the most needy while continuing to expand basic coverage in all areas, transfer program responsibility to HEW, and increase available funds substantially.

OPEN-ENDED FINANCING

In providing enough money to do the job, consideration should be given to partial open-ended financing of the most urgent parts of the program during the first few years. Program administrators should be able to respond to the emergency represented by present conditions without being limited by expenditure estimates and appropriations which will be educated guesses, at best, and may be hundreds of millions of dollars too low.

I expect that everyone will stand up and support a national policy to end hunger in America. The test on this score is not support for the rhetoric that spells out a national policy, but providing the money to do the job. This is an attainable objective, not an idealistic dream.

FOOD STAMPS—FEDERAL CONTROL

There appears to be considerable agreement on the specific terms which will best carry out a national policy to end hunger and reduce malnutrition in family situations. We should replace commodities with food stamps, adjust the family contribution in buying food stamps to the real ability of the family head to pay, including free food stamps

where appropriate, provide enough purchasing power to all income groups to assure an adequate diet, and remove the local and State government veto on the food stamp program.

TRANSFER PROGRAMS TO HEW

In recognition of the fact that adequate food is an integral part of human welfare, and that food programs are primarily welfare programs, actions should be encouraged or even required by the Congress leading to an early transfer of administrative authority from the Department of Agriculture to the Department of Health, Education, and Welfare. The extent of movement on this score, or the lack of it, will be an important indicator of the real concern the administration and the Congress have for hungry people.

School feeding programs should also be made an integral part of the entire education process. Assurance of a good lunch (and a breakfast where that is lacking) are as essential to learning as books, lights and warm classrooms.

SCHOOL FOOD PROGRAMS

Two crucially important tasks remain to be done in school food programs. The most urgent is to continue the emphasis recently placed on free and reduced price lunches and breakfasts. Innovations should be encouraged which will place food programs most quickly in schools lacking equipment for food preparation, and limiting or removing embarrassment to the recipients of free food service.

The other task is simply to extend the regular school program to more children, with first attention to schools in needy areas where a school lunch and breakfast can truly change a child's life.

In urging that the food programs be shifted from the Department of Agriculture to the Department of Health, Education, and Welfare, I can add little to the report issued last week by the National Planning Association recommending a shift in administrative responsibility.

I do not intend any specific criticism of the Department of Agriculture and its administrators, past or present, in urging this change, nor do I suggest that the HEW administrators are supermen. There are, in my opinion, three important reasons possibly four, why such a transfer would be a good thing for poor people, for hungry children and for the country.

(The following correspondence was subsequently received for the record:)

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C. May 9, 1969.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs,
Senate Office Building, Washington, D.C.

DEAR GEORGE: The commissioner of Maryland's Department of Health, Dr. William J. Peeples, has written to me endorsing the suggestion made recently by former Under Secretary of Agriculture John A. Schnittker before your committee that Federal food programs be transferred to the Department of Health, Education, and Welfare. It is Dr. Peeples' view that, particularly since food programs are administered at the State level by departments of education and social services, they could be more effectively coordinated if they were administered by HEW.

With the thought that you might wish to make Dr. Peeples' letter part of the hearing record, I will send along a copy.

With best wishes.

Sincerely,

JOSEPH D. TYDINGS.

[Enclosure]

STATE OF MARYLAND,
DEPARTMENT OF HEALTH,
Baltimore, Md., April 15, 1969.

HON. JOSEPH D. TYDINGS,
Senate Office Building, Washington, D.C.

DEAR SENATOR TYDINGS: A few weeks ago former Under Secretary of Agriculture John A. Schnittker in his testimony before the Senate Select Committee on Nutrition and Human Needs recommended that if the Federal food programs are to be expanded that they be transferred to and administered by the Department of Health, Education, and Welfare.

In view of the fact that the Federal food programs are administered at the State level by the departments of education and social services, it would seem that the objective of such programs might be more effectively meshed with the health programs if they were administered from the Department of Health, Education, and Welfare. Furthermore the present fractionization of the Federal food programs separates food distribution from nutrition which is an essential component of health and which should be the basic reason for the existence of food distribution programs. With the Department of Agriculture assuming more and more responsibility for food distribution and for nutrition education as evidenced by the funding and expansion of the cooperative extension's aide programs in the States without correlation with the States' departments of health education and social services the families whom the program should benefit receive only token aid the effectiveness of which is questioned.

An organizational unit with health leadership at the Federal level with the Department of Health, Education, and Welfare to provide technical and financial assistance to the States in the area of nutrition would, I believe, be a positive step in resolving the problems of fractionated service and assistance to the population.

Sincerely yours,

WILLIAM J. PEEPLES, M.D.
Commissioner.

REASONS FOR ADMINISTRATIVE SHIFT

Mr. SCHNITTKER. First, it is simply good administrative practice to operate programs with similar objectives, a similar clientele, and similar local arrangements out of one department or office. There is about as much of a basis for operating the military food service out of the Department of Agriculture as there is for continuing to operate the needy family or school food services from there.

Food programs were originally put in the USDA because their primary aim was demand expansion and surplus disposal. Now we know that food programs are of marginal importance in expanding the demand for farm products, but of critical importance to the health and educational development of hungry people, and especially children.

Farmers as farmers generally favor all efforts to expand demand for their products at home and abroad. But farmers know that food programs are not solutions to farm surplus or farm income problems.

In saying that, I want to make it clear that I disagree with these critics of the Department of Agriculture and its officials who say that it is commodities and not people who matter over there. The record of food program expansion and the efforts to do far more in recent years flatly contradict such charges.

Second, there is merit in shifting the location of administrative re-

sponsibility to the Department or Agency with related functions at a time when the goals, methods and scope of the food programs are undergoing fundamental revision. To say this is not to criticize the people who have operated the food programs; they are good administrators and compassionate people.

They were my associates until recently and they continue to have my respect and friendship.

It is rather to recognize that all of us tend to get proprietary and defensive about our own programs and our own methods of operation after a time. In my opinion, new people can best administer any new programs, or can handle existing programs in new ways to meet new and ambitious objectives.

A third reason is also important but of a longer-range consideration. Food programs will one day be merged into some kind of guaranteed minimum income plan. Food stamps are only one step short of giving people cash to spend on food, and are in many cases a supplement to welfare payments.

Integrated administration of food and welfare programs may help speed the time when this country takes the next step—beyond adequate food programs—to adequate welfare programs geared to minimum national standards of living, and consistent with what this country could afford many years ago from a budget standpoint.

There is a fourth point which relates to the view farmers have of the budget of the Department of Agriculture.

Farmers and their representatives for many years have looked with some apprehension on the growing, nonagricultural portion of the Department of Agriculture budget. Various efforts have been made by farm organizations and in the Congress to get some of the items, like food programs, inspection programs, and similar items not of direct or immediate benefit to the farmer, transferred to other budgets in the executive branch.

FINANCIAL EXPANSION

Others are more competent than I am to estimate what new level of funds will be required to meet new objectives for food programs. Your hearings have already yielded a number of estimates, and the newspapers have been full of speculation regarding possible budgetary revisions. Every estimate is likely to be too low, if my experience in these matters is any guide.

Certainly nothing should be considered short of an immediate doubling of the total funds for food programs, with perhaps three to four times the present level of funds for the food stamp program in the next fiscal year.

I urge this committee to consider an extraordinary means of financing the expanded food programs, a grant of authority big enough to match the overriding urgency of the problem. The method of financing used for farm price supports provides an acceptable pattern to follow in this regard.

For many years, Congress has established certain specific farm price-support objectives, and has authorized the Secretary of Agriculture to expend whatever funds are required to carry out those objectives. The price-support programs and levels for corn and wheat, for example, are announced far in advance of the planting season with every as-

surance that they will be carried out even though costs may be far greater when the harvest is in than they were expected to be when the commitment was made.

The Department of Agriculture, operating through the Commodity Credit Corporation, borrows whatever funds are required from the Treasury and is reimbursed through appropriations in a later fiscal year. This is backdoor financing and I know it is under suspicion in the Budget Bureau and elsewhere. But it works, particularly in the case of farm price supports.

Surely, food for hungry families and underfed children is no less urgent than farm price supports. I doubt that food program costs can be estimated any more accurately than farm program costs, which are notoriously unstable.

Food programs, like farm production, are subject to unanticipated and unwelcome events. An increase of one or two points in the unemployment rate would sharply increase the number of people eligible for food programs, for example. There is no difference, in principle, between this kind of uncertainty in food programs and the uncertainties of rainfall and temperature which farmers face.

People who have no income and those who are most likely to lose their jobs if the economy slows down ought to be assured that fixed funds for food programs will not simply be stretched to cover more people if the need arises; in effect, watering the soup.

The administrators of the food programs ought to be assured in advance that the Congress supports moving in on this problem faster than appropriations may have allowed for in the first year or two. Section 32 or Commodity Credit Corporation funds could be authorized for this purpose. Achievement of the basic program objectives, rather than expenditure of as much money as the responsible department has estimated and Congress has appropriated in advance should be the outer limit of our efforts in the next few years.

Thank you, Mr. Chairman.

ADMINISTRATION

The CHAIRMAN. Thank you very much, Secretary Schnittker, for your statement.

I would like to say first of all, that I read your statement yesterday. I wasn't aware at the time you were invited to testify before the committee of your feeling on the administrative jurisdiction over these programs.

I want to say for the record that I tried, as chairman of this committee, to keep an open mind on that question. I will say in all candor I haven't reached any personal judgment as to whether we would improve the operations of our food programs by transferring them to the Department of Health, Education, and Welfare.

I tend to the view that if we once have a national policy that is clearly accepted by the Congress and the administration to put an end to malnutrition in this country, the question of what department administers that mandate is not really fundamental. It could be done either in Agriculture or in HEW.

I am wondering what your feeling is, assuming a condition where the Congress authorized adequate funding to put an end to hunger and malnutrition, and states it as a national goal.

Do you think it then is still a crucial question where these programs are administered?

Mr. SCHNITTKER. Senator, I indicated that I think the adequate funding is most crucial, and I would not call the location of administration of the programs crucial in that regard. I think it is important, I think it is extremely important, to have these programs administered as an integral part of the welfare programs, and the educational process.

But I am not one who, from my government experience, would rely heavily or insist upon neatly drawn organization charts. In saying that, I don't want to downgrade my own recommendation. I think it extremely important that this move be made, not only to administer the broader food program, but to get to the longer range objective, which I think many people in this country hold and will win out on some time in the future. That is, an adequate national minimum income standard, a guaranteed national minimum income for all people.

GUARANTEED INCOME

The CHAIRMAN. On that point, Mr. Schnittker, you state that the free food stamp concept that we are experimenting with now in two counties in South Carolina—and I think Senator Talmadge has been exploring that possibility and others have raised a question about experimenting with it elsewhere in the country—you say that that is just one step short of a guaranteed income.

Couldn't that same argument be made about the commodity program, where the foods have been made available free to needy people? Is that not also, in a sense, an income supplement?

Mr. SCHNITTKER. Yes; it is an income supplement, but it is an income supplement in kind and, therefore, more difficult to provide, more difficult to administer, and, most important, much more difficult for the receiving family to use.

The commodities aren't as flexible as food stamps for the recipient, and food stamps aren't quite as flexible as money.

The CHAIRMAN. I notice in your opening statement in the second paragraph, on the first page of your statement, you suggest that we do declare as a national policy that hunger and malnutrition must be ended. You suggest that we can accomplish the major part of that task within a year's time.

Is that a practical goal?

QUESTION OF TIME

Mr. SCHNITTKER. Senator, it seems to me it is on the hunger side. If Congress provides adequate funds, and if the responsible department really moves in on the program in an imaginative way, it seems to me that we should be able to reach the people who are genuinely hungry in a very short time.

The question of people who today may be getting enough to eat in the sense of adequate calories, but may have some unbalance, this is essentially a health problem. This will take a good deal longer. And educational procedures will have to be involved.

But I am quite sure that most of the hungry people could be reached within a year if the money and the mechanisms were made available.

PRESENT COMMUNICATION AND LOGISTICS PROBLEMS

The CHAIRMAN. When we were investigating the situation in southwest Florida a couple of weeks ago, I was surprised at the number of people in the area where they had a free commodity program who were unaware of it. We talked to people on extremely limited incomes who obviously did not have adequate diets, but who had never made any effort to participate in the commodity distribution program.

Have you had experiences of that kind during the time you were with the Department, of significant numbers of people who were not taking advantage of existing programs?

Mr. SCHNITTKER. Yes, this has been true, I think from the very beginning of the commodity programs. In some areas —

The CHAIRMAN. I will extend that question to the food stamp program, too.

Mr. SCHNITTKER. It is a question in some areas of information, and in other areas, particularly on commodities, it is a question of logistics, the difficulty of getting the commodity transferred once or twice a month from the county seat to some area quite distant from the distribution point.

In the food stamps, it is a little harder to understand, and, yet, fewer people in most of the areas have used the food stamp program than used the commodities. This is traced partly to the fact that the commodities, as you said, were entirely free, whereas some cash contribution has been required in the food stamp program.

I think that with adequate funds, including administrative funds and people to get out there and assist it locally in reaching these people, this probably can be largely overcome.

The food and nutrition aids program that the Department of Agriculture began about a year ago has been a start in this direction, and there are a few scattered examples where someone, a home demonstration agent, or someone connected with the community action program, took the food stamp program under their wing, so to speak, and ended up with a fairly high rate of participation. But it will take personal, direct, intensive effort to do this.

FOOD STAMP IMPROVEMENTS

The CHAIRMAN. As I understand it, there are two or three modifications in the food stamp program that are now under active consideration. One is to distribute the stamps more widely within a given area, perhaps to make them available in the grocery stores rather than requiring the recipient to go to the courthouse or the county welfare office, traveling a considerable distance.

Second, to relax the requirement that a full month's supply be purchased at one time, which often is a hardship on families that don't have advance budget planning.

Do you think that those suggestions would be helpful in making the program more workable? Would you have any other thoughts as to modifications in the food stamp operation?

Mr. SCHNITTKER. Yes; I think both of those would be helpful. The difficulty of buying the food stamps, particularly on a once-a-month basis, would be partly overcome by adequate funding, because I am sure that one of the first actions of the program administrators, with

increased funds, would be to reduce the purchase requirements, especially for the very poor. This would make the once-a-month question less of a problem.

Even so, I think that every week or every two weeks would be much better in many cases.

There is a third proposal that has been around for some months. It is the question of putting food stamps in the mail. The last I recall in the Department there had been some experience with these being taken out of the mails, and it may be that something has happened to knock this proposal out of consideration.

If a way could be found to handle these by mail, it would be even better than doing it at the grocery store or doing it twice a month.

COST FACTOR

The CHAIRMAN. In terms of just a rough estimate of the cost factor, Mr. Schnittker, what would you say would be a reasonable amount for the Congress to be considering in increased funds for the food stamp program next year, the coming fiscal year?

Mr. SCHNITTKER. Senator, I think the minimum amount that should be considered would be three times over the present, which would be about \$1 billion, and perhaps the maximum that could be handled would be five times over, which would be \$1.5 billion for the food stamp program. I think it is \$340 million in the current fiscal year. Three to four times over.

The CHAIRMAN. Would you move toward that objective by offering free food stamps to the poorest families and then increasing the bonus to people who can pay something for the stamps? Is that roughly the formula?

Mr. SCHNITTKER. Yes, and, thirdly, to reach new people. I am a little rusty on these numbers. You get rusty when you are away from these detailed numbers for a few months, as I have been.

As I recall, we could use about twice as much money in the food stamp program by giving free food stamps and by reductions in the purchase requirement for people who are already getting food stamps. That would get us up to something like a \$350 million increase.

Then we know that there are more people being missed by the food programs than are being reached. So one could use another \$750 million reaching new people at the level of operation that the people presently on the program were being reached.

The CHAIRMAN. So you are suggesting a range somewhere between \$1 and \$1.5 billion as a realistic increase in what we are presently doing?

Mr. SCHNITTKER. Yes. For the 1970 fiscal year. I would not argue that this would end the job. There have been varying estimates, I think usually ranging from \$2 billion to \$3 billion to operate the entire food program.

In the estimate I just gave, there was really no allowance for transferring a lot of people off the commodity programs and into the food stamp program.

The CHAIRMAN. I was going to ask you if that figure assumes a complete phaseout of the commodity distribution program.

Mr. SCHNITTKER. I think that would come later. The most urgent task would be to reach the people who are not now being reached by

any program, to provide free food stamps or larger bonuses to people who are now on the food stamp program, and in the course of doing this I am sure that a lot of people would be moved off the commodity program.

But there are some counties and areas, and there are some people, who like the commodity program, and I think that a general and complete shift off the commodity program would be the last effort that I would make.

The CHAIRMAN. I take it you would not recommend phasing out the free commodity programs unless it were replaced with the free food stamp formula?

Mr. SCHNITTKER. Not a totally free, but a food stamp program with free stamps where they were appropriate for the most needy, and with larger bonuses and smaller payments by the recipients in the food stamp program.

The CHAIRMAN. My understanding is that the average family in this country devotes about 17 percent of their personal income to food. Is that correct?

Mr. SCHNITTKER. That is correct, I believe.

The CHAIRMAN. Do you think that under our food stamp guidelines we could be realistic if we said that that should be the maximum that a family would be required to pay in income towards the food stamp requirements?

Mr. SCHNITTKER. I wish I could say yes to that, but I think I will have to say no, Senator. I think in this case, we are dealing with the very poor who will have little or no income for other purposes, like clothing, travel, so forth, which the rest of the population is able to spend its money for.

I think we should deal with an amount of money for these people to spend, like \$120 for a family of four for its food budget for a month, rather than a figure like 17 or even 25 percent of their own total budget.

CONGRESSIONAL COMMITTEE SHIFTS

The CHAIRMAN. I have just one other question. I have some other questions but I want to give the other Senators a chance to raise questions. I may come back later on.

If the transfer of administrative authority that you recommend is carried out and all of these food programs are moved from the Department of Agriculture to the Department of Health, Education, and Welfare, is there implicit in that recommendation that the congressional jurisdiction would also change, that you are recommending that the Agricultural Committees and the Agricultural Appropriations Committees no longer have jurisdiction over these programs, that there be a corresponding shift of authority here as well as on the administration side?

Mr. SCHNITTKER. Yes; there is implicit exactly that suggestion. It is, of course, the business of the Congress, the business of the parliamentarian, who refers the various bills that are introduced, who gets the various appropriations requests that are sent down by the President.

But if experience is any guide, under the new administrative arrangement, the food bills, the food stamp program, and the appropriations for the food programs, would go to different committees.

The CHAIRMAN. I don't want to put you on the spot too much, but are you assuming that the Agricultural Committees are less likely to respond to an increase of this kind than the committee dealing with welfare problems? I don't mean that as a criticism of the committees. Is it your feeling that the Agricultural Committees are primarily concerned with agricultural income, agricultural matters, and that their jurisdiction does not extend, as far as you are suggesting, where we are really dealing with a broad welfare concept?

Mr. SCHNITTKER. Yes; that correctly states my view.

It seems to me that the time and the interest of the Agricultural Committees is preempted by the farm programs. They tend to be people from farm areas who have that as their primary interest.

Also, if experience is any guide, and particularly in the House of Representatives committee, it has been very difficult to get food programs reported to the full body.

On the appropriations side, the Senate has been a great deal more responsive than the House. That is, during the years that I was in the Department of Agriculture. In conference committees and so forth, whether on the substantive issue of, say, a food stamp program or on an appropriations issue, my recollection is that it was usually Senators that the Secretary or I went to, to try to get the higher figure.

But this is an important point. I think there is a good chance that the members on the other committees would have a more primary interest, would respond more directly to the welfare and education aspects of these programs.

The CHAIRMAN. Thank you.
Senator Talmadge?

DEPARTMENTAL INTEREST

Senator TALMADGE. Thank you, Mr. Chairman.

Mr. Secretary, it is a pleasure to welcome you back to Washington before one of our committees. You have appeared many, many times before the committee that I am honored to be a member of, the Senate Agriculture and Forestry Committee.

I am afraid I must take issue with you about the reluctance of the Agriculture Committees to look with favor on food programs.

I am sure you know that it was the Agriculture Committee that originated the commodity distribution food program. I am sure you also know that it was the Agriculture Committees that originated the food stamp program. I have had the honor to be on the Senate Agriculture Committee and I have supported those programs, and so has the chairman.

It seems to me that the Department of Agriculture has done a pretty fair job in these programs, considering the funds they had available, and considering the law they had to operate under.

What makes you think that the Department of Health, Education and Welfare, which is the largest governmental agency we have, other than the Department of Defense, has more administrative expertise in these matters than the Department of Agriculture?

Mr. SCHNITTKER. I am not sure that they do have more administrative expertise. But, as I indicated, I believe, and I hope, that the country, through the Congress, is about to make a breakthrough in its

approach to our national food programs for needy families, and especially for needy schoolchildren.

It has been my observation in government, in business, and in universities where I have been and where I am now, that when new things come along, people who have been running the old programs often resist new procedures, and particularly find it difficult to adjust to a program level perhaps 3, 4, or 5 times that of the most recent level of operation of that program.

Thus, it seems to me that getting new people into the most responsible positions of leadership, when we have, in effect, a new food program in a year or two, would be a good thing. I say that in full recognition of the fact that in most reorganizations the people who are administering the program in one department are simply transferred to another department. There is, I think, opportunity on occasions like that for a great deal of new leadership and new initiative to be brought into an administrative body.

Senator TALMADGE. I will point out to you that the Department of Agriculture has been operating a commodity distribution program for many, many years. It has been operating the school lunch program for many, many years. It has been operating the food stamp program for many, many years. It has developed some expertise in these matters. It has available nutrition experts who have been administering these programs.

If you transfer the food programs to the Department of Health, Education, and Welfare, HEW would have to start out *de novo*, and they would lose that expertise in administration.

I would also point out to you that it is the Department of Agriculture that has the surplus food commodities that make up the bulk of our commodity distribution system. It also requires, under existing law, many farm commodities to be made available for the school lunch program.

I see no necessity for diverting the administrative functions from the Department that has the food. It seems to me that the Department that has the food available would be the Department to handle the program—particularly when it has been handling it for a number of years.

Mr. SCHNITTKER. I don't agree, Senator. It seems to me that in this case, particularly in the case of the commodities, that the Department would best act as a kind of quartermaster.

The Department of Agriculture does that in some cases with respect to the Department of Defense. It has furnished surplus butter and dried milk and some other products over the years, but it doesn't run the Defense Department food service programs.

Second, the Department acts as a quartermaster in the food donation programs for needy countries abroad. AID handles that program with the cooperation of the Department of Agriculture. The Department is basically a quartermaster.

In this case, I certainly wouldn't insist that the commodity operations, the acquisition of surpluses be transferred to the Department administering the food programs, but the Department of Agriculture, instead, would simply say to Health, Education, and Welfare, "The butter, the dried milk, and so forth, is available for you to use."

Senator TALMADGE. I might point out, also, that the Elementary

and Secondary Education Act that Congress passed several years ago, gives local school administrators considerable latitude in the use of title I funds, and in some areas the funds available for the school lunch program have not been sufficient to take care of the needs of the children in the area. In many instances, school administrators have supplemented that need with title I funds that come from the Department of Health, Education, and Welfare. It has worked out very well, particularly in my own State and some others that I know about.

VIOLATIONS OF CIVIL RIGHTS ACT—SCHOOL LUNCH

We have had some problems in recent years in some of the States with the Department of Health, Education, and Welfare sending down certain edicts and rulings about the ratio of students that must be available in each school. If that ratio doesn't satisfy the Department of Health, Education, and Welfare, they cut off all the funds. The result has been that in my State, something more than \$20 million of these title I funds have been cut off. It amounts to almost \$2 million that has been used to feed hungry children.

So, the Department of Health, Education, and Welfare apparently has the idea that the way to feed hungry children is to cut off the funds.

Do you think is the way to do it?

Mr. SCHNITTKER. Obviously, it is not the way to feed hungry children, but there are other factors involved. The Department of Agriculture operates under the same Government policy, if not the same law, as the Department of Health, Education, and Welfare. I doubt that in the future questions of this kind will be resolved much differently under a Department of Agriculture food program than under a Department of Health, Education, and Welfare, food program.

Senator TALMADGE. They are operating under separate policies. The Department of Agriculture has not cut off any funds that go to feed needy children, but the Department of Health, Education, and Welfare has. Their lawyers have arrived at different conclusions.

So, the Health, Education, and Welfare funds have been cut off, but the Department of Agriculture funds have not been cut off in those areas.

We have a school system in Washington County, in my State, where there are a great number of people in the low-income category. A high percentage of its title I funds have been going to supplement the school lunch program. It is fearful now of having those funds cut off.

I wrote Secretary Finch about 3 weeks ago that I didn't know all of the answers to this hunger problem, and I didn't know all of the answers to this malnutrition problem, but I felt certain that it wouldn't be solved by taking food out of the mouths of hungry people. I think that is a national disgrace.

I think the first thing this committee ought to concern itself about is really these hungry children where the funds have already been appropriated for them. We have Federal agencies that are taking the food out of their mouths. Don't you think that would be a pretty good beginning?

Mr. SCHNITTKER. I didn't know about that situation. I certainly have no competence to make a snap judgment on what should be done in this case. I guess I will just say I hope it can be resolved.

Senator YARBOROUGH. I want to join the Senator from Georgia.

I think you do not starve children because you don't agree with the policies of their parents. You don't starve children because school boards haven't taken action that you want them to take.

I think starving children in schools is just without conscience, without sympathy. I taught schools for 3 years. I taught in a one-teacher school 6 miles from a highway or railroad. The youngest pupil was 6 and the oldest 25. Practically all of them were families of tenant farmers. Many were hungry. I know what it is to see a hungry child in school.

I think a person who cuts the food from hungry children in school is just lacking a heart.

Senator TALMADGE. I appreciate the comments of the able Senator from Texas. I certainly concur in that view. These poor children don't even know what the issue is. In many instances that is the only decent meal they have each day.

Now, we have a Federal agency and a Government that has concerned itself with hunger and malnutrition taking just the opposite tack. For that reason and for other reasons I have pointed out, Mr. Secretary, I think it would be a bad mistake to transfer jurisdiction from the Department of Agriculture to the Department of Health, Education, and Welfare, particularly until it demonstrates that it has a heart and is ready, willing and able to meet this need. It has not demonstrated this to date.

I wrote Secretary Finch more than 3 weeks ago. I haven't received a reply to my letter. His answer is going to determine whether a great many children in Washington County get one decent meal a day, or maybe two, or whether they are going hungry. It is that simple.

Thank you, Mr. Chairman.

Senator YARBOROUGH. Mr. Secretary, we had an example here a few days ago in South Carolina, in the western part, where there was a large school, all-Negro school, I believe a high school, and they cut off all of their school lunch money because there were no white citizens in the school.

Mr. SCHNITTKER. I am not really competent to comment on that, Senator, but I certainly agree that the kids ought to be fed and we ought to work out these other problems according to law and national policy without hungry kids in the background.

The CHAIRMAN. Mr. Secretary, in that connection, isn't it possible where that situation develops, where there is a violation of civil rights guidelines, for the Department of Agriculture to move in with school lunch funds and take care of the situation?

Mr. SCHNITTKER. Senator, I don't know whether that would be possible or not.

The CHAIRMAN. My understanding is that that has been done without any fanfare.

Senator TALMADGE. If the chairman will yield at that point, it is the policy of the Department to attempt to aid in that regard, but it has been unable to take up the slack.

I have made a survey within my own State with responsible officials of the Department of Health, Education, and Welfare, and the title I funds that have been cut off in the State of Georgia today, that go for school lunch programs, have already deprived 10,000 needy children in my State of these lunches.

Of the cases that are now before the Secretary of Health, Education, and Welfare, there are 8,000 children who get free or reduced price lunches.

So, if that policy remains constant, there will be 18,000 hungry children in Georgia alone. I don't know how many it would be nationwide.

The CHAIRMAN. I think the Senator may be aware of the fact that this issue was raised at the time we had the South Carolina witnesses before the committee. I said at that time that I thought it was unacceptable to permit children to go hungry.

Senator TALMADGE. I read the chairman's statement with much pleasure. I commend his energy and action in that regard.

The CHAIRMAN. I do think we ought to look at the possibility of meeting this situation right now, in the absence of any legislative changes, by urging the Department of Agriculture to do what they have done in some cases. That is, to respond by making school lunch funds available. It is inexcusable that any child ought to be punished because of violations of the law on the part of their superiors.

Senator TALMADGE. Will the chairman yield at that point?

The CHAIRMAN. Yes.

Senator TALMADGE. I would point out that the floor manager of the bill at that time, who was our former distinguished Vice President, Mr. Humphrey, made the statement on the floor that it wouldn't deprive a single child of school lunch money or food. If it did, he would not support the bill. The record is clear in that regard.

But for some strange reason, the Department of Health, Education, and Welfare has ruled to the contrary.

The CHAIRMAN. Senator Percy, have you any ideas?

RUNNING BOTH PROGRAMS CONCURRENTLY

Senator PERCY. Thank you, Mr. Chairman.

Mr. Secretary, first I wonder if you could advise me whether you think it would be helpful to have the commodity program as well as the food stamp program in a particular county.

Mr. SCHNITTKER. There are certainly cases right now where it would be helpful to be able to operate both in one county. Food stamp money is limited by maximum authorization and by appropriations, whereas the commodity programs, operating with section 32 money, have some flexibility to spend a little more.

So, it is possible to expand the commodity program in a given year without specific appropriations, but not food stamps.

In other kinds of situations where there are, say the very poor, and where decisions have not yet been made to give free food stamps generally rather than on a pilot basis, there commodities could help.

In the longer run, I think, we should not run two programs in the same county if it can be avoided. As I suggested, commodities, over time, should be phased out and replaced by food stamps and eventually by a guaranteed minimum income.

COMMODITY DISTRIBUTION IMPROVEMENTS

Senator PERCY. Do you have any suggestions as to how we might make the commodities program more effective?

Mr. SCHNITTKER. I think in the areas where it is functioning it is generally quite effective. One action which would be most helpful—well, two actions, possibly:

The nutrition aids program to help bring the people and the commodities together and to assist the recipient in using this range of commodities; secondly, widen the distribution points, particularly in areas of scattered population, where public transportation is not very much available.

A third point would be to find a way to get all areas, particularly the metropolitan areas, to use all or practically all of the foods that are available.

A year ago, I recall learning that the city of New York was taking only about half of the various commodities available and was missing out on some of the better quality commodities. They had their own problems of distribution, a shortage of administrative funds.

But if something could be done there, it is just a kind of gift that people in those areas ought to be getting.

NUTRITION EDUCATION

Senator PERCY. Mr. Secretary, we have had a great deal of testimony to the effect that it is not just lack of food, but also a lack of nutritional education and an understanding of what constitutes a good balanced, nutritional diet for children and expectant mothers.

What is the role of the Federal Government, in your judgment, in assuring that a proper nutritional education is taught in the schools and in the community?

Mr. SCHNITTKER. I think the Federal Government has a role in the education processes, certainly, in cooperation with the States, which historically have operated the elementary and secondary education system. But, beyond that, there is the problem of continuing education. The immediate problem of getting the children of poor families fed properly is an adult education problem. Here the various agricultural extension services and other continuing education departments, Federal, State and local, have the key responsibility. That may be an even more pressing question than getting better nutrition education into the elementary and secondary schools.

Senator PERCY. There is a nutritional aid program within the Department of Agriculture.

Mr. SCHNITTKER. There is. It began about a year ago, and it looks toward, I believe, 15,000 aids at the end of the next fiscal year, 10,000 at the end of this fiscal year. I am not aware just where that stands at the moment.

Senator PERCY. Can that program play an important role in getting better information out as to nutritional needs?

Mr. SCHNITTKER. Yes; it can. I think that the most decisive role, however, would come before that. That is, getting the people who are not yet on the food programs in touch with the food programs, especially when more money becomes available.

Then, beyond that, after increasing participation, then helping the people to spend the food stamps to best advantage, utilizing the commodities to best advantage, being the secondary job.

Senator PERCY. I have talked with a number of food processors, distributors, producers. Universally, I have found a keen interest on

their part in providing better understanding, better education. It is a question of how do they marshal their forces, what do they do, how they go about the problem, and how do they coordinate it with the various activities of Government.

Do you have any suggestions that we could pass along to the food industry as to what they can do in the way of better knowledge and understanding of nutritional food needs?

Mr. SCHNITTKER. Nothing specifically. But since we are moving toward a general food stamp program, and that movement has been going on slowly now for 8 years, and food stamps are spent in the supermarket just like money, I think that whatever the industry does ought not to be aimed at the commodity programs which presumably are phasing out, but at low income diets which can be bought in the neighborhood store or the supermarket.

DISTRIBUTION PLACES OF FOOD STAMPS

Senator PERCY. The suggestion has been made that food stamps be actually sold right in foodstores.

Do you want to comment on that? Is that a practical suggestion at all? Do you see fallacies in it?

Mr. SCHNITTKER. They have been sold in banks and I think post offices or savings and loan associations. I don't know of any reason they could not be sold at the Safeway. The Safeway operates practically a bank out of its managers' offices for cashing checks and so forth. I think they could also sell food stamps very nicely.

HIGH PROTEIN FOODS

Senator PERCY. Do you feel that the new high protein foods can play an important role in the solution of our hunger problems?

Mr. SCHNITTKER. An important role; yes, but not a massive role. The new high protein foods have been developed for special problems, abroad and at home. For the people who have those problems of under-nourishment to them the new foods can be very important. But for most of the population which is fairly well fed, or only moderately hungry, I think it is the kind of food that you and I purchase that can be most helpful to them, not special, new high protein foods.

Senator PERCY. Is there a problem of acceptability of high protein foods by the poor?

Mr. SCHNITTKER. Yes, but it has been, I believe, a problem of palatability. Some of the foods that were introduced both abroad and here simply didn't taste very good. Or they may have tasted good but they didn't taste like other things tasted.

They were a new experience to people and sometimes were rejected on those grounds. Where they have been introduced into a familiar-tasting drink, like a chocolate drink or where they look and taste, let's say, like a baby food, there they have been the most acceptable.

INTER-DEPARTMENTAL AGENCY

Senator PERCY. With regard to the transfer of food programs, Mr. Secretary, what is your reaction to establishing a relationship between HEW and Agriculture, a relationship similar to that which exists be-

tween AID and the food for peace program and the Department of Agriculture?

Mr. SCHNITTKER. I would favor that so far as the commodity programs are concerned. That is a quartermaster relationship between Agriculture and AID at the moment. If the commodity programs were transferred to Health, Education, and Welfare, Agriculture could very well continue to acquire the wheat, and to have the flour ground, and then transfer it to HEW.

The same kind of arrangement simply isn't applicable in the case of the food stamp program, where it doesn't deal with commodities at the Federal level.

FARM PROGRAMS

Senator PERCY. The last question: Last October, President Johnson announced that he had asked the Department of Agriculture to study the effects of payment limitations on programs which require voluntary diversion of production and to meet supply management goals.

Was this study completed, to your knowledge?

Mr. SCHNITTKER. The study was not completed. Very substantial progress was made on it. But it was never completed in the sense of being either transmitted to the Secretary or to the President.

Senator PERCY. In March of this year, the Wall Street Journal reported you worked on a proposal to place a ceiling on Government payments to farmers as low as \$5,000 per crop and \$10,000 per farm.

Was this proposal as reported a result of President Johnson's requested study?

Mr. SCHNITTKER. Yes; partly, although this issue has been before the Congress and the country at least for 10 years, either as a question of limiting the price support loans or the direct payments. So, the work that was done was a continuation of work that had previously been done.

But the report carried in the Wall Street Journal was the immediate result of the work that had been done on the President's request.

Senator PERCY. As I understand it, in 1967, five producers each received over \$1 million from the Government in connection with farm programs.

Would you tell us, if you have explored it, how a ceiling such as you reportedly drafted would redound to our food assistance programs?

Mr. SCHNITTKER. Senator, I don't believe that a ceiling on farm program payments would directly benefit the food programs. The food programs compete with every program of the Government for funds. In any year, the Budget Director and the Appropriations Committees decide that, everything considered, so many billions of dollars can be spent. In that framework, the food programs compete with ABM's, and SST's, as well as with the big farm program payments. These have become linked together in the public mind, however. They have been linked together in the congressional debates. Perhaps there is now a relationship in the minds of the Congress.

I think they would certainly increase the tendency of the Congress and the country to support more money for food programs, but it is not a direct link.

EFFECTS OF HUNGER ON EDUCATION

Senator PERCY. Lastly, I would just like to comment on your sentence at the top of page 3 of your testimony.

"School feeding programs should also be made an integral part of the entire education process."

I have been recently impressed with the very close correlation between hunger, undernourishment, and education. We have a program in Chicago where schools and groups in the suburban areas have adopted schools in the inner city and ghetto areas. Some of the women who have worked in these programs recently reported to me how shocked they were at the testimony given to them by teachers when they said that children came to school in the morning so hungry they simply couldn't get their minds on their work.

For that to happen in an urban area in America, in an affluent society, with children so hungry they can't even concentrate on their studies, I think is nothing less than criminal. We have to do something about it. I trust that these hearings are going to help.

If anyone thinks that hunger just has pockets in Georgia, Florida, or any place else, they can come right up to Chicago or East St. Louis, within a range where the food stores crowd in on the population, and see evidences, deep evidences, of hunger, undernourishment, malnutrition, which are creating future welfare cases for society.

A modest investment today will pay huge dividends in human renewal in later life, I think.

When we come to Illinois, I would welcome this committee being in my State to see evidence that this is not a rural problem at all. It is very much an urban problem. It is even worse in those areas, I think.

Thank you very much.

If you wish to comment, I would be happy to hear your comment.

Mr. SCHNITTKER. We have all experienced momentary hunger that takes our minds off our work. We go to lunch every day partly because of that. Father Woodrich in Denver demonstrated this very clearly 2 or 3 years ago in some poor Mexican-American schools, where the Department of Agriculture put in double or triple the normal amounts of funds and commodities. He began giving free breakfasts and free lunches. The dropout rate, the absence rate, the grade level, all came up. This was fairly thoroughly documented 2 or 3 years ago.

Senator PERCY. In industry, I can recall, back in our experiences with coffee breaks. In the middle of the morning, after a person came to work with a good breakfast, and in the middle of the afternoon after a good lunch, it was good business and productivity increased if there was a break for 10 minutes where someone had a roll or a cup of coffee.

You can imagine that the productivity in a schoolroom would be considerably increased if a child had a hot breakfast or a hot lunch where they might not have the food otherwise.

Thank you.

The CHAIRMAN. Senator Yarborough.

COST FACTOR

Senator YARBOROUGH. Mr. Schnittker, I think the essence of this is in the third paragraph of your statement. While I have read it and

everybody has read it, I think I will refer to it again. That is where you said that you expected that everyone in America would stand up and support a national policy to end hunger in America, but the test on this score is not support for the rhetoric that spells out a national policy, but providing the money to do the job.

I agree with you. This is an attainable objective and not an idealistic dream. I agree with you that that isn't some fanciful, far-off development. It is an attainable objective.

We have had testimony before this select committee, and the parts that I have heard had varying estimates on what it would cost to end hunger in America.

The former Secretary of Agriculture testified, I believe, that \$1 billion would do the job. Some other estimates went up as high as \$3 billion that year. Secretary Freeman, still Secretary, when he testified in January, had the opinion that these programs of \$1 billion a year or more would be enough to end hunger.

Have you given that any thought, what it would cost in terms of dollars?

I think all the figures went over \$3 billion a year. If there were any estimates higher than that, I don't recall.

The CHAIRMAN. I think that is outside estimate, perhaps \$3.5 billion.

Senator YARBOROUGH. Have you given this any thought, Mr. Secretary, as to what you think it costs, for the Federal Government to end hunger in America?

Mr. SCHNITTKER. I think \$3 billion is a fair estimate.

My opinion is that that estimate will turn out to be too low, as most of our estimates have turned out. That is only a doubling of the proposed level for 1970. The budget for 1970 has \$1.5 billion for all the food programs.

Senator YARBOROUGH. When we consider that the war in South Vietnam is costing us \$3 billion a month, I think if we took this figure of \$3 billion for a year to end hunger in America it would be a modest objective. As you say, it is an attainable objective and not an idealistic dream.

I think the country should not put this off for 10 years into the future, but should move forward to do everything we can as quickly as we can.

Thank you.

The CHAIRMAN. Senator Cook.

ADMINISTRATIVE TRANSFERAL OF PROGRAMS

Senator Cook. Thank you, Mr. Chairman.

Mr. Secretary, there are some interesting points in your remarks and I want to cover them as opposed to other remarks made. I will read you a paragraph.

Farmers are not, as some people seem to think, competitors of food programs. In fact, one complements the other. Eliminating farm programs will not solve the food program. Instead, it will complicate the problem further, since the resulting drop in farm prices would fall heaviest on small farmers, many of whom now earn only a poverty income, whose income would be cut by more than a third.

One of your arguments for transferring food programs from Agriculture to HEW was that you felt it was a competitive factor within the Agriculture Department. The paragraph that I have just read to you was a paragraph from the testimony of former Secretary Freeman in his appearance before our committee in January of this year.

I wonder if you would comment on your almost opposite view from that of the Secretary.

Mr. SCHNITTKER. Senator, I didn't intend to argue that there is an intense competition between food programs and farm programs in the Department of Agriculture. My argument, instead, was that it would be better to integrate the food programs with the educational process and the welfare process, rather than with the farm price-support process.

Farm organizations, as one example, and farmers often wrote to me when I was in the Department of Agriculture, urging that the food programs and similar nonagricultural programs be transferred out of the Department so that the Secretary's time would not be preempted on food but could be given to farm programs.

Senator Cook. Wasn't another argument, a very sound argument that the financial stigma of a large budget in the Agricultural Department? Wasn't this one of their primary objectives, that these items should be taken out so that the average individual did not think that the farmer was the largest recipient of his funds, when, in fact, within the framework of Government there are several billions of dollars spent in programs that are not directly affecting the farmer, himself?

Mr. SCHNITTKER. That is correct. In the \$7 billion budget of the Department of Agriculture in recent years, nearly half of it in most years could be attributed to these public welfare and public benefit programs. The farmers are very sensitive about this. I know if the Congress were to add another \$1 to \$2 billion to the food programs, the farmers would feel that, in a sense, they were taking the rap of a bigger budget but not getting the benefits directly.

EMPLOYMENT OF BOTH PROGRAMS CONCURRENTLY

Senator Cook. On one point I am going to disagree with you on, Mr. Secretary, and that is where you stated that the commodity programs should be completely phased out and we should go totally to a stamp program, and, secondly, where you said that both programs should not exist in a given county.

I feel they should exist in a given county. But, more important than that, if you totally phase out the commodity program, what do you do with the farm support program with regard to these commodities? Again I want to repeat from the Secretary's statement:

Let me repeat the key point: This nation has enough, more than enough, food. We can easily produce a great deal more. The single question that remains is whether we have the skill, ingenuity and determination to get the food to where it is needed.

What do you propose to do with the commodity program once you totally phase it out and, go totally to a stamp program and, consequently, eliminate the commodity food program completely?

Mr. SCHNITTKER. First, this is in the family feeding program.

Senator Cook. Do you feel it can be totally utilized in the family feeding program?

Mr. SCHNITTKER. I think the amount of food which the Government is currently acquiring to put into commodity programs would be purchased by the same people through the marketing system in the supermarket.

Secondly, the commodity distribution program would continue in the school lunch program. I think even if you had total food stamp program for needy families, that the school lunch program would still be a very big user of commodities.

If we got the school lunch program expanded to twice as many people as are now benefiting from it, it could use two or three times as large a volume of commodities, easily absorbing the amount of commodities which would be released from the family feeding programs.

Senator Cook. Then you are saying specifically now, I take it, that all of the commodity foods that are now available could be easily phased into the school lunch programs and be totally usable?

Mr. SCHNITTKER. Yes. It would take more money, of course. Certainly, situations would arise where some farm product which has been supported under section 32 purchases would be in trouble. One might move in and buy more of it in any given year than could be utilized in that year. But that has happened in the past. Five years ago when beef and pork prices were very low, the Department spent about \$200 million in a year acquiring mostly canned products, putting it into the school lunch and family feeding programs faster than we had done before, but still acquiring some inventory which carried us for 6 months or a year.

LOCAL PARTICIPATION

Senator Cook. I also take from your statement that you are of the opinion that this entire problem should be totally and completely assumed by the Federal Government, and that any participation at any level should basically be eliminated and this should be considered as a national problem, and we should eliminate participation at the local level.

Mr. SCHNITTKER. No; I wouldn't go that far, Senator.

First of all, in a complete food stamp program, the participants who were least needy would make some kind of payments, as they do now. Only the most needy would get free food stamps.

Secondly, I think that some States, perhaps all the States, would want to continue to provide some administrative funds.

Again, to make it uniform, perhaps it would have to go to entirely federally financed administrative funds.

Senator Cook. This is what I really think you are getting at. In your statement, you say, "Remove the local and State government veto on the food stamp programs."

What in essence you are saying is that where a local community does not want to assume the responsibility, then the Federal Government can move in and ignore that veto on the part of a local community.

Mr. SCHNITTKER. Yes. But that denial has sometimes at least two parts: One, they may not have the money, the administrative money, which present procedures require for the food stamp program. But in some cases the people who run the county, the county commissioners,

the judges or the board, may simply not want the program, any food program.

Senator COOK. We are aware of that.

Mr. SCHNITTKER. The second veto is the one that I am most concerned with. The problem of how you provide administrative money in some county in a State, from the Federal level, whereas another county in the State had been paying it locally, is a hard problem, and I am afraid I have no constructive suggestions.

Senator COOK. Let me read into the record what your recent former boss said in this regard and see if you agree. This is what Secretary Freeman said here on the 9th of January:

In developing a plan to give complete coverage to the family food program. I have been reluctant to supplant local authority. I also have felt it is hardly appropriate to reward those who have denied assistance to the poor by offering to pay the administrative cost of operating the commodity program. If we do that for the more wealthy counties in the program, the likely reaction of the other counties which have been willing to pay the cost of administration will be to demand similar treatment.

Do you agree with that statement?

Mr. SCHNITTKER. Yes; I agree with it as a procedure. It is essentially what happened in the Department in recent years.

On the other hand, we cannot, at the same time, deny children and families in some counties and States adequate food because their local boards will not provide the money.

If it requires going to a fully federally financed program to get there, then I am for that.

Senator COOK. In other words, deny any basic authority on any local level and just let anybody say, "We are not going to do it so the Federal Government can." If you do this it will become a completely federal program, will it not?

Mr. SCHNITTKER. I am not convinced that in the end it has to be that way, but it may very well move in that direction.

Last year, in the commodity program, the Department moved into, I think, 41 counties, very reluctantly, and did the entire job, picking up the administrative cost federally.

Senator COOK. But weren't these 41 counties within the 1,000 county category of the poorest counties in the United States?

Mr. SCHNITTKER. They were that.

Senator COOK. And aren't we faced with a situation under your proposal that will cause the Federal Government to take over in every county regardless of the financial ability of that county?

Mr. SCHNITTKER. We are faced with that possibility, but it seems to me that the Congress, and possibly even the executive, could exercise some discrimination here and say that administrative funds could be federally provided only in counties with certain characteristics, certain income or tax base characteristics, but not in other counties.

We have discriminated in a fashion like that in education funds in recent years. Perhaps it could be done in the food program.

Senator COOK. Mr. Secretary, if the Congress can impose on this nation the legal responsibility to see that people are fed, couldn't it just as well impose in relation to Federal-State relationship the requirement that communities also have a legal responsibility to do the same thing, rather than assuming the entire cost as a burden of the

Federal Government and ignoring the participation of local governments?

Mr. SCHNITTKER. That sounds like a complicated legal question. I am not sure that the Congress can require the State legislature or the county commissioners to appropriate administrative money for a food program. I really doubt it.

Senator Cook. Have you read a statement by the National Planning Association for Food for the Hungry?

Mr. SCHNITTKER. Yes; I have.

Senator Cook. I might suggest, for the record, that its recommendations and yours are very, very similar. Are you aware of that?

Mr. SCHNITTKER. I am.

Senator Cook. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Secretary, in that connection, Senator Javits, who is unable to be here because of other responsibilities this morning, asked me to direct two questions to you for comment.

LOCAL PROBLEMS

One relates directly to the National Planning Association study that Senator Cook has referred to.

I would like to read a quotation from that report and then ask for your comment.

Food aid can be denied to residents within States if local authorities wish to maximize immigration, or if they regard poverty as a moral rather than a socioeconomic problem. Families within program areas may be denied eligibility because of racial or ethnic characteristics. In some areas, programs are discontinued seasonally because local authorities believe such action will increase the availability of the workers. The influence which State and local decision-makers have on many aspects of the USDA food program raises serious questions about the advisability of significantly expanding programs without closer Federal controls over them.

Are those some of the concerns that led you to suggest a more definite role by the Federal Government in moving into areas where State and local authorities failed to do the job?

Mr. SCHNITTKER. Yes; they are, Senator. I think everyone has recognized the local problems, particularly in some areas of the country, and we need to overcome them if the objective that so many people have cited is to be met.

The CHAIRMAN. You are suggesting, in effect, that where State and local agencies refuse to set up the administration of the program, that we move in directly with Federal officials, Federal funds, and Federal supports, for the program?

Mr. SCHNITTKER. Yes. Exactly as was done in the 1,000 lowest income counties. These were the most distressed cases.

The CHAIRMAN. That was the recommendation of the National Planning Association.

Mr. SCHNITTKER. Yes; that is correct.

The CHAIRMAN. Apparently the other question has been raised.

There are just a couple of additional questions, Mr. Secretary.

FOOD PROGRAMS EFFECT ON FARM PRODUCT DEMAND

In your statement, you say the food programs are marginal in importance in expanding the demand for farm products.

I wonder if you would explain why you believe that to be the case. Mr. SCHNITTKER. It is sort of an arithmetic comparison. The national food bill at the retail level at the present time is somewhere in the area of \$100 billion a year. That is what all of the people in this country spend on foods at the retail level.

The CHAIRMAN. What was that figure?

Mr. SCHNITTKER. \$100 billion. It is a very high figure. The total amount of money the Federal Government is putting into all of the supplemental programs, family feeding, school lunch, and so forth, is presently only around \$1 billion. So, the additional demand generated by the food program, while absolutely critical to the people who get the money or the commodities, is not a major factor in the demand for food nationally, or in farm prosperity.

The CHAIRMAN. Do you think there should be a closer relationship between our agricultural policies and our food assistance programs?

Mr. SCHNITTKER. I don't see any major lack or shortcoming at the moment, Senator. I think the farmers of this country are producing approximately the mix of commodities that the people want. Sometimes we have a little too much wheat. Sometimes we have a little too much cotton. Sometimes bacon prices are high because pork production has been low. But these situations are remedied very rapidly.

Increasingly, the agricultural cycle is being shortened. We can now produce a broiler chicken in 9 or 10 weeks. So, the producers respond very quickly to shortages and high prices somewhat more slowly to surpluses and low prices.

The CHAIRMAN. Do you think, for example, that more effort should be made to set agricultural and production patterns in terms of what the citizens of our country need in order to secure a balanced diet?

Mr. SCHNITTKER. I think every effort should be made. But, in my opinion, we have come pretty close to that objective. In the past few years, the Congress has provided the Secretary of Agriculture with a great deal of administrative flexibility to take actions which encourage the production of one product or discourage the production of another commodity when shortages or surpluses loom in the future.

Given the vagaries of the weather, and the uncertainties of agricultural production, I think Secretary Freeman did a good job in carrying out this responsibility.

SCHOOL LUNCH RECOMMENDATIONS

The CHAIRMAN. Would you just summarize in a few sentences what your recommendations are now with reference to the school lunch program? I think I understand from your statement that you favor making available a school lunch to every schoolchild in the country. Am I correct on that?

Mr. SCHNITTKER. Yes. But that is a kind of longer-run goal. The most immediate change, the most immediate funding, in my opinion, should go to the free and reduced price school lunch, the free and reduced price school breakfasts, and to reaching schools not now covered in areas of states and cities of generally low-income character.

Beyond that, you can move into some higher-income areas that don't have school lunch programs. But I think there are some priorities that

ought to be established in getting a school lunch program finally to all the children.

The CHAIRMAN. Are the present school lunch programs concentrated largely on students from poorer families or is there any real emphasis on reaching the poorer students first?

Mr. SCHNITTKER. Certainly most of the lunches go to the children of families who can pay for part of the lunch. Only in the past 3 or 4 years has the Congress authorized and funded any major effort in the area of free and reduced price lunches. It is only in the 1970 budget that a real breakthrough was made from \$10 million for this reduced price school lunch to a proposed \$90 million in 1970 fiscal year.

The CHAIRMAN. In view of the general popularity of that school lunch program, why have we moved so slowly? Why is it that so many children, even from poorer families, still are excluded?

Mr. SCHNITTKER. Senator, I think the country relaxed some time in the last 10 or 15 years. It was only in the early 1960's that the Congress, the executive branch, and the people, the research establishments, began to document and discover the extent of poverty, malnutrition, in families and in the schools.

It was in 1962, as I recall, that Secretary Freeman first asked the Congress for the section 11 authority for special money for free and reduced price lunches. It took until the 1969 fiscal year to get \$10 million; next year, hopefully, \$90 million. That is only a beginning to meet the need.

But I think it was a relaxed feeling that the country was doing well, forgetting the pockets of hunger and malnutrition for a little time.

The CHAIRMAN. Thank you very much, Mr. Secretary.

I want to commend you on your statement today. I think it has been most helpful. I commend you, first of all, for your recommendation that we declare as a national policy an end to hunger and malnutrition; secondly, your recommendation that this be more than rhetoric, that we provide adequate funding on the level that is needed to do the job; thirdly, I am very impressed by your statement that we can accomplish at least the most urgent part of the task within a year's time. And, finally, your willingness as a former official in the Department of Agriculture to look at the possibility of moving the jurisdiction to another department. I think that indicates objectivity on your part that is rare, and a willingness to do whatever is necessary to solve the problems.

Senator Cook?

Senator Cook. I have one last question, Mr. Chairman.

Mr. Secretary, in regard to the chairman's last question about an ultimate of a free school lunch program for every school child in America, and this has recently been increased from \$10 million to \$90 million—

The CHAIRMAN. I didn't suggest a free lunch to every child but the availability of school lunches to every child in America.

Senator Cook. All right, Mr. Chairman.

On that level, as we attack this problem, and obviously it should be attacked and it should be attacked with all the vigor and force that this committee and the Congress can attack don't you think that we also ought to have priorities, and we ought to look at first things first rather, for instance, than to have an ultimate program within

the immediate future where, for instance, my children or the Senator's children, or your children, would be recipients of a free lunch program from the schools of America?

Mr. SCHNITTKER. I agree. I think that the free and reduced price lunch for poor children, wherever they are, even out here in Montgomery County or Arlington County, is the most important.

Secondly, moving into areas which have a preponderance of low-income people and perhaps unequipped schools.

And then, thirdly, the national effort.

Senator Cook. You would very logically, then, endorse catering for schools, such as older schools in large communities, where there are no lunch room facilities?

Mr. SCHNITTKER. Definitely. We need to break out of our old procedures in this regard very rapidly.

Senator Cook. I am delighted to hear that.

Thank you.

The CHAIRMAN. I might say to the members of the committee and others who are interested, that we have slated further hearings in the field investigation by the committee for the District of Columbia on April 15, 16, and 17. We have scheduled a field investigation and hearings in California on May 8 and 9. At the suggestion of Senator Percy, we will visit Illinois shortly after that time.

I do want to consult with Senator Cook and with other members of the committee about additional hearings. We had indicated at the time we asked for the full budget request that we would try to get into 10 or so different parts of the country. It is my hope that we can complete that schedule by midsummer.

The committee stands in recess until tomorrow morning at 10 o'clock.

(Whereupon, at 11:44 a.m., the committee recessed, to reconvene at 10 a.m., Friday, March 28, 1969.)

the immediate future where, for instance, my children or the children of children, or your children, would be recipients of a free lunch program from the schools of America?

MR. SCHWARTZ: I agree. I think that the free lunch and free breakfast for poor children, wherever they are, even out here in Monticello County or Arlington County, is the most important.

Secondly, moving into areas which have a preponderance of low-income people and perhaps unimproved schools.

And then, finally, the national effort.

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NUTRITION AND HUMAN NEEDS

FRIDAY, MARCH 28, 1969

U.S. SENATE,
SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS,
Washington, D.C.

The committee met at 10:10 a.m., pursuant to recess, in room 1202, New Senate Office Building, Senator George McGovern (chairman of the committee) presiding.

Present: Senators McGovern, Cook and Pell.

Staff Present: William Smith, counsel; Kenneth Schlossberg, professional staff member; and Clarence McKee, professional staff member for the minority.

The CHAIRMAN. The committee will be in order.

We have only one witness today, a distinguished lady from the State of Kentucky. I have asked Senator Cook to introduce her.

Senator COOK. Thank you, Mr. Chairman.

I would like to read a statement, if I could, and then I will turn it over to Mary Jane.

It is with sincere pride that I present to you a native Kentuckian, a generous and magnificent lady who has devoted a large part of her life to helping to alleviate conditions of hunger and malnutrition in eastern Kentucky. If I had met Mary Jane Dunn anywhere in the world and had she told me her mother's name, I could have told you she was a native eastern Kentuckian because, as almost anyone familiar with the area can tell you, every other person in the mountains is named Combs.

Mrs. Dunn graduated from Breathitt County High School in 1949 as salutatorian, a member of the National Honor Society, a recipient of the Good Citizenship and D.A.R. awards. She went on to Berea College of Nursing and graduated in 1952. She has been actively engaged in her chosen profession of nursing most of her life since graduation. She taught nursing abroad while stationed in Europe with her husband, who was a career member of the U.S. Air Force. After serving as supervisor of a hospital in Texas, she and her husband returned to her birthplace, in Jackson, Ky., in 1963.

Since her return to eastern Kentucky, she has worked as the nurse for a local doctor and as nurse for remedial reading in the public schools. In the latter position, she did a complete medical history on 450 students, arranged for complete physical examinations, accompanied children to the doctor, had classes with the parents and wrote each parent a personal letter in simple terms explaining the doctor's findings.

In 1966 she became director of Breathitt County Adult Health Education in which she trained low income people to become field-workers to go into the homes of people receiving less than \$3,000 an-

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nually and teach heads of households ways to achieve better living conditions. Topics of discussion included environmental sanitation, nutrition, immunizations, dental care, consumer education, birth control, safe water supply and in general anything pertaining to the health of the family. Teaching to Mary Jane Dunn was more than telling, it was showing. For example, if a mother did not know how to wash and iron, she was shown.

In June, 1967, the health program was extended to four counties and added community development. In June, 1968, self help and neighborhood centers were added to outreach services and a home repair project was put under her direction.

She then submitted a proposal requesting funds for an emergency food and medical services program to assist families with no income to obtain food stamps and medical assistance to prevent continued malnutrition.

Mr. Chairman, it is my belief that the testimony you are about to hear will add a new dimension to what we have heard before. We have before us an able, dedicated, local administrator frustrated, not by her inability to help a great many people who, contrary to common folklore, want to be helped, but frustrated by the unrealistic restrictions imposed upon her by bureaucratic red tape. It is with a sense of pride that I present to you a good and compassionate lady who loves our mountains and its people, a truly great Kentuckian—Mary Jane Dunn.

The CHAIRMAN. Mrs. Dunn, you may proceed with your statement.
(The prepared statement of Mrs. Mary Jane Dunn follows:)

PREPARED STATEMENT OF MRS. MARY JANE DUNN

BACKGROUND

There is none more generous than the American heart. He gives daily to the Red Cross, Community Chest, Salvation Army and scores of other worthy causes. And yet, in his own back yard, children are going to bed hungry. Each time I see a plea made for Care packages, I wonder how I can appeal to our people to do something about our own problems. We have arrived at a time in history when the story of a heart transplant no longer amazes us, and yet, as recent as March, 1969, I saw written on a child's record, Scurvy—malnutrition. What an indictment of a nation that speaks of conquering the moon! Each time we become inflamed about a particular problem in our society, we rush to build another program and fill it so full of red tape and regulations, that by the time it gets to the little man for whom it was intended we have to shake our heads and say to a 56 year old mother trying to put her 17 year old boy through high school with a husband not old enough to draw Social Security but too ill to work, I'm sorry lady but because you are too proud to accept welfare and want to break your back making beds and scrubbing floors you can't have food stamps. You see, by our rules, you make \$5 per month too much money. When are we going to stop penalizing those people who wish to remain in the mainstream of life?

Hunger is one of the more dramatic problems facing us at this time, but you cannot zero in on one small fraction of a family's needs and hope to solve the problems that plague our people. Why do people go to bed hungry? No food! Why no food? No money! Why no money? No jobs! Why no jobs—poor health, poor education—or no jobs in the area! Why poor health? Poor nutrition—poor sanitation. It's a vicious cycle. We *MUST* look at the entire problem.

SCOPE OF THE PROBLEM

I would be the first to say to you malnutrition is not exclusive to the poor man. Just providing free food stamps does not assure an adequate diet. Consumer education, preparation of meals, storage, all these are a must. But you can't do it passing out printed pamphlets. General educational programs geared to the

masses are good, but they do not always reach or apply to those who need them most. The media of radio and newspaper can be effective only where it is available. What good is a comparative price list to a mother who cannot read?

NUTRITION EDUCATION

We voice a lot of concern about intestinal parasites in children, and yet, merely providing an adequate diet will not eradicate the problem, just as providing the basic four will not assure healthy children. We must not overlook environmental health education. Would it shock you to know there are families who for 19 years have lived in the same place and raised a family with absolutely no means of disposal for human waste? We still have outdoor toilets over streams, or more commonly, built without a pit, garbage is still thrown into streams or out the back door where cans collect rain water and breed flies and mosquitoes which carry disease.

In spite of advances made in the fight on Tuberculosis, it will not be eradicated until conditions are improved which aid and abet the germ carriers. If you have any doubt of how intestinal parasites can wreck the health of not only children, but their parents, there is a lady in Floyd County, Mrs. Regina Roberts, who had done some excellent studies on what parasites can do, not only to children, but to adults, and in Floyd County, I believe, 1965, OEO funded a project and at that time they found over 65 percent of the population had internal parasites. I myself have seen children so infested, they would vomit worms and have seen them crawl not only from the nose but the ears of children. Perhaps you are thinking there is no excuse for this type of thing. Laziness you say? Ignorance? I am sure many of you have rural backgrounds, but I wonder, if one of your children was required as of today to go to a rural area with no instructions as to how to live, would he have enough knowledge of the basic requirements of good environmental health to dig a pit and bury his garbage when all he's ever known is daily garbage pick-up. Would he know enough not to locate the water supply below the toilet, where all he's ever known is to turn on the tap. Would he dig a pit in the earth and make his outdoor toilet fly-proof? Ignorance? Yes, but only because he has not been taught better. So it is with my people. They are simply following the same pattern as your children, doing what their parents did before them. It is not a hopeless situation and it does not need to continue to exist. It can be remedied with education.

THE NEED

Hunger cannot be wiped out by feeding a few people a few meals. Writing a new program, appropriating new funds will not solve the problems as long as we concentrate only on a fraction of the need. It is like putting a band-aid on a wound that requires four stitches. The wound will eventually heal with a lot of good luck, but in the meantime, infection sets in, granulation takes place, and the end result is an ugly scar. If we go about this haphazardly with band-aid measures, our children after us will be looking for the solution to the same problems, only multiplied many times. Hungry people are sick people, not only in body but often in mind. Hungry people are depressed, angry, and often give up in hopeless despair. Maybe Mr. Average Taxpayer is saying "I didn't put him there. I pulled myself up by the bootstraps, let him do the same". Mr. Average Taxpayer, I wonder who provided your bootstrap! How would you go about pulling yourself up, with a third grade education, no job skills, eight children in school, the roof on the rented house leaks, there's not enough money for beans and bread for the month, much less shoes for the kids who are walking two miles out of a holler, and riding the bus 25 miles to school. The mother is ill and needs medical attention but there's no medical card, and even if they had one, there's no way to get to the doctor. It's hard to keep the kids and their clothes spic and span when the drinking water is carried a mile. You wouldn't live there you say? Where would you go? How would you pull yourself up?

BUREAUCRATIC NONRESPONSE

If you are convinced there are resources available geared to the needs of the people, try to meet some of those basic needs. You will soon find yourself ensnared in red tape, restricted by bureaucratic rules and regulations, and frustrated to the point of forgetting what the rules are, rather than risking impairment of the welfare of human life. It appears to those of us in the mountains that the majority of programs are written for urban areas. When we attempt to

apply them to a rural area, they are just not practical or applicable. Fourteen dollar value received on food stamps can be quite a bonus if you have only to go a block or so to the Issuance office, but if you have to leave Breathitt County, go into Perry County and back into Breathitt to get to your home community and pay someone \$7 to take you to town, is it any wonder the Food Stamp Office is concerned about eligible people who are not taking advantage of the programs.

Although the net income basis of coupon issuance has been revised as of February, 1969, the cost of stamps is still too high in comparison to the income of the people.

(A) A grandmother receiving \$137 monthly, pays \$48 for food stamps, \$6 transportation fee, leaving \$83 for utilities, clothing, school supplies, and other necessities. She doesn't buy food stamps because she just cannot afford \$48 the first of every month.

(B) An elderly man living alone drawing \$90 monthly would pay \$18 and receive \$24 in stamps. When I suggested the food stamp program to him, he replied it would cost him \$6 for transportation. Stamps should be issued on basis of existing need.

(C) People moving back from another state to Kentucky can be certified on a no income basis but the farmer who is trying to exist on a small tobacco crop is certified on last year's income. The profits at best are small and obligated before the check is received.

PROBLEMS WITH EXISTING PROGRAMS

Transportation is a major problem, not only in the food stamp program, but in every program. If we really intend to find a solution, let's do not leave out the basic ingredient to make it work.

Much has been said about stamps lasting only the first part of the month, and the family eating gravy and bread the rest of the month. Issuance can be arranged on a bi-monthly basis, but what about the case of the elderly man paying \$18 and receiving a \$6 bonus. If he gets stamps at the beginning of the month, pays \$9, gets \$12 and pays \$6 transportation fee, then it becomes apparent merely issuing bi-monthly is not the total answer. Why not supplement with commodities? I have long wondered why commodities cannot be used in conjunction with the food stamp program, especially for emergencies such as floods and fires.

Consideration must be given to purchases allowed in order for families to receive the most benefit from their food stamps. Pop and candy can be bought while soap and detergents are forbidden. Just as important as the food served on the plate, is the care of the plates on which it is served and the pans in which it is prepared. Garden seeds and canning jars make far more sense than a carton of pop which costs \$.93 for eight bottles. Although the law forbids using food stamps to pay debts it still happens. Stamps, where lost, can be used by the finder without too much difficulty. Suggestions have been made by Outreach field-workers that each stamp be endorsed by the recipient and the client.

CONSUMER EDUCATION

Consumer education is vital to a workable food stamp program. But classes held with recipients while they wait to purchase their stamps often reach only the man of the household. Preparation and storage must be taught along with buying, but demonstration cooking classes held in gleaming white kitchens with hot and cold running water, measuring cups, saucepans, herbs and spices are not very effective for a mother cooking on a coal and wood stove, carrying water from the spring, and who has never measured anything in her life.

If the large food producers are really concerned about the plight of their customers, let them lend the resources they have available to the local people who are trying to combat the problems.

Concern has been voiced about the growing number of people who no longer garden or can. Everyone seems to be of the opinion it is due to laziness and shiftlessness on the part of the people. Perhaps in some cases. But where do you get \$12 to pay for plowing one tenth of an acre of land? How do you coax food to grow in soil that has long been depleted? Fertilizer you say? Rotate crops? Wonderful! Where do I get the fertilizer? How do I plow the land? The cost-share farms programs are beautiful in theory but how can a tractor stay on your steep hillsides? Why pay for fencing the garden when there's no money to buy lime and seed?

LOCAL PROBLEMS

The Emergency Food and Medical Program has been a salvation to three counties of our area, but Lee County was excluded and it has been most difficult to explain to hungry people, "I'm sorry, you're hungry in the wrong county". Even in the Food and Medical Program we were told not to supplement income by buying food stamps for people already on federal programs.

HUNGER AND MENTAL RETARDATION

In the medical phase of the program children were taken to their family doctor for much needed hemoglobin tests. In cases where anemia and malnutrition were diagnosed, iron and vitamin therapy along with proper diet were prescribed, and after two months teachers reported weight gain, improved general appearance of hair and skin, and increased alertness in the classroom. One child, at least, was not so fortunate. Deprived of proper food since its birth, it could not sit alone at fourteen months. The child is now being hospitalized for extensive tests, but the doctors have already diagnosed mental retardation. We know the incidence of mental retardation in high and even though statistics are not readily available, we are confident that a direct correlation exists between malnutrition and mental retardation.

FOOD STAMP PROGRAM

I am very much aware of the arguments against the food stamp program. I have heard more than one citizen expound on mothers who misuse stamps to buy pop, candy and cakes, on grocery stores who raise their prices at the beginning of the month to take full advantage of food stamps, of merchants who allow stamps to be taken in payment for debts, of fathers who use stamps to buy booze. But surely in a nation generous enough to fight every cause from Multiple Sclerosis to shelters for stray animals, and a nation wealthy enough in intelligence to produce the lunar satellite, surely, we can find solutions to these problems. There are many dedicated workers in every program who are on the firing line daily. They know the need and many of them have good down-to-earth suggestions. Why not draw from their knowledge rather than leave all the decision making up to people removed from the scene.

I beg of you, don't waste time and money making more surveys on a people already surveyed to death. Don't waste more money looking at a problem that any agency worth its salt can give you barrels of statistics proving it exists. Don't allow malnutrition to continue to develop while more studies are being made. It is very difficult to explain to a mother concerned for her children that if she will just be patient, there are some very thorough studies being made, and when they are computed we'll feed you.

There is, in my opinion, too much duplication of services in federal programs. Have you stopped to consider how many people we are now sending into the homes of our low-income people? There are Outreach fieldworkers, Public Health personnel, social workers from the Department of Economic Security, nurses and social workers from Title I programs, Extension Service personnel, Pupil Personnel Directors, Emergency Food and Medical Services workers—the list is long and confusing. Is it any wonder the people cannot relate the person to the service? Some effort must be made to communicate and coordinate. In our own country we have recently formed an inter-agency commission and are in the process of publishing a loose-leaf booklet listing all available resources and how to take advantage of them.

I also feel programs are tied up in too much red tape. I realize every program must have rules and regulations and I strongly urge that supervisory control be built into all programs, especially in cases of A.D.F.C. where fathers drink up the pay check and the children still remain hungry. But I also would invite for your consideration, changes where proof exists that the same rule or regulation time upon time, is detrimental to the effect of the program.

In the Department of Economic Security the Division of Public Assistance, there is a great need for some provision for immediate certification for assistance. It is my firm belief that the majority of people come to the P.A. office as a last resort! Help should be given and then if it is found that a person has falsified statements, cut them off just as quickly. However, I see no large problem in verification of need since a phone call to any agency should provide information concerning the family until a home visit could be made.

Disabled persons have too much difficulty in proving their disability. The word of the local physician is rarely accepted. Central office in Frankfort nearly always requires additional information which involves transportation to other medical facilities and money for extensive tests. In one case an elderly lady trying to obtain a medical card, was told to wait three months and she would be eligible anyway under Social Security. With her bad heart, let's hope she makes it. It would be interesting to know how many people have died waiting to become eligible.

There remains a group of people I call the "forgotten ones". They have reared their families and many times have produced educators and other professional people by their sheer determination and the sweat of their brows and yet, now because they are no longer physically able for the labor market, have no job skills, are not old enough for Social Security, and unable to qualify for ADTD are just having to sit and wait until they reach 62.

I realize the government cannot care for every single individual and meet all their needs and I am a firm believer in a man working his way, but I cannot condone a society that pays a man thousands of dollars to hit a ball with a stick while people scream "kill the umpire" and at the same time allows people to go hungry and to die from lack of adequate medical care.

Although the Division of Public Assistance has a transportation clause, I am told by the social workers it just never seems to fit the situation. For instance, a woman whose husband has a chronic illness had to make three to five trips per month to the University of Kentucky Medical Center. She had a car but could not afford that much gasoline. There was no provision in the transportation clause for gasoline but there was money set aside to pay the ambulance fee of \$30 per trip. I am not the best student of mathematics, but even I know the government could have saved money buying the gasoline. Again, I urge you not to build more and bigger problems. Take a good long look at what is happening with the ones already funded.

Headlines have been made recently concerning all the money being paid doctors and pharmacists and yet the doctor is handed a printed sheet telling him what drugs he can give a patient. If he is limited to the amount and kind he can prescribe what can we expect but repeated visits to both doctor and pharmacy. If Thorazine is prescribed only 50 tablets are allowed. If the patient takes 4 tablets daily, every 12 days he returns for a refill. If he cannot get someone to take him to town after walking two miles, he returns home to brood. Over a period of time this could lead to suicide, or at best reconfinement in a state hospital. Which is cheaper? This is only one example, but the result is costly in terms of doctor visits, refills, transportation and overcrowded waiting rooms filled with chronically ill patients. All this adds to our growing problem of medical care for the nation.

And finally, although rules and regulations governing P.A. all come from the same manual, each local office seems to have its own interpretation.

THE WHOLE PICTURE

As a Committee concerned not only with nutrition but human needs as well, I ask you please to take a complete look at the whole picture. Transportation, substandard housing, poor health, lack of education, malnutrition, the elderly poor, inadequate water supply, and of course in capital letters, LACK OF JOBS. The list is long, but each component is part of the whole problem. And it is my most humble belief that "He who has health has hope, and he who has hope has everything", and hope must be provided first in bringing about practical solutions. Why not explore the idea of a homemaker service? It is being done on a limited basis in Day-Care Centers in the Kentucky Department of Child Welfare.

There are many women from among the low income groups who could be taught practical courses in home nursing, nutrition, consumer education and birth control. Assign them to a number of families and let them concentrate their efforts on the problems within those homes.

If we must provide assistance for household heads, let them do some of the jobs that so desperately need to be done. Cleaning out streams, cutting the growth that inhibits the flow of water, dispose of unhealthy and unsightly garbage, make homes safe and attractive, in short, see what really could be done in a community to make it a safer and better place to live.

Explore the idea of adult basic education for mothers, teaching practical home management and environmental health in the home, taught by someone who speaks the language.

Consider the idea of self-help type projects such as sponsored by the Save the Children Federation. Mr. Leet who is Extension Director would have a wealth of knowledge. He has worked with the U.N. on these type things. May be it will become necessary to stake a small farmer to a cow, a sow, and a few chickens and some garden feed.

I think we must also look into the future and make some plans for preventive measures. History is being made almost faster than it can be recorded and yet we continue to require our children to learn every explorer that ever explored a bayou. So Ponce de Leon looked for the Fountain of Youth. He didn't find it! Of what benefit is that to a 17 year old high school senior who has no intention of going to college but every intention of rearing a family. Would it not be more profitable to teach a good practical course in home management?

I do not assume to know all the answers, gentlemen, but I offer you for what it's worth, any assistance I can provide. The knowledge I have gained concerning the people and their needs are at your disposal. May God guide you in seeking the answers.

KNOX COUNTY HEALTH CENTER,
Barbourville, Ky., April 3, 1969.

Senator MARLOW COOK,
Select Committee on Nutrition and Human Needs,
Senate Office Building,
Washington, D.C.

DEAR SENATOR COOK: We note the remarks of Mrs. Mary Jane Dunn dealing with poverty and the various impressions of people as to cause, effect, excuses, and so forth.

She admits ignorance is a part of the picture, but we wonder if she might have added that ignorance, perpetual and traditional, from generation to generation, prevails not simply because some mountaineers are shiftless and dependent, but also because so many of the schools are filthy and stay that way despite efforts of sanitarians to get them clean so that the children can experience cleanliness every day, and take back home some good impressions of the schools and environmental health.

If we educate in environmental health and sanitation and enforce during the while a few of the neglected laws, we can whip worms, infectious hepatitis, etc. The real question is do we truly want to accomplish, or just shoot the "bull" about the problems and bog down in words?

If we would solve problems, the mountains also must have good roads, which we never have had. We cannot attract industry if we have no roads and inadequate innovations in vocational training and no labor pool which would be created by good education, training, and roads.

If we use raw nerve and listen to the majority of the people begging for the services, we would quickly get out of our lethargy and put hastily into action a systematic and effective family planning program in ALL the counties. I was surprised how easily we passed a resolution yesterday at Kentucky Public Health Association requesting Economic Security to pay for certain cases of voluntary sterilization from Medicaid funds, and in favor of modernizing the abortion laws. All these things to me are concrete, and many of the platitudes are nebulous and tend to mainly block progress.

Mrs. Dunn and others should not talk about vomiting worms, but if they are really wanting to destroy worms should sell sanitation, education, good land-fills, and clean schools. We often hear that school bus drivers and janitors run many of the county schools due to their building up little kingdoms of power in their communities, and we feel no school board man with a second to third grade education should serve, much less serve for many years.

Respectfully submitted.

A. S. HOLMES, M.D.,
Health Officer.

STATEMENT OF MRS. MARY JANE DUNN, OF JACKSON, KY.

Mrs. DUNN. Thank you.

BACKGROUND

Mr. Chairman and members of the committee, I would like to thank Senator Cook for giving me the opportunity to present something that is very dear to my heart.

There is none more generous than the American heart. He gives daily to the Red Cross, Community Chest, Salvation Army, and scores of other worthy causes. And yet, in his own backyard, children are going to bed hungry. Each time I see a plea for Care packages, I wonder how I can appeal to our people to do something about our own problems here at home.

We have children standing in the cold waiting for the school bus with inadequate clothing. We have many needs that we must take care of right here at home. We have arrived at a time in history when a heart transplant does not amaze us. We hear how much the doctors are progressing in medicine, and yet as recently as March of 1969, I saw written on a child's diagnosis, "Scurvy, malnutrition," and if you think the diagnosis would break your heart, you should see the child.

What an indictment of a Nation which talks about going to the moon and conquering other planets. Each time we get inflamed about a particular program here, it seems we rush out to build a program to fit that need, and I think sometimes that is just a way to salvage our own consciences. We fill that program too full of rules and regulations and high-sounding rhetoric and when it gets down to us on the local level who must administer it, it becomes frustrating, because it seems the rules and regulations never fit the little man for whom the program was intended.

It is difficult to say to a 56-year-old mother who is trying to put her last of 10 children through school with a husband unable to work, that he is not old enough for social security. Because she is proud and does not want to receive welfare and wants to break her back making beds and scrubbing floors, you have to shake your head at her and say, "I am sorry, I can't help you with food stamps, you make \$5 too much money."

Hunger is one of the most, and more dramatic, of the problems facing us at this time, but I urge you, and if you are around me long you will hear me keep saying, "Don't zero in on one fraction of a person's need."

Why do people go to bed hungry? Because they don't have food. Why don't they have any food? Because they don't have money. Why don't they have money? Because they have no jobs.

Poor health is caused by poor nutrition, and therefore you have a vicious cycle around and around.

SCOPE OF THE PROBLEM

We must look at the whole thing. I would be the first to say to you, malnutrition is not exclusive to the poor man. Sitting in the dining room this morning and eating breakfast, I looked around at a group of teenagers who had, I guess, come to look at the Capital. Most of

them either had doughnuts or pancakes and syrup, or a cup of coffee and a cigarette.

So I am trying to say I am looking at both sides of the coin. I know that it is just not a problem of the poor. And providing free food stamps will not assure an adequate diet for a family either, just as giving every man of the household a check will not assure that all the problems are taken care of.

Consumer education, preparation of meals, how to store, how to can, how to garden, all of these things must go along if we are to have an adequate program.

But, gentlemen, you can't do it passing out printed pamphlets. General educational programs geared to the masses are good, but they do not always reach or apply to the persons for whom they are intended. Radios and newspapers can be effective only where they are available. We have one entire community in the county of Breathitt where not one person receives even the weekly news. We have many people who do not have a radio. You will be told by those visiting that everybody has a television, but I am here to tell you that it is not so, because I have been in just about every home.

What good is a comparative price list to a mother who cannot read?

SANITATION

We found a lot of concern about intestinal parasites, and yet merely providing an adequate diet will not eradicate the worms in children. We must not overlook environmental health education. Would it shock you to know that there are families who have lived for 19 years in the same place and reared a family with absolutely no means of disposal of human waste?

We still have outdoor toilets over streams, or, more commonly, built without a pit in the open ground. We throw our cans out the back door or in the water, the cans gather rain water and breed flies and mosquitoes.

In spite of advances made on tuberculosis, I read just the other day in one of the papers that the rate is not going down rapidly enough, and we can't understand it. Well, gentlemen, I can understand it; all you have to do is use your eyes and look and see all of the reasons why it is not being eradicated.

Just going to health departments and getting a test which shows whether or not you have been exposed, or getting an X-ray done does not eliminate the problem. You have to get at the carriers of the disease.

There is a lady in Floyd County, Mrs. Regina Roberts, who had done some excellent studies on what parasites can do, not only to children, but to adults, and in Floyd County, in, I believe, 1965, OEO funded a project and at that time they found over 65 percent of the population had intestinal parasites.

I myself have seen children with worms crawling out their nose, mouth, vomiting worms, and you know a child can choke to death while they are vomiting worms. I see children admitted to the hospital and doctors shake their heads, and finally decide they better open him up and find out, and when they do, there is an obstruction caused by worms, intestinal parasites. Just cutting them out doesn't solve the problem. Deworming the young ones every spring doesn't solve the problem. You have to get at the cause of the problem.

I know some people are probably thinking there is no excuse for these types of living conditions, laziness, ignorance. Ignorance? Maybe. Perhaps some of you have a rural background, and I wonder if one of your children were required today to be transported from where he presently lives, out in the country, would that child have enough knowledge of the basic requirements for good environmental sanitation to dig a hole and bury their garbage?

After all, they have been accustomed to just putting it out and letting the garbage man get it weekly. Would they know enough to dig a pit in the area and make a toilet flyproof?

Ignorant, yes, but only because your children and mine would be following the pattern they had learned all their lives. This is what is happening in the mountains.

My mom and dad did it, and I do it, and no one has ever shown me another way.

THE NEED

Hunger cannot be wiped out by feeding a few people a few meals. Writing a new program and appropriating new funds will not solve the problem as long as we concentrate only on that.

It is like putting a band-aid on a cut that needs four stitches. It will heal eventually with good luck, but it will probably get infected, granulation will take place, and the end result is an ugly scar.

If we take haphazard band-aid measures now, we are going to have the same result. Hungry people are sick people. They are depressed people. They are often angry people, and they are not always just sick in body, but sometimes sick in mind. You know what it does to a man who has a group of children who cannot be provided adequately for, to have to see them to go to bed hungry every night and not have clothes to wear? It does something to you.

I know a lot of taxpayers; I have heard the story often enough to know it by heart, who say, "I didn't put him there, I pulled myself up by the bootstraps, let him do the same."

But I wonder who provided the bootstrap for Average Mr. Taxpayer.

Gentlemen, I come from a home that not always had enough food on the table, and it would have been easy for me to drop out of school and give up, but there was always a teacher, always some person who was interested in us, to reach out and push me on or pull me up, and we must provide that opportunity.

You can't go about pulling yourself out of a situation when you have got eight children in school, the roof leaks, you have a rented house, and you carry water for a mile. I hear so much about the dirt in Appalachia, and I have washed a lot of those faces, but it is very difficult for a mother to keep children spic and span when she is carrying water for a mile. She is ill, she has no medical care, and if she had a medical card, chances are she has no transportation to get to the doctor.

I wonder how a man goes about pulling himself up out of this type of situation. After a while, it gets pretty despairing, and a lot of people say, "Move them out of the mountains, get them out of the hollers." Where are you going to move them?

If the man can't pay rent on one of the shacks in the holler, how will he pay rent in the high-rise building?

If you are convinced that resources are available and geared to the needs of the people, just try meeting some of those basic needs. You will soon find yourself ensnarled in redtape and restricted by bureaucrat rules and regulations, and frustrated to the point of forgetting what the rules are rather than risking impairment of human life.

It seems to us in the medical profession in trying to administer some of the programs but the majority of them are geared to the urban people. When we attempt to apply them to a rural area, they are just not practical or applicable.

FOOD STAMP FAILURES

Fourteen dollars' value received on food stamps can be quite a bonus if you live a block from the issuance office, but if you have to leave Breathitt County, go into Perry County, and pay someone \$7 to take you to town to get the stamps, the \$14 doesn't look like much value. And I might add that \$14 worth of stamps in Middletown, Ohio, would buy a lot more than they would on South Fork in Breathitt County, because milk is 52 cents out there, and up on South Fork it costs \$1.29 a gallon.

So I think all of these things need to be considered. Although the net-income basis of coupon issues has been revised as of February 1969, the cost of stamps is still too high in comparison with the income of the people.

A grandmother receiving \$137 a month pays \$48 for food stamps, \$6 for transportation. That leaves her \$83 for utilities, clothing, school supplies, and other necessities, and these are teenagers that she is sending to school. She doesn't buy the food stamps, because she just can't afford the \$48 the first of the month.

An elderly man living alone drawing \$90 would pay \$18 and receive \$24, a \$6 bonus. When I asked him why he didn't take advantage of the food stamp program, he said, "Why, Mary Jane, I would have to pay that \$6 to get into town and back. I really wouldn't be getting anything."

We need to consider the existing need for the family. People moving back from another State to Kentucky can go into the food stamp issuance office and be certified on no income, but the farmer who is trying to exist on a small tobacco crop is certified on last year's income. The profits at best are small and obligated before his check is received. Transportation is a major problem, not only in the food stamp program, but in every program.

If we really intend to find a solution, let's not leave out the basic ingredient to make that program work.

I am presently frustrated by being in the mental health-mental retardation program. We have centers set up to take care of some of these mentally retarded individuals who have been sitting home all their lives, and never been to town. But we do not have the transportation to bring them into the centers.

Much has been said about stamps lasting only the first part of the month and the family living on bread and gravy at the end of the month. Issuance can be arranged now on a bimonthly basis, but let's take the old man I talked about who would get \$6 for his \$18. If he got stamps at the beginning of the month, he would pay \$9. He would

get \$12, but he would pay \$6 transportation both times that month, so he would actually end up in the hole buying them bimonthly.

COMMODITY SUPPLEMENTS

I have thrown out the idea before of supplementing commodities at the end of the month, and I have wondered why they cannot be used in conjunction with the food stamp program, especially for emergencies such as flood and fire.

Now, the first reply I am going to get is that you can get food stamps in an emergency. Yes, you can, but suppose the emergency comes on a holiday, and the food stamp office is taking a long weekend, which has happened to us so many times. Suppose it comes on a Saturday afternoon? Then you must provide for the people in the meantime.

It might not be feasible or practical to do this, but I throw it out to you as a possibility.

I think we need to give some consideration to the purchases allowed in order for families to receive the most benefit from their food stamps. Pop and candy can be bought, but soap and detergent cannot. Just as important as the food served on the plate is the plate on which it is served, and the pan in which it was cooked. If a mother has no way to keep those utensils clean, and if she prepares that food in a germ-infested kitchen we are still defeating our purpose.

Garden seeds and jars for canning would make a lot more sense to me than a carton of pop which costs 93 cents for eight bottles, and although the law forbids using food stamps to pay debts, I am afraid it still happens. Stamps, when lost, can be used by the finder without too much difficulty, and some of the outreach workers in the community action program have suggested that those stamps be endorsed just as you would travelers checks.

CONSUMER EDUCATION

Consumer education is vital to a workable food stamp program, but classes held with recipients while they wait to purchase their food stamps often reach only the man of the household. Preparation and storage must be taught along with buying, but, gentlemen, demonstration cooking classes held by some of our home economists in a gleaming white kitchen with saucepans and measuring cups and herbs and spices just do not apply to the mother who goes back and cooks on a coal and wood stove, if she is lucky enough to have coal to put into it.

I have seen them cook outside on an open fire. She doesn't know anything about herbs and spices. She is glad enough to get bread and beans.

What I am trying to say to this committee is that we must make the teaching practical. Make it down to earth, make it what they can understand, so that they can actually take it home and apply it.

If our large food producers are really interested and concerned about the plight of their customers, let them lend the resources that they have available to some of the people who are trying to combat the problems.

SMALL FARMING COSTS

I hear every day concern about people just don't grow gardens any more, and we ought to make people grow gardens, and if they are on welfare they won't grow gardens.

Well, it costs something like \$12 to plough one-tenth of an acre. It costs, I am told by a boy who farms, about \$75 to put out a decent garden. If you don't have a mule to plough the earth, and if you don't have the money to put the fertilizer on the land, it gets kind of discouraging trying to grow a crop on a hillside. I feel we must provide some assistance to our hillside farmers.

Now, I know there are those of you who would probably say, "It is available." Well, if it is, you come and show me where to get it. We do have a cost-share program this year coming up, 80-20, which would give the farmer 80 percent, but you know what that would pay for? Discing the land, tractor service, fencing the land—you can't put a tractor on a hillside that goes straight up and down. Why fence a garden if you don't have any food to put in it to grow? Let's make our programs practical so that our people can use them, let's gear them to the little man as well as to the big farmer.

COUNTY NONRESPONSE

The emergency food and medical program has been a salvation to the three counties of our area, but Lee County was excluded I am told it is because they drilled a few gas wells down there I don't think the wells ever came in, but because of this, Lee County is felt to be wealthy enough to be self sufficient.

Gentlemen, it is a little bit difficult to say to a mother, "I am sorry, but I can't help your children, because, see, you happen to live in the wrong county, and I just don't have any money in my program available to you."

And even in that program, we were told, "Don't supplement income of people already receiving Federal money from other programs."

AVERAGE PROSPENSITY TO PURCHASE FOOD

Now, a lot of these people come in at the beginning of the school year, who have six kids in school, who have to have six pairs of shoes and six pairs of overalls. It is hard for them to provide for their children and the very first thing they drop is their food stamps, when they have a financial crisis.

They say, "I can't afford my food stamps, I will buy these other things, the kids have to go to school."

So they drop the food stamp program.

In the medical phase of this program, we were allowed to use it only for diseases or conditions caused or related to malnutrition. We worked out with some of the school teachers a system where we could take the children to the doctor, have them tested for low blood pressure, parasites, and the doctor, in cases where he felt it was needed, recommended vitamin therapy, iron therapy, and a good diet, which we tried to supply.

After 2 months, we went back and talked to the teacher in the classroom, and she told us she was amazed at the change in the children.

Not only did the general appearance of their hair and skin seem to improved, but they were more alert and more receptive to study.

This program will soon run out unless money is set aside for its continuance. I called the mid-Atlantic regional office of OEO this morning and asked them what their plans were, and they assured me that they were trying to secure more funds to continue this program.

HUNGER AND MENTAL RETARDATION

One child was not so fortunate as to be able to show improvement. He has been tested at the University of Kentucky Medical Center, and he is now hospitalized for another week of extensive tests. The doctors have already told us that the child is mentally retarded. They do not know what other conditions have been caused, because this child has never in his whole lifetime had an adequate diet. At the age of 14 months, he could not even sit alone. He is so tiny he looks like an average 4 or 5 months old baby, and we know that the incidence of mental retardation is high, and although we don't have any ready statistics to prove our point, we are sure that there is a correlation between malnutrition and the mentally retarded.

FOOD STAMP CRITICISM

I don't want to just give you one side of the picture. I am very much aware of the argument against the food stamp program. I have heard more than one citizen talk about mothers who misuse them to buy cookies and cakes and candy and pop, and grocery stores that raise their prices at the beginning of the month so they can get full advantage of the food stamps, of merchants who allow food stamps to be taken for debts, and I suppose the most common one is fathers who get the food stamps and then spend it for booze.

But surely, in a Nation generous enough to fight every cause from multiple sclerosis to stray animals, and a Nation wealthy enough in intelligence to produce the lunar satellite, surely we have enough know-how among all of us to try to do something about these problems.

There are many dedicated people fighting on the firing line every day, trying to wisely spend the money that you appropriate, but they know the problems, they know the needs of the people, they are out there looking at them every day, they are trying to suit the program to the people.

Call on them. Get the benefit of the practical suggestions they have to offer, and I beg of you, don't spend more time and money surveying the people who have already been surveyed to death. We have been looked at in eastern Kentucky from our toenails to our hair, and we have been written about, we have been talked about, and now we feel it is time to get some action.

URGENCY OF THE PROBLEM

Malnutrition will continue to flourish while we are still surveying. Children will still go hungry while we are still surveying, so I beg you not to waste that time, but to do something about it.

There are, in my opinion, too many duplications of services in

Federal programs. If you stop to consider the people today who are going out to the homes, it is not surprising that people close their doors and hide.

There are title I social service workers, title I school nurse, emergency food and medical personnel, the Department of Economic Security has social workers who go out, the extension services are now sending out nutritional aids. The list is long and confusing, and it is no wonder to me that when we have an evaluation team come down to see how well we are spending the Federal dollars that the person in the home can't really relate the people to the program.

I also feel that programs are tied up in too much red tape. I realize that every program must have rules and regulations, and I would be the first to urge supervisory control be built into programs, especially in cases of aid to families with dependent children where fathers drink up the pay check and the problem still exists. I would also invite for your consideration changes where proof exists that the same rule or regulation time after time after time is interfering with the people receiving the benefits of the program.

I think if we are out there and we see this in every department, and this one rule keeps coming up all the time that hinders us from giving the people the good of the program, then I think it is time to say that that rule needs looking at.

CERTIFICATION PROBLEMS

There is a great need for some provision for immediate certification for assistance. I firmly believe that people come to the public assistance office as a last resort. I am sure that I will get some argument from some people on this, because there seems to be a general belief that everybody is standing hollering, "Gimme, gimme, gimme."

I don't believe that, because I have seen grown men sit in my office and cry because they had to ask for help, and it isn't an easy thing to look at.

I think help should be given right then, when a person has a need. If we find there are falsifying statements, we can take away that help just as quickly, but it shouldn't be difficult to verify a person's need when we have so many agencies in any county now. You can pick up the phone and call child welfare, the county judge, the community action office, and I am sure that some of those places would have enough knowledge about the family's problems to say, "Yes, this family needs help."

Disabled people have too much difficulty in proving their disability. The word of the local physician is rarely accepted and the central office in Frankfort nearly always requires additional information which involves transportation to other medical facilities and money for extensive tests. The person is already sick and disabled, and they are trying to prove it, and they certainly don't have money to be running back and forth to the clinic. I don't know whether any of you have tried to secure clinic services and gotten a bill for it, but it is rather high these days, and we have no free services in our area at all.

In one case, an elderly lady was applying for a medical card. She has a heart condition and lives alone out in the country. She was told, "Just wait 3 months. You will be eligible under social security."

Let's hope that in the meantime she doesn't die.

One of the people in the Department of Economic Security said to me, "Mary Jane, I wish some day we could have a study made of all the people who have died waiting for assistance."

There remains a group of people I call the "forgotten ones." They have reared their families, and have produced educators and other professional people by their sheer determination and the sweat of their brow, and yet they are not quite old enough for social security. They can't be classed permanently and totally disabled. They just don't fit into any category of assistance that we have.

So what are we going to do? You say, "Well, sit over here nice and quiet on the sidelines until you reach 62, and then we will try to help you."

I realize the Government cannot care for every single individual and meet all their needs, and I am a firm believer in working for everything you get. I have worked all day long for 50 cents, and I know what it is to work for what you have, but I cannot condone a society that pays a man thousands of dollars to hit a ball with a stick and at the same time allow people to go hungry and die for lack of medical care.

TRANSPORTATION

Although the Division of Public Assistance has a transportation clause, I am told by the social workers it just never seems to fit the situation. In one case a woman whose husband was dying of some disease that is akin to leprosy was having to make three to five trips a month to the University of Kentucky Medical Center. Now, the public assistance social worker who had this case was frantic trying to find some way that she could pay for the gasoline for that woman to take her husband to Lexington and back. There was no such provision in the transportation clause, but she could pay \$30 per ambulance trip, every time.

Now, I have always been a poor student of mathematics, but even I know that the Government could have saved money by buying the woman's gasoline instead of sending an ambulance each time.

Headlines have been made recently concerning all the money being paid doctors and pharmacists, and yet the doctors are handed a printed sheet telling him exactly what drugs he can give a patient. If he is limited to the amount and the kind he can prescribe, what can we expect but repeated visits to the doctor and the pharmacy?

If Thorazine is prescribed, 50 tablets is all the patient can receive at one time. If that patient is on four tablets a day, every 12 days they must return. Now, this isn't so bad if you live in Louisville or one of the urban cities where the doctor or the drugstore is not so far away, but in one particular case I know, the man walked 2 miles and then if he is lucky enough to hire somebody to bring him to town, he pays \$6 or \$7, depending on what kind of mood the man is in, or how many passengers he has had that day.

And is it any wonder that we have our waiting rooms crowded with people, sitting and waiting to see the doctor, who are chronically ill and taking up the time of the man who could be seeing a critically ill patient?

If this patient does not get his Thorazine, each day he becomes a little more depressed and out of things. He might just commit suicide, or, at best, would have to be reconfined to a State hospital.

It seems to me it would be cheaper and simpler to allow a few more tablets at the time than to keep paying out money for them to return to the doctor and the pharmacy.

LOCAL INTERPRETATION OF REGULATIONS

Finally, although rules and regulations governing public assistance seem to all come from the same manual, each local office appears to have its own interpretation. As a committee concerned not only with nutrition but human needs as well, I ask you to please take a look at the whole picture. Transportation, substandard housing, poor health, lack of education, malnutrition, the elderly poor, inadequate water supply, and, of course, in capital letters, lack of jobs.

The list is long, but each component is part of the whole, and it is my most humble belief that he who has help has hope, and he who has hope has everything.

RECOMMENDATIONS

But hope must be provided first in practical solutions. Why not explore the idea of a homemaker service? This is being done on a limited basis in the Kentucky Department of Child Welfare in rural areas through day care centers. The children are brought into the day care center, the homemaker works with the mothers in teaching them how to sew, quilt, handicrafts, wash and iron and other problems.

There are many women among the low-income groups who could be taught practical courses in home nursing and nutrition, and birth control. Assign them to a number of families and let them concentrate their efforts on the problems within those homes.

If we must provide assistance to household heads who cannot find jobs, then let them do some of the jobs we need done in these communities. Cleaning out streams, disposing of unhealthy and unsightly garbage, making homes safe and attractive.

In short, I wonder if we just concentrated our efforts in one community to see what could be done, I just wonder what we could come up with.

Explore the idea of adult basic education for mothers. Now, I am not talking about putting a group of women in a room and getting someone from—I am going to say New York, and, Mr. McKee, I have nothing against New York, it is just that we need someone who can communicate with the people, who can speak their language, and you don't have to say every sentence grammatically correct for the mountain man, because, you know, he kind of goes to the heart of the matter, and he sometimes skips all of these "ands" and "buts," and he says it right out. We need someone to teach the women who can really get to the point and help them to understand.

I would invite for your consideration the self-help-type projects. There is a Mr. Leet. I am sorry I don't know his first name. He is executive director of the Save the Children Federation.

The CHAIRMAN. I think that is Mr. Glenn Leet.

Mrs. DUNN. Yes. He is a marvelous man. He has worked with the United Nations. He doesn't sit in an office. He goes up the hollers and sees what is going on. Maybe we need to stake our farmer to a cow, a few chickens, a pig, or a sow. Maybe we need to give our farmers a headstart, instead of just our children a headstart.

I think we must also look into the future and make some plans for preventive measures. History is being made almost faster than we can record it, and yet we continue to require children to learn the name of every explorer who ever explored. Ponce de Leon looked for the Fountain of Youth, but he didn't find it, and what do our children care about what Galileo thought about the pendulum? It doesn't mean much to the 17-year-old girl who has no intentions of going to college, but has every intention of rearing a family.

If we gave some home management, some practical courses, I am thinking, not only to our mothers, but to our prospective fathers, then I think that they would be better equipped to meet some of the problems.

I have educators who disagree with me on this. They say we are already doing everything for the child in the classroom. "We are feeding them, we are clothing them, we are teaching them their manners, we are taking them to the doctor, and you are asking us to teach them this."

Well, I would rather teach them things that they can use when they can get out of school and not just something to get a grade while they are there.

I do not presume to know all the answers, but I offer you for what it is worth any assistance that I can provide. The knowledge I have gained concerning the people and their needs is at your disposal, and may God guide you in seeking the answers.

I would caution you before I close that tomorrow is separated from today only by tonight, and if I sound like I am urging you to hurry, I am. Before the emergency food and medical program, we picked up pop bottles and sold them to buy food for people. I kept wondering why my grocery bill was getting higher and higher, and I discovered that there was a family here and one there and they didn't have any food in the house, and you cannot walk away and leave a family hungry. You just can't do it.

So I do urge you to do something, and if I can be of any assistance in helping that get done, all you have to do is holler.

THE CHAIRMAN. Thank you very much, Mrs. Dunn. I want to commend you on this statement. I think that you have put your finger on the really crucial problems that face this committee as we seek to bring about an end to hunger and malnutrition in this country and the related human needs.

I am going to take very seriously, and I know other members of the committee will, the diagnosis that you have given us of the problem. There is no question in my mind but that contained in your statement is the clue to much of the difficulty we face in this country in dealing with the problems of the poor.

We are not really communicating with millions of people who are in desperate plight. The present programs, as you say, are ridden with redtape and restrictions that make them largely irrelevant to the problems that many of our citizens face.

We have seen that on the limited field investigations we have already made, and I am confident that the more we move across the country, the more we will see the commonsense and the truth in the point you have made here today.

I have had a feeling for some time—it is a growing conviction on my part—that there is a sense of powerlessness, of helplessness, on

the part of millions of people in our country who just feel that they are outside of the mainstream of our society, and that nobody is listening, and I think that is behind much of the resentment and anxiety and anger in the country today that a good many millions of our citizens just feel that they are in serious difficulty and there is no way for them to make their voices heard, either at the courthouse or in Washington.

I am very hopeful that this committee can be helpful in bridging that gap, and sponsoring legislative and administrative changes that will move in the directions you have suggested to us here today.

I was particularly impressed with the point you made about the failure of these programs to come to grips with the problems in the rural sectors of the country. I think you would be the first to agree that they are not working too well in many of the cities, either.

But it is a fact that we have a problem in this country that we have been confronted with for many years, where many of our citizens are migrating out of the rural States and flocking to the cities which are already overcrowded and overcongested.

I am hopeful that we can devise programs that will make it possible for people to remain in areas such as rural Kentucky and the rural sectors elsewhere in the United States, not only because many people prefer to live in areas of that kind, but also because it might relieve some of the pressure on our overcrowded and overly congested cities.

I would like to ask you a couple of questions about your statement.

IMPORTANCE OF DOCUMENTATION

You have suggested at the top of page 8 that we push the survey efforts too much already, that people have been surveyed to death.

I can appreciate the frustration behind that statement. On the other hand, I would like to call your attention to the fact that a year or so ago when the spotlight was turned on hunger in this country, particularly in the Delta of Mississippi, some of our colleagues in the Congress responded with just flat contradictions, saying that there was no serious hunger and malnutrition in the United States.

The chairman of the House Agriculture Committee sent out questionnaires to county welfare workers all across the country, and reported on the basis of those questionnaires that there is no serious hunger or acute malnutrition.

It was partly because of the contradictions that we got from Members here in the Congress, and also from reports coming in from the field, that led me to think we needed a committee that would look very carefully at the charges that had been made and the contradictions and then try to come up with carefully documented conclusions on which we could base informed judgments.

I am wondering if you are aware of the other side of the problem, that even though there have been many surveys, there are still many people in high places in this country who don't believe that the problems are as severe as you have described them here this morning.

Mrs. DUNN. Senator McGovern, recently there was a committee, or someone, who came into our county, Breathitt, and did a nutritional survey again. We offered our assistance through the community action office. We told them, "We know where the hunger is; let us show you. We have pockets of it."

Their reply was, "No," that they must choose at random certain sections of the county and take every third house.

Now, you know who just happened to come up in that third house? Me. I said, "Please take someone else in my place, because along with this questionnaire they filled out on nutrition, you also got a free medical examination, and they said, "No, Mrs. Dunn, if you don't take advantage of it, it just means we drop that third house in your section completely, and we sure do need every person to come into the clinic so that we can compile our statistics."

The CHAIRMAN. Mrs. Dunn, you realize the other side of that argument, if they went only to the people you directed them to, they would be accused of loading the survey to give an inadequate picture.

I think the one you are referring to is the survey by the U.S. Public Health Service which was commissioned by the Congress for the purpose of giving us an accurate picture of the extent and nature of malnutrition in this country.

So I again call your attention to the problem we are going to be up against here in the Congress if we don't proceed in that kind of way. Many of our colleagues, and perhaps many of our citizens across the country, may say we have loaded our surveys in such a way as to give an extreme picture, and I think that is really the reason why both the Public Health Service and this committee are trying to take another look at the problem.

It isn't, in my judgment, that we want to postpone action, but we want to marshal our case so we know where we stand and can speak with authority when we describe the dimensions of the problem.

Mrs. DUNN. I am extremely pleased that this committee is taking a look at hunger. What I am saying to you is to really call on the people who know the problem, for the benefit of their experience and knowledge.

We have within the four-county area of middle Kentucky, four pages of material on just about every citizen, which gives you their income, whether or not they have a car, how many books they have in the home, just about anything that you would want to know, and I guess what I am trying to urge you to do is, let's take the information that has already been gathered from people who know, and I am real glad that you are taking an objective, I hope, look at the thing.

The CHAIRMAN. I quite agree that we should not wait until the end of 1969, when this committee's mandate expires, to move on the legislative and the administrative fronts. We are working very hard on proposals right now that we can present to the Congress based on the knowledge and the information we have now.

Various members of the committee, both on the minority side and the majority side, are working on proposals and suggestions to the administration that they can do without additional legislation, to correct some of the administrative problems.

We are also working on legislative proposals.

But I do think in terms of the large problem of neglect that you sketch in here today that it is going to take very careful documentation to convince both the Congress and the country of the type of program that it is going to take to end that problem.

FREE FOOD STAMPS

Let me just ask you a question or two about the food stamp program. You talked about the need for consumer education, facing up to the problems of transportation and availability of the stamps. What would be your feeling about the charges that are being made? Do you think some provision should be made to give free stamps to the very poorest families?

Mrs. DUNN. I think in cases where there is absolutely no income, we must, because when the emergency food and medical program was funded, we had an old couple who had been literally selling the furniture out of their house to buy the stamps, and they were tickled to death when we were able to pay the purchase price for them.

I don't agree that you need to give everybody free food stamps, but I do think for those people who are starving and have no other means to get them that we must, and there are always cases and emergencies.

I had a man come to me whose family—he had three children, his wife had deserted him, and he didn't know which way to turn. We purchased his food stamps until he could get some assistance, and the first money that he received, he came back to pay the money back for the stamps.

So I think, yes, that in cases where there is no other way to feed people, we must make provision for that.

The CHAIRMAN. On a related matter, what would be your feeling about going beyond free food stamps to the very poorest families to reduce the payment on the next level of families who might be able to pay something for the stamps—

Mrs. DUNN. Yes.

RAISING BONUSES

The CHAIRMAN. I gather from your statement that the bonus isn't really high enough to make it worthwhile.

Mrs. DUNN. Not in our case, because if you look at our county, and see 25 miles of road, it doesn't look like much distance, but when you travel that 25 miles of road, it is a different story. We have one community with 37 families living on one creek. There are six cars to provide transportation for those people, and it is most difficult for them to get in to the county seat to get the stamps.

We have talked to Mr. Jack Waddell, who is director of the food stamp program in Kentucky, about the possibility of mobile centers to go out to the people. He said it cost too much money.

DISTRIBUTOR OF STAMPS

The CHAIRMAN. What would be wrong with making those stamps available for distribution to the grocery stores, so you could pick the stamps up when you go for the groceries?

Mrs. DUNN. I would have to think before I answered that. I would say in some cases, with some grocers, it would be fine, but it would depend on who was selling the stamps.

The CHAIRMAN. What do you mean by that? Once the family is certified by the appropriate Government office and given a card indicating that they are eligible for a amount of stamps on such and such

a formula, what would be wrong with making those stamps available, then, on the showing of the card, from the local grocer?

Mrs. DUNN. I am afraid we still have some people who are not completely honest, sir, and some of them still take the stamps on debts, and if—

The CHAIRMAN. You mean the grocer would claim them on previous debts?

Mrs. DUNN. Yes. He has a point, the little grocer does, because he has carried this family for 4 or 5 years, you know, on credit, and the people get their stamps, and they go into town and buy from the bigger stores for as long as the stamps last, and then they come back to the small grocer and trade the rest of the month on credit.

The CHAIRMAN. But you have that problem under the present system.

Mrs. DUNN. Yes.

The CHAIRMAN. What is the difference whether they get the stamps at the court house and turn them in on a previous debt, or turn them in at the grocery store?

Mrs. DUNN. I have discussed the possibility of other ways of food stamp issuance with the food stamp people, and they tell me the stamps must be of necessity locked at a bank at a certain hour of the day, or before the bank closes, and that they must come from that bank to the place of distribution.

We had discussed the possibility of some outposts. We do have now within our county some community centers. The food stamp people could go there and issue the food stamps. We, when we asked about this possibility, were told that because it would take an armored car to take the food stamps out to the outpost.

I also talked about the possibility of mailing them and having people pay with a money order, and I am told this is being done in one of the Carolinas. I do not know which one.

The CHAIRMAN. Senator Pell, do you have any questions?

Senator PELL. No questions now.

The CHAIRMAN. Senator Cook?

TRANSPORTATION

Senator Cook. Thank you, Mr. Chairman.

You say that the basic ingredient is always left out. Each time one of these programs is created, a bureaucracy is established, and the basic ingredients is always missing. Would you expand on that?

Mrs. DUNN. Before I had any intentions of working as a mental health nurse, I served on the board for mental health and mental retardation associations. When we first started thinking in terms of a program for the mentally ill and mentally retarded, the first question I brought up was, "Where are we going to get the transportation?" Because from past experiences, I have found that in each and every program, transportation is the key.

Now I find myself working in that same program, and transportation is still not provided. When we try to get people to the U.K. medical center, and I agree that it is a wonderful resource, but it is most difficult to find transportation to U.K. when you can't get transportation from the South Fork as far as Jackson.

Free service can become expensive. The public health department gives free immunizations on Tuesdays and Fridays, and yet the mother has to spend so much money getting into town that the service no longer becomes free. However, they have agreed to come with us to a community and give their immunizations if the community wants it that way.

VICIOUS GOVERNMENT CYCLE

Senator Cook. It is hard for me to call you Mrs. Dunn, so I will call you Mary Jane.

Mrs. DUNN. Please do.

Senator Cook. Aren't you talking about this vicious cycle of so many departments and agencies that are working for a common purpose, but whether they realize it or not, are working at cross purposes?

Let me give you an example. It seems that in many instances the money used to buy food stamps is Government money. It's a vicious governmental cycle. Government money to buy Government stamps.

The people say they can't afford the stamps, and yet it is another agency that is providing the funds that are spent.

Mrs. DUNN. Nine times out of 10; yes.

Senator Cook. So we are really adding cost on top of cost in the program, aren't we?

Mrs. DUNN. Yes.

Senator Cook. Mr. Chairman, this came to my mind when we were down in Lee County, when the county commissioners said they could deliver the food, but it would cost more money, and the people who had to pay \$4 or \$5 to go to the airport and back came from the county welfare department, so they were spending it anyway.

So it gets to be a vicious cycle. The departments are dedicated, but they are not coordinated.

In this regard, Mary Jane, what would you suggest as a method, or what department do you think should coordinate all this apparent hodgepodge of agency confusion?

COORDINATION OF EFFORT

Mrs. DUNN. Before I started working in community action and worked in a doctor's office, I found that when people needed something, they would go to one department, and then they would shift, would be shifted to another department, and pretty soon they got discouraged and went home.

When we set up the central office of the community action program in the courthouse, the very first thing I did was to call in every single agency that had anything to do with people and ask them what they had available, and the people soon found they only had one place to go to, to find out where everything could be gotten, and that was through community action.

Our fieldworkers actually took the information out to the people, but if they came into town, they could come to one central office, and if they needed shots for their children we said, "public health department will give them Tuesdays and Fridays."

If they didn't know where the public health department was located, we showed them.

If they needed assistance with their food stamp program, we told

them exactly where to go. If it was something concerning their children's education, we directed them not only to the board of education, but the right person to see in the board of education.

Our mountain people are different, you know, and they don't like to tell all of their problems to everybody, and they don't like to be shuffled around from one agency to another and have to tell it over and over and over, and so, by directing them the first time to the right place can save a lot of pride and confusion.

FOOD STAMP NONPARTICIPATION

Senator Cook. Mary Jane, let me ask you, when we talk about free food stamps on this committee, there are some members who get very upset and disturbed, and yet when the food stamp program moves into a county under the present situation, commodities go out. Is that correct?

Mrs. DUNN. That is right.

Senator Cook. The commodities were received at no charge to the recipient; were they not?

Mrs. DUNN. Yes.

Senator Cook. Obviously, most of the people who were receiving commodities now have to come up with money at the first of the month to buy food stamps.

Mrs. DUNN. True.

Senator Cook. Have you found that a number of people who used to receive commodities have not exercised the opportunity to purchase food stamps because they could not purchase them?

Mrs. DUNN. The answer you get nine times out of 10 when you ask any family why they do not take advantage of the food stamp program is, "I do not have the money."

Fifty cents seems like a small amount to you, or me. We probably drink that much coffee a day. But to a family who is selling the furniture out of their house, and I know it is happening, I have seen it done, 50 cents can be awfully hard to come by.

EMPLOYMENT IN AREA BEAUTIFICATION PROJECTS

Senator Cook. There is something that you and I are aware about and maybe some people are not.

Here in Washington there is an organization known as PRIDE, and it has been given substantial amounts of money for rat eradication and wrecked automobiles from the streets.

How many wrecked automobiles are in the counties—

Mrs. DUNN. If you really want to know, we have a list of them. We tried to get them removed, and we can't. There isn't a holler you go up that you can't find a wrecked car. They are every place.

Senator Cook. Senator, I really and truly must tell you, it is some of the most beautiful country you have ever seen.

My wife and I were traveling one day, there was a place called the Frontier Nursing Service. When we arrived there, we arrived there in time to have tea with the wife of the British Ambassador, and it was disturbing to me when I left there and had to go back to Lexington, that coming out of the roads of the mountains, I passed hundreds and

hundreds of wrecked automobiles that were abandoned on the sides of the road.

I am wondering if between the two of us we can't get a program started with one of the Federal agencies that we would put people to work in the mountains removing the automobiles so that the mountains may appear as beautiful as they are.

This would beautify the area and at the same time put a lot of people to work.

Mrs. DUNN. For a long time.

Senator Cook. Judge Wooten of Letcher County advised me that he had removed a thousand abandoned automobiles from the sides of the roads, of people who go to Lexington and become employed for a time in the wintertime, and are laid off, at a later date, and they buy an automobile for \$40 or \$50 or \$75 to get them back. It works for 30 days or 90 days, and when something happens, a garage repairman tells him it is going to cost \$100 to repair, and he lets it sit on the side of the road.

Mrs. DUNN. That is true. We talk about the pollution of the streams, and we have passed some bills to that effect, and yet our streams are being polluted daily. We could put a lot of men to work taking care of that problem. Automobiles are also in the creeks and on the creek banks.

Senator Cook. Mary Jane, to be more specific, what would be the best unit of Government to provide general knowledge of all programs for needy people? What we really need is one resident expert, don't we?

Mrs. DUNN. It would save a lot of time, effort, money, and confusion if we did have; yes.

Senator Cook. What agency could best provide this service?

Mrs. DUNN. Well, I can only speak from experience, and while I was in the community action program, we were doing that very thing. It was a central place where people could come. It was not only where they could come, but we took the information out to them. The vehicle has worked very well.

I realize it has growing pains, and I would be the first to say that some of these need to be ironed out, but I do think that rather than create another such vehicle and have to go through all the growing pains again, that we have one that could be salvaged and used.

Senator Cook. Do you think there are enough Federal and State programs in existence today to solve the problems we have been discussing if we could coordinate them?

Mrs. DUNN. Absolutely, if we could change a few of those rules and regulations and quit duplicating services, I do feel that.

Senator Cook. Doesn't it bother you, Mary Jane, that in the field you are in that you have to cope with the average individual who has some abhorrence to the word "welfare"? In Collier County, Fla., I found some good examples of this. Those who love to use the word welfare to imply that all recipients are loafers are the same ones who receive over \$2 million in farm subsidies in that county from the Federal Government.

Mrs. DUNN. Frustration is hardly the word.

Senator Cook. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Pell?

EDUCATION AND MONEY—A CIRCLE

Senator PELL. Thank you, Mr. Chairman.

I find myself bothered sometimes by trying to estimate how much of the nutritional problem is a result of miseducation because of poverty, and how much of its is actually the result of an insufficient quantity of foods to eat.

Do you believe that if the people with whom you are dealing in your county had different dietary habits that the malnutrition could be licked?

Mrs. DUNN. You mean without the money to purchase?

Senator PELL. Yes.

Mrs. DUNN. No. Education alone would not do it.

Senator PELL. Lack of money and poverty is the real cause?

Mrs. DUNN. I would say it is difficult to separate it, sir. It would be hard to say that the whole problem is lack of education, or the whole problem is lack of money, because in growing up myself, I grew up in a poor home, but we had molasses, which are a rich source of iron, we had turnips, rich in vitamin C, we had fresh tomatoes, and my mother was a very good hand to manage, and it is about half and half.

Even if you know what a good diet is and you don't have the money, you can't purchase it. If you have the money and purchase it, but you don't know what to purchase, it is still a problem.

So I would say that it is about half and half.

Senator PELL. Do you think that the food stamp program could be altered in any way so that it would produce a better diet, that it should be more restrictive for the purposes for which it can be used?

Mrs. DUNN. I sure would take pop and candy off that list right fast.

Senator PELL. Should it be used to buy vitamins?

Mrs. DUNN. We can get free vitamins, and I think maybe like under the emergency food and medical program now, you can purchase vitamins when the doctor thinks they are needed.

Senator Cook. Would the Senator yield one minute, and would you also add soap and detergent to that list?

Mrs. DUNN. Amen. Because you can't wash children's clothes, clean the dishes, or wash their faces if you don't have soap and detergent. I would take off the cake mixes and put on soap and detergent.

The CHAIRMAN. Thank you very much, Mrs. Dunn. We appreciate your testimony, and I am sure it has made a valuable contribution to the work of this committee.

Mrs. DUNN. If I can be of further assistance at any time, just call. Thank you.

The CHAIRMAN. The committee will stand adjourned.

(Whereupon, at 11:20 a.m., the committee adjourned, to reconvene in Washington, D.C., on April 14, in room 318, Old Senate Office Building.)

NUTRITION AND HUMAN NEEDS

MONDAY, APRIL 14, 1969

U.S. SENATE,
SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS,
Washington, D.C.

The committee met at 10:10 a.m., pursuant to recess, in room 318, Old Senate Office Building, Senator Walter F. Mondale presiding.

Present: Senators Ellender, Mondale, Pell, Percy, Cook, and Dole.

Staff members present: William C. Smith, counsel; and Clarence McKee, professional staff member for the minority.

Senator MONDALE. We are privileged to have Mr. Ben Heineman with us this morning. He is Chairman of the President's Commission on Income Maintenance Programs, and is president and chief executive officer of Northwest Industries and is, I think by everyone's agreement, one of the truly enlightened broad-gaged businessmen in the country today.

Senator PERCY, would you like to do the honors?

Senator PERCY. Mr. Chairman, I would like to add a bipartisan amen to your comments. We look on Ben Heineman, in Chicago, as one of the great industrialists in the country, who not only runs a good railroad and a great industry, but also gives unstintingly of his time to public service. He does perform as director of the First National Bank in Chicago, and Bell Telephone Co., and other business enterprises, but I think he has really made his image or contributions in such activities as the Chairman of the White House Conference on Civil Rights, and the work that he has been putting into this area will, I think contribute immeasurably to the work of this committee, our understanding, and the responsibilities that we have, and I would like to welcome you, Mr. Heineman, to the Senate, and we will look forward with great interest to the help that you can give to us.

Senator MONDALE. Thank you, Senator Percy.

Mr. Heineman.

STATEMENT OF BEN W. HEINEMAN, CHAIRMAN, PRESIDENT'S COMMISSION ON INCOME MAINTENANCE PROGRAMS

Mr. HEINEMAN. Thank you, Mr. Chairman, and thank you Senator Percy.

My name is Ben W. Heineman.

It goes without saying that I am pleased to appear before this distinguished committee. Because of your efforts the Nation can no longer deny the existence of hunger and malnutrition in America. You have highlighted problems which have been repeatedly denied by some administrators, politicians, and businessmen.

You have provided dramatic documentation of these shocking conditions, and it is inconceivable to me that vigorous public action should not follow.

PRESIDENT'S COMMISSION ON INCOME MAINTENANCE PROGRAMS

I would like today to reproduce some of the information and impressions I have received while serving as Chairman of the President's Commission on Income Maintenance Programs. I must emphasize, however, that I speak only as an individual and do not necessarily represent the views of the full Commission.

The President's Commission on Income Maintenance Programs was established in January 1968 to study the broad issues of income maintenance and public programs that affect the distribution of income and the living standards of low-income people.

The scope of the Commission's efforts has included direct cash transfer programs such as public assistance, social security, unemployment insurance, veterans programs, and the like; employment and training programs; social service and rehabilitation programs; and in-kind programs such as housing, medical, and food programs.

The Commission staff has prepared analyses of current and proposed programs of these types. To understand the problems of poor- and low-income persons in greater depth, however, and the way in which public programs operate in the fields, the Commission has conducted a series of public hearings in widely scattered and representative regions of the United States. Thirteen such hearings have been held to date. I have attended two hearings thus far and have sampled transcripts and staff reports of the other hearings. These activities have been complemented by the many excellent studies prepared by our staff.

I find it difficult to understand how conditions such as we have observed can exist in this century in this country: hunger is not uncommon; there is an appalling amount of housing that is unfit for human habitation; medical attention is often inadequate and unavailable.

VICIOUS CIRCLES

Most disturbing is that in many cases the possibility for improvement is not realistically within the power of the individuals affected. In talking and listening to the poor, one is struck by the vicious circles which characterize poverty—for the normal man becoming unpoor seems inordinately difficult.

I have gathered impressionistic data on the effects of bad diet and inadequate food budgets from our field investigations. Many witnesses reported one or more mentally retarded family members; many children and adults had sallow complexions, lank hair, poor teeth; many persons were visibly underweight; some were grossly obese.

We saw pregnant women who could not afford proper food for themselves and, therefore, for the children they were carrying. We talked with diabetics and others with illnesses requiring special diets who were not adhering to them for financial reasons.

I am, of course, neither a physician nor a scientist. I cannot therefore speak with "expert" knowledge of the medical aspects involved in your investigations. I cannot conclude with the authority of a physician that the apparent incidence of mental retardation, for example, is a result of inadequate diet.

INCOME FACTOR IMPORTANCE

I can reasonably conclude, however, that there is hunger and that there are many Americans receiving inadequate diets. I can also reasonably conclude that these conditions are not the simple result of insufficient knowledge but rather the result of insufficient money with which to purchase proper food, safe and sanitary housing, medical attention, and the like.

Moreover, the urgency of the problems of low-income persons—the potential lasting effects that day-to-day deprivation of basic necessities may have—is compelling.

I will not dwell on the impact of hunger and poverty. You have seen and heard about this as have I. Rather, I will move directly to a discussion of current programs and alternative solutions.

FOOD PROGRAMS AND THE POOR

The Commission has inquired into the operation of the primary food programs—the food stamp program, the commodity distribution program, and the school lunch program—both in research activities conducted in Washington and in field hearings.

From these investigations, it seems to me that there are serious problems with these programs. The problems are of such magnitude and are so inherent in the in-kind programs, particularly food programs, as to warrant a thorough reappraisal of them as antipoverty strategies. Consideration of more fundamental income support programs in their place is called for.

Our hearings and studies indicate a common set of difficulties with respect to food programs. Therefore, I will list only in summary form what I believe to be the most serious specific problems.

WITH RESPECT TO THE FOOD STAMP PROGRAM

Many poor people cannot afford food stamps even though they may seem to be a bargain. The lump-sum payment method and the fixed minimum purchase requirement strain many budgets.

Many people cannot conveniently and cheaply get to distribution points to buy the stamps. In cities and rural areas alike, this is a major problem. Scarce funds may be spent getting to purchase offices on the specified dates.

People cannot use stamps for many necessary food-related items—toilet articles, soap, detergents, and the like. While we know why these items were excluded, the distinction seems arbitrary to many program participants since excluded items may be found on the same grocery store shelves as approved items.

Many feel a stigma when they pay with stamps. Federal regulations require that store cashiers take stamps from books, a regulation which many find demeaning and humiliating.

Not all areas have programs, due to local option. Many counties have refused to adopt this program despite the presence within the counties of many poor people.

Families must buy stamps regularly if they wish to remain in the program. If a family cannot participate regularly, for one reason or another, they may be excluded.

WITH RESPECT TO THE COMMODITY DISTRIBUTION PROGRAM

There is very little variety provided: Few items are included in the distribution package and there is little change from month to month.

The packages do not provide adequate diets: Typically they lack meats, vegetables, and fruits.

It may be difficult and expensive to get to distribution points. Bulky, heavy packages present special problems for the aged and the handicapped.

Not all areas have elected to participate in this program (or other food programs).

Local administrators have great discretion in applying eligibility rules, which may vary widely from place to place.

Income eligibility cutoff points, based on public assistance, standards, are extremely low in some areas.

WITH RESPECT TO LUNCHES

Local discretion as to whether to participate in the school lunch program and whether to provide free lunches to poor children arbitrarily excludes many needy children.

Unnecessary stigma is often attached. Children frequently must do visible, menial work to earn their food.

In short, we have set up food programs which have the effect of sharply restricting participation. Correcting this situation will entail formulation of simpler rules and considerably less local discretion. It will certainly require a great expenditure of funds. For the basic problem is that not all who are in need can participate now, and not all those fortunate enough to participate receive sufficient benefits.

FOOD PROGRAM REFORM

I have implied several reforms that could be carried out in the existing food program.

We could federalize eligibility requirements and establish lower purchase requirements, thus increasing the potential program population and the adequacy of benefits for participants.

We could federalize the entire operation of the food stamp and commodities programs.

These and other reforms, I feel, should be instituted with the recognition at the same time that we must provide more general solutions to the problem of low income.

CRITERIA FOR IN-KIND PROGRAMS

In general, income-in-kind programs are supported by three general factors. I would like to consider food programs in this context.

1. General welfare: The first factor is the greater ability of government to organize and provide some benefits and services than individuals acting alone. These benefits and services are often deemed so critical to the general welfare that the Government takes responsibility for their provision. Education, minimal social services and various public facilities such as roads, parks and playgrounds are good examples of these benefits.

There seems to be little question, with respect to food, that, except perhaps in times of famine, individuals are as capable or more capable than the Government of procuring their own food. Programs distributing food directly to low-income persons—such as the commodity distribution program—have not won the approval of their client population for the variety of reasons I have mentioned earlier. In this case, the Government has provided probably less than individuals could have provided with equal amounts of cash.

2. Supply problems: Another reason for the provision of in-kind benefits is the inability of the private market to provide similar benefits with sufficient speed, at low cost, and in diverse locations. It is sometimes said, for example, that even if every family had an adequate income, they would not be able to purchase adequate housing because the private market could not respond to their demands. Therefore, some argue, the Government must subsidize the housing market for some time to come.

While I have not reached a conclusion with respect to the issue of housing, I have concluded that there is no supply problem with food. The quantity of food produced can be increased readily in response to money demand.

Further, I think it is time we conceded the limits of governmental ability to operate nonmarket distribution systems effectively and efficiently. The result of such attempts in the past, as manifest in our food programs, has been that program benefits are not effectively delivered to the people at whom they are directed.

Time after time during hearings we have heard reports of programs and regulations seemingly designed to keep people out. There are Spanish-speaking areas where program guides and brochures are issued only in English. Food or food stamps are often distributed from central locations on a limited number of days each month. Rules are cumbersome, and inflexible, and sometimes incomprehensible. Services are provided at inconvenient times and places, often without the knowledge of those for whom they are intended.

The moral is not that we can do without government, but that we must recognize limitations upon its capacity. Governmental mechanisms should be simple and easy to understand. Governmental mechanisms should not be set up to undertake direct delivery of goods and services that can be provided by free markets.

The Government carries out these service functions much less admirably than it performs other functions such as the collection of taxes and the distribution of formularized social security benefits.

3. Faulty consumer preferences: The third argument for providing in-kind benefits is the feeling that households cannot be depended upon to choose properly for themselves. They may not choose to allocate their resources to include enough of the things that we think they need most. This rationale, I believe, has been one primary factor behind the provision of food benefits as well as many other welfare programs for the poor.

It has been public policy to have the nonpoor decide what the poor need, and to provide them with these things rather than with money which could be misspent. It has generally been believed that dependency and poverty spring from faulty values or from laziness, apathy and the like, and that the treatment of poor and dependent families should include rehabilitation services and guidance.

Mr. Chairman, on the basis of the field visits, I personally reject this premise.

Given the extremely low income of many of our witnesses, I was amazed at how they could manage at all. They often displayed incredible ingenuity in food preparation, and provided as much variety and as balanced a diet as could be expected.

Senator MONDALE. Would you yield there, please?

Mr. HEINEMAN. Yes, sir.

Senator MONDALE. In our hearings on hunger (I just returned from Alaska and elsewhere), I have always been slightly flabbergasted that the poor are still alive, when you realize the circumstances under which they live, and the absence of income.

Now, you indicate that your commission has explored how it is that they do survive, and the wisdom of their choices, even in the light of the tragically restricted income.

Do you have any generalized data that you have developed that you could submit for the record, observations that you could submit that help you better see how an impoverished person does spend his money, on the average?

Mr. HEINEMAN. We have hearing data, from witnesses, as to how they spend their money and how they shop.

Senator MONDALE. Could you ask your staff to prepare some generalizations, as best they can, on that issue, and submit it for the record.

Mr. HEINEMAN. Yes, sir.

Senator MONDALE. Thank you very much.

Mr. HEINEMAN. Thank you, sir.

(The material follows:)

EXPENDITURE PATTERNS OF LOW-INCOME FAMILIES

There are few data available on the spending patterns of low-income households. With the exception of the generalizations gleaned from the 1960 consumer expenditure survey data, the illustrations in this paper are based on small studies and impressions received in the course of the Commission's field investigations.

The fact that low-income households are able to manage as well as they do suggests that many of them possess considerable skills in stretching their small income to cover as many of life's necessities as they can. These skills, coupled with the substantial budget deficits of poor families, suggest that there is little chance that additional funds going to these families will be "wasted." In fact, what little hard data we do have indicates that low-income families have expenditure patterns similar to those of higher-income families.

SIMILARITIES OF EXPENDITURE PATTERNS ON NECESSITIES

The 1960 Consumer Expenditure Survey of the Bureau of Labor Statistics¹ shows that low-income households allocate their expenditures in much the same way as higher income households—they buy necessities first and spend what is left on less essential items. Taken together food, clothing, and housing comprise a substantial share of the budget of low-income families as illustrated in the following table.

Average Proportion of Family Income Spent on Necessities

<i>Total expenditures (in dollars)</i>	<i>Average propensity to consume (percent)</i>
0 to 1,999	63.60
2,000 to 2,999	65.40
3,000 to 3,500	62.69
5,000	63.70

¹ U.S. Department of Labor, Bureau of Labor Statistics, *Survey of Consumer Expenditures, 1960-61*, BLS Reports No. 237-293 and Supplements.

The table also shows that the proportion of income spent on necessities by low-income households (those with consumption expenditures below \$3500) is, in fact, about the same as that spent by higher-income households. It should be noted here that these figures are based on averages. Many poor households, especially those at the lowest income levels with large families have nothing left to spend on non-necessities, if, indeed, they are even able to cover necessities.

BUDGET DEFICITS OF THE POOR

Many low-income families have to do without what we consider in our society to be necessities.

For example, families living on welfare frequently have less than the States themselves define as the minimum amount necessary to live with health and decency. If out of a grant of \$140, a household of three has to pay \$70 for rent, it cannot spend the \$102 that a minimum adequate diet would cost.

A minimum adequate diet costs about a dollar a day per person, and this diet requires utmost ingenuity in purchasing and cooking skills. Many of the families we talked to are living on less than \$1.00 a day per person for *all needs*. The average monthly welfare grant exceeds by only \$.33 this \$1.00 per person a day. It thus takes a great deal of money management simply to survive. When it is recognized that families must clothe their members for work and school in addition to paying for food and shelter, the formidable task they face becomes self-evident.

A recent study of AFDC families² indicates that the surveyed families spent five-eighths as much on food as the average Western United States family of the same size, less than five-eighths as much on housing and related costs, one-sixth as much on clothing, one-eighth as much on transportation, one-ninth as much on consumer durables, and a barely discernible amount—far less than the “average” American family—on recreation, personal care, and other pleasures that people find in life.

“COPING” PATTERNS OF THE POOR

Many mothers on welfare recognize that their families are not adequately fed. Even those who feel they are adequately fed often go without fruit and eat little meat or vegetables. To keep their families from starving, women on welfare often use great ingenuity to reduce their food costs. They may buy in large quantities at markets where damaged canned goods and day-old bread is sold at discount. Many use dried milk instead of liquid milk, despite taste preferences. They buy large amounts of cheap dried foods like spaghetti and beans that do not spoil and are nutritious. They use surplus commodities when the program is available to them and food stamps when they can afford them. They may share transportation costs for shopping trips away from neighborhood stores. That these efforts are effective is evidenced by the Department of Agriculture's 1965 Food Consumption Survey³ which indicated that low-income households on the average had a greater return in both calories and nutrients for each dollar they spent on food than did households with tighter incomes.

Clothing for school children presents an especially critical problem for poor families. One study of AFDC families in a large city⁴ showed that only about half the clothing for children was purchased, most of it from thrift shops and other used clothing stores. Families depended in large part upon gifts of used clothing from relatives and neighbors, and even from teachers. In the above-mentioned AFDC study, about three-quarters of the children had no raincoats, only half had rubbers or boots.

The families in this study had an average of three children each, yet only nine of them reported expenditures for school supplies. Most of them spent nothing for recreation and little for transportation except for emergencies. Durable goods such as furniture and appliances were most often bought second-hand.

Other means of coping that have been cited include: skipping a rent payment or a utility bill—sometimes being evicted saves a month's rent; “borrowing” food from friends and relatives; reliance on credit—“We don't pay the full price for food. We get credit on food and pay once a month. But we don't pay all of it,

² Gil Bonem and Philip Reno, “By Bread Alone, and Little Bread: Life on AFDC,” *Social Work*, Vol. 13, No. 4, October 1968.

³ U.S. Department of Agriculture, Agricultural Research Service, “Dietary Levels of Households in the United States, Spring 1965, a Preliminary Report,” ARS 62-17, January 1968.

⁴ Charles N. Lebeaux, “Life on ADC in Detroit 1963,” *National Association of Social Workers Metropolitan Detroit Newsletter*, Vol. 1, No. 3, March 1964.

we just pay a portion of it." Who pays the rest? "He (the grocer) just carries it over to the next month."⁵

One can reasonably conclude that one of the most effective measures low-income families use to keep their heads above water is "doing without."

"I have to cut corners and now I am cutting right down the middle. I don't have any corners to cut."⁶

"There's a lot of thing I have to do without."⁷

"Well, the doctor told me not to eat meat and stuff like that. But I have to eat what I can get."⁸

"We sold our home and sold everything we had. Had to. I always have to plan it out some way or find something around the place to sell or something."⁹

"Sometimes we don't eat. Sometimes we eat and sometimes we look at each other."¹⁰

"Whatever we can eat we grab and try to keep healthy."¹¹

PROJECTED EXPENDITURE PATTERNS

The general impression one receives from reviewing research data and listening to the testimonies of poor people is that despite managing efforts that are certainly no worse, and probably considerably more skilful, than those of the nonpoor, deprivation is exerting a personal strain on individuals and families and that the resulting loss of physical and mental health is incurring serious costs for the whole society as well as for the individuals involved.

There is abundant evidence that more money is needed. There is no evidence to suggest that additional funds going to the poor would be "wasted." Perhaps the most simple statement of this came from a young lady aged 20 who was taking care of 10 brothers and sisters on \$170 a month. When asked what she would do with an additional \$100 a month she replied: "Well that is not so difficult to answer. Food would take up that \$100."

INCOME

Mr. HEINEMAN. Ingenuity, however, no matter how great, can't compensate for the lack of cash to buy meats, fruits, vegetables, and milk. Consequently, many witnesses testified to a steady diet of rice, beans, potatoes and, in some areas, tortillas.

One disabled father, supporting his three children on welfare payments, testified that he recently took his three children to the doctor. He was told that the reason the children were sick was lack of vitamins and vegetables and the like. This father knew his children's needs, yet he could do little about it. He testified with reference to providing fruits and vegetables: "That is impossible; I can't give it to them. We eat what we can, what we have, and that is it."

Some low-income persons undoubtedly need nutritional education, as do people at nearly all income levels. If poor households lack the education to choose wisely, then the remedy is more education.

The most pressing need, however, is food, and the money with which to buy it.

The economic opportunity philosophy that is at the heart of many of our newer programs espouses the idea that the major difference be-

⁵ Witness (age 20, taking care of 10 brothers and sisters on \$170 a month) in Commission hearings in Mississippi County, Arkansas.

⁶ Witness (taking care of 5 children on \$107 a month) in Commission hearings in St. Joseph, Louisiana.

⁷ Witness (disabled mother and daughter living on \$109.50 a month) in Commission hearings in Quincy, Florida.

⁸ Witnesses (aged couple in poor health living on \$98 a month) in Commission hearings in Quincy, Florida.

⁹ Witnesses (aged couple, disabled husband, with no income) in Commission hearings in Jackson, Kentucky.

¹⁰ Witness in Commission hearing in Tucson, Arizona.

¹¹ Witness (family with disabled father, mother, and three children living on \$200 a month) in Commission hearings in Albuquerque, New Mexico.

tween a poor and a nonpoor person is the extent to which each is free to choose the material and cultural components of his environment. The poor are different from the nonpoor because their choice of living standards is restricted, not because they innately prefer different standards.

MARGINAL PROPENSITY TO PURCHASE FOOD

The problem of poverty can be solved by providing the poor with opportunities to improve their income-earning ability and by supplementing low incomes. These are essential first steps toward enlarging the choices of the poor.

Although it is difficult to prove that income increases in poor households would be efficiently devoted to improvement in their diets, empirical data suggest that the spending habits of poor households are not much different from those of more affluent households.

Recent data indicate that until a household reaches a certain income level, well above the poverty line, its food purchases rise proportionately with income. Thus, there is evidence that some part of any increase in the income of poor households will be devoted to food.

FREEDOM OF CHOICE

On the basis of these arguments, I have concluded that our current food programs are encroachments on individual freedom of choice.

Food programs seem to meet none of the positive criteria for the provision of inkind benefits. Moreover, there are indeed strong negative reasons for not supplying food benefits in kind, particularly in not relying upon expanded food programs in the long run.

There is a problem with local administration. While purchase requirements are standardized nationally, eligibility is determined according to State and local public assistance standards which vary considerably. Administration through local public assistance offices varies from place to place, depending generally on the spirit with which public assistance is granted.

We have found that these programs may be carried out with an overriding punitive tone, and that the association with the welfare office deters many people from applying. Even where administration of welfare is relatively liberal, the stigma of welfare is a very real thing, and carries over to food programs, as well.

Significantly, enlarging the inkind food programs could have a number of undesirable consequences. This action could lead to much greater consumer pressure on merchants to sell unauthorized commodities for stamps. Merchants, unwilling to lose increased purchasing power, would be more inclined to agree.

This would lead to an increase in policing costs, as well as to considerably greater annoyance for merchants in terms of the bookkeeping and other problems entailed in running a dual currency system.

THE WIDER PROBLEM: INSUFFICIENT INCOME

Even assuming all food programs worked well enough to provide adequate diets—and I, personally, do not believe they could be changed to do so—severe needs would still remain. Children have to be clothed for school, rent must be paid, and so must utility bills.

The main problem facing poor people is not a failure of food programs, but lack of money. Poor food consumption is only one symptom of inadequate income. Clearly, legislative and/or administrative changes alone cannot make a food supplement program fully effective in raising the dietary levels of the needy while there is still inadequate income for other necessities of life. Without adequate income levels, there will be a tendency for recipients to substitute the free food for their former food purchases to increase their purchase of other family necessities, or they may be reluctant to participate in any food program which requires a fixed outlay for food. Such a plan hampers their ability to adjust expenditures to meet other family needs.

The lack of other basic necessities can easily undermine the objectives of food programs. While better nutrition could improve levels of health, the often-noted problem of worms will persist until children wear shoes. Until families have hot water easily accessible to them, and proper garbage and toilet facilities, their greater susceptibility to disease will not be lowered.

If families continue to live in unheated, drafty shacks and apartments, they will continue to be vulnerable to the vagaries of the weather.

What is needed is an integrated set of programs providing both adequate food and adequate income for the necessities of life. If sufficient income were provided, of course, the need for special food programs would disappear. This, I believe, is more in harmony with the American ideal of adequately meeting the needs of all citizens within our traditional framework of free choice. If shortrun changes are made in food programs they should be carefully integrated with cash programs.

The Commission is currently evaluating various income maintenance proposals that will maximize some of the objectives I have considered here today.

We are concerned with programs which provide adequate incomes to all in need, rather than just certain categories of persons; we are concerned with eliminating the unnecessary and irrational differences that exist in the treatment of the poor from place to place and program to program; and, we are concerned with simplifying the system so that the rules, requirements, and entitlements may be clearly understood.

I cannot tell you now what our program recommendation will be, for our deliberations have not proceeded this far. But it is in the context of a system of this sort—fairer, more adequate to meet all needs, and providing greater hope and incentives for the future, that I have placed reform of food programs and I find such reform wanting.

Basically, in my view, the issue is one of priorities in the allocation of resources; of an incremental versus total attack on the problems of low-income people in the United States.

If we somehow solve the food problem, we must then solve the housing problem. If, after more hearings, new Commissions and television documentaries, and renewed public indignation, we solve the housing problem, we will then have to solve the clothing problem and the medical problem and the transportation problem, and so on and so on.

It seems to me that we must recognize all of these problems for what they are: Interrelated attributes of the lack of money income. Perhaps if we do that we can make a concerted attack on the basic problem, rather than taking a time-consuming, inefficient and unsure route as the one we have followed in the past. For that path has put us where we are today.

Thank you, Mr. Chairman.

STATEMENT BY BEN W. HEINEMAN, CHAIRMAN, THE PRESIDENT'S COMMISSION ON INCOME MAINTENANCE PROGRAMS, WASHINGTON, D.C.

[Press release]

The Chairman of the President's Commission on Income Maintenance Programs today stated that—"The urgency of the problem of low income persons—is compelling."

Mr. Ben W. Heineman, Chairman of the Commission made this remark before the Select Senate Committee on Nutrition and Human Needs.

He outlined for the Committee the activities of the President's Commission, which has held public hearings in 13 cities throughout the United States and has been conducting research since its formation on January 2, 1968.

He specifically noted that the existing food programs are operating poorly. This is true of both the Food Stamp and Commodity Distribution Programs. Mr. Heineman noted that many persons in equal need are not reached by either or any programs. He also expressed the view that focusing on food problems alone ignores other related problems. For food inadequacy is basically a symptom of inadequate income. Solving the food problem is not sufficient. He noted that: "If we somehow solve the food problem, we must then go on and solve the housing problem. If, after more hearings new commissions, television documentaries, and renewed public indignation, we solve the housing problem, we will then have to solve the clothing problem and the medical problem and the transportation and so on and so on.

"It seems to me that we must recognize all of these problems for what they are: interrelated attributes of the lack of money income. Perhaps, if we do that, we can make a concerted attack on the basic problem, rather than taking a time-consuming, inefficient, and unsure route such as the one we have followed in the past. For that path has put us where we are today."

In addition to being the Chairman of the President's Commission on Income Maintenance Programs, Mr. Heineman is the President and Chief Executive Officer of Northwest Industries. Mr. Heineman is a resident of Chicago.

PREPARED STATEMENT OF BEN W. HEINEMAN

Mr. Chairman, I am Ben W. Heineman. I am pleased to appear before this distinguished committee. Because of your efforts the nation can no longer deny the existence of hunger and malnutrition in America. You have highlighted problems which have been repeatedly denied by some administrators, politicians, and businessmen. You have provided dramatic documentation of these shocking conditions, and it is inconceivable to me that vigorous public action should not follow.

I would like today to reproduce some of the information and impressions I have received while serving as Chairman of the President's Commission on Income Maintenance Programs. I must emphasize, however, that I speak only as an individual and do not necessarily represent the views of the full Commission.

The President's Commission on Income Maintenance Programs was established in January 1968 to study the broad issues of income maintenance and public programs that affect the distribution of income and the living standards of low income people. The scope of the Commission's efforts has included direct cash transfer programs such as Public Assistance, Social Security, Unemployment Insurance, Veterans' programs, and the like; employment and training programs; social service and rehabilitation programs; and in-kind programs such as housing, medical and food programs.

The Commission staff has prepared analyses of current and proposed programs of these types. To understand the problems of poor and low income persons in greater depth, however, and the way in which public programs operate "in

the field," the Commission has conducted a series of public hearings in widely scattered and representative regions of the United States. Thirteen such hearings have been held to date. I have attended two hearings thus far and have sampled transcripts and staff reports of the other hearings. These activities have complemented the many excellent studies prepared by our staff.

I find it difficult to understand how conditions such as we have observed can exist in this century in this country: hunger is not uncommon; there is an appalling amount of housing that is unfit for human habitation; medical attention is often inadequate and unavailable. Most disturbing is that in many cases the possibility for improvement is not realistically within the power of the individuals affected. In talking and listening to the poor, one is struck by the vicious circles which characterize poverty—for the normal man becoming *unpoor* seems inordinately difficult.

I have gathered impressionistic data on the effects of bad diet and inadequate food budgets from our field investigations. Many witnesses reported one or more mentally retarded family members; many children and adults had sallow complexions, lank hair, poor teeth; many persons were visibly underweight; some were grossly obese. We saw pregnant women who could not afford proper food for themselves and, therefore, for the children they were carrying. We talked with diabetics and others with illnesses requiring special diets who were not adhering to them for financial reasons.

I am neither a physician nor a scientist. I cannot therefore speak with "expert" knowledge of the medical aspects involved in your investigations. I cannot conclude with the authority of a physician that the apparent incidence of mental retardation, for example, is a result of inadequate diet. I can reasonably conclude, however, that there is hunger and that there are many Americans receiving inadequate diets. I can also reasonably conclude that these conditions are not the simple result of insufficient knowledge but rather the result of insufficient money with which to purchase proper food, safe and sanitary housing, medical attention, and the like.

Moreover, the urgency of the problems of low income persons—the potential lasting effects that day-to-day deprivation of basic necessities may have—is compelling.

I will not dwell on the impact of hunger and poverty. You have seen and heard about this as have I. Rather I will move directly to a discussion of current programs and alternative solutions.

FOOD PROGRAMS AND THE POOR

The Commission has inquired into the operation of the primary food programs—the Food Stamp Program, the Commodity Distribution Program, and the School Lunch Program—both in research activities conducted in Washington and in field hearings.

From these investigations, it seems to me, that there are serious problems with these programs. The problems are of such magnitude and are so inherent in in-kind programs, particularly food programs, as to warrant a thorough reappraisal of them as anti-poverty strategies. Consideration of more fundamental income support programs in their place is called for.

Our hearings and studies indicate a common set of difficulties with respect to food programs. Therefore, I will list only in summary form what I believe to be the most serious specific problems.

With respect to the Food Stamp Program:

Many poor people cannot afford food stamps even though they may seem to be a bargain. The lump sum payment method and the fixed minimum purchase requirement strain many budgets.

Many people cannot conveniently and cheaply get to distribution points to buy the stamps. In cities and rural areas alike, this is a major problem. Scarce funds may be spent getting to purchase offices on the specified dates.

People cannot use stamps for many necessary food-related items—toilet articles, soap, detergents, etc. While we know why these items were excluded, the distinction seems arbitrary to many program participants since excluded items may be found on the same grocery store shelves as approved items.

Many feel a stigma when they pay with stamps. Federal regulations require that store cashiers take stamps from books, a regulation which many find demeaning and humiliating.

Not all areas have programs, due to local option. Many counties have refused to adopt this program despite the presence of many poor people.

Families must buy stamps regularly if they wish to remain in the program. If a family cannot participate regularly, for one reason or another, they may be excluded.

With respect to the Commodity Distribution Program:

There is very little variety provided: few items are included in the distribution package and there is little change from month to month.

The packages do not provide adequate diets: typically they lack meats, vegetables, and fruits.

It may be difficult and expensive to get to distribution points. Bulky, heavy packages present special problems for the aged and handicapped.

Not all areas have elected to participate in this program (or other food programs).

Local administrators have great discretion in applying eligibility rules, which may vary widely from place to place.

Income eligibility cut-off points, based on Public Assistance standards, are extremely low in some areas.

With respect to school lunches:

Local discretion as to whether to participate in the School Lunch Program and whether to provide free lunches to poor children arbitrarily excludes many needy children.

Unnecessary stigma is often attached. Children frequently must do visible, menial work to "earn" their food.

In short, we have set up food programs which have the effect of sharply restricting participation. Correcting this situation will entail formulation of simpler rules and considerably less local discretion. It will certainly require a greater expenditure of funds. For the basic problem is that not all who are in need can participate now, and not all those fortunate enough to participate receive sufficient benefits.

FOOD PROGRAM REFORM

I have implied several reforms that could be carried out in the existing food programs.

We could allow commodity and stamp programs to operate in the same counties, although the Food Stamp Program should clearly be the major food program.

We could Federalize eligibility requirements and establish lower purchase requirements, thus increasing the potential program population and the adequacy of benefits for participants.

We could Federalize the entire operation of the Food Stamp & Commodities Programs.

These and other reforms, I feel, should be instituted with the recognition at the same time that we must provide more general solutions to the problem of low income.

CRITERIA FOR IN-KIND PROGRAMS

Income-in-kind programs are supported by three general factors. I would like to consider food programs in this context.

1. *General welfare*

The first factor is the greater ability of Government to organize and provide some benefits and services than individuals acting alone. These benefits and services are often deemed so critical to the general welfare that the Government takes responsibility for their provision. Education, minimal social services, and various public facilities such as roads, parks, and playgrounds are good examples of these benefits.

There seems to be little question, with respect to food that, except perhaps in times of famine, individuals are as capable or more capable than the Government of procuring their own food. Programs distributing food directly to low-income persons—such as the Commodity Distribution Program—have not won the approval of their client population for the variety of reasons I have mentioned earlier. In this case the Government has probably provided less well than individuals could have provided with equivalent amounts of cash.

2. *Supply problems*

Another reason for the provision of in-kind benefits is the inability of the private market to provide similar benefits with sufficient speed, at low cost, and in diverse locations. It is sometimes said, for example, that even if every family

had an adequate income, they would not be able to purchase adequate housing because the private market could not respond to their demands. Therefore, some posit, the Government must subsidize the housing market for some time to come.

While I have not reached a conclusion with respect to the issue of housing, I have concluded that there is no supply problem with food. The quantity of food produced can be increased readily in response to money demand.

Further, I think it is time we conceded the limits of Governmental ability to operate nonmarket distribution systems effectively and efficiently. The result of such attempts in the past, as manifest in our food programs, has been that program benefits are not effectively delivered to the people at whom they are directed.

Time after time during hearings we have heard reports of programs and regulations seemingly designed to keep people *out*. There are Spanish-speaking areas where program guides and brochures are only issued in English. Food or food stamps are often distributed from central locations on a limited number of days each month. Rules are cumbersome, and inflexible, and sometimes incomprehensible. Services are provided at inconvenient times and places, often without the knowledge of those for whom they are intended.

The moral is not that we can do without government, but that we must recognize limitations upon its capacity. Governmental mechanisms should be simple and easy to understand. Governmental mechanisms should not be set up to undertake direct delivery of goods and services that can be provided by free markets. The Government carries out these service functions much less admirably than it performs other functions such as the collection of taxes and the distribution of formularized Social Security benefits.

3. *Faulty consumer preferences*

The third argument for providing in-kind benefits is the feeling that households cannot be depended upon to choose properly for themselves. They may not choose to allocate their resources to include enough of the things that we think they need most. This rationale, I believe, has been one primary factor behind the provision of food benefits as well as many other welfare programs for the poor.

It has been public policy to have the nonpoor decide what the poor need, and to provide them with these things rather than with money which could be mispent. It has generally been believed that dependency and poverty spring from faulty values, laziness, apathy and the like, and that the treatment of poor and dependent families should include rehabilitation, services, and guidance. Mr. Chairman, on the basis of the field visits, I personally reject this premise.

Given the extremely low income of many of our witnesses, I was amazed at how they could manage at all. They often displayed incredible ingenuity in food preparation, and provided as much variety and as balanced a diet as could be expected. Ingenuity, however, cannot compensate for the lack of cash to buy meats, fruits, vegetables, and milk. Consequently, many witnesses testified to a steady diet of rice, beans, potatoes, and, in some areas, tortillas.

One disabled father, supporting his three children on welfare payments, testified that he recently took his three children to the doctor. He was told that the reason the children were sick was lack of vitamins and vegetables and the like. This father knew his children's needs, yet could do little about it. He testified with reference to providing fruits and vegetables: "That is impossible, I can't give it to them. We eat what we can, what we have, and that is it."

Some low income persons undoubtedly need nutritional education, as do people at nearly all income levels. If poor households lack the education to choose wisely, then the remedy is more education. The most pressing need, however, is food, and the money with which to buy it.

The economic opportunity philosophy that is at the heart of many of our newer programs espouses the idea that the major difference between a poor and a nonpoor person is the extent to which each is free to choose the material and cultural components of his environment. The poor are different from the nonpoor because their choice of living standards is restricted, not because they innately prefer different standards. The problem of poverty can be solved by providing the poor with opportunities to improve their income-earning ability and by supplementing low incomes. These are first steps toward enlarging the choices of the poor.

Although it is difficult to prove that income increases in poor households would be efficiently devoted to improvement in their diets, empirical data suggest that the spending habits of poor households are not much different from those of

more affluent households. Recent data indicate that until a household reaches a certain income level, well above the poverty line, its food purchases rise proportionately with income. Thus, there is evidence that some part of any increase in the income of poor households will be devoted to food.

On the basis of these arguments, I have concluded that our current food programs are encroachments on individual freedom of choice.

Food programs seem to meet none of the positive criteria for the provision of in-kind benefits. Moreover, there are strong negative reasons for not supplying food benefits in-kind, particularly in not relying upon expanded food programs *in the long-run*.

There is a problem with local administration. While purchase requirements are standardized nationally, eligibility is determined according to State and local Public Assistance standards which vary considerably. Administration through local Public Assistance offices varies from place to place, depending generally on the spirit with which Public Assistance is granted. We have found that these programs may be carried out with an overriding punitive tone, and that the association with the welfare office deters many people from applying. Even where administration of welfare is relatively liberal, the stigma of welfare is a very real thing, and carries over to food programs as well.

Significantly enlarging the in-kind food programs could have a number of undesirable consequences. This action could lead to much greater consumer pressure on merchants to sell unauthorized commodities for stamps. Merchants, unwilling to lose increased purchasing power, would be more inclined to agree. This would lead to an increase in policing costs, as well as to considerably greater annoyance for merchants in terms of the bookkeeping and other problems entailed in running a dual currency system.

THE WIDER PROBLEM: INSUFFICIENT INCOME

Even assuming all food programs worked well enough to provide adequate diets—and I do not believe they could be changed to do so—severe needs would still remain. Children have to be clothed for school; rent must be paid, and so must utility bills.

The main problem facing poor people is not a failure of food programs, but lack of money. Poor food consumption is only *one* symptom of inadequate income. Clearly, legislative and/or administrative changes alone cannot make a food supplement program fully effective in raising the dietary levels of the needy while there is still inadequate income for other necessities of life. Without adequate income levels, there will be a tendency for recipients to substitute the free food for their former food purchases to increase their purchase of other family necessities, or they may be reluctant to participate in any food program which requires a fixed outlay for food. Such a plan hampers their ability to adjust expenditures to meet other family needs.

The lack of other basic necessities can easily undermine the objectives of food programs. While better nutrition could improve levels of health, the oft-noted problem of worms will persist until children wear shoes. Until families have hot water easily accessible to them, and proper garbage and toilet facilities, their greater susceptibility to disease will not be lowered. If families continue to live in unheated, drafty shacks and apartments, they will continue to be vulnerable to the vagaries of the weather.

What is needed, is an integrated set of programs providing both adequate food and adequate income for the necessities of life. If sufficient income were provided, of course, the need for special food programs would disappear. This, I believe, is more in harmony with the American ideal of adequately meeting the needs of all citizens within our traditional framework of free choice. If short run changes are made in food programs they should be carefully integrated with cash programs.

The Commission is currently evaluating various income maintenance proposals that will maximize some of the objectives I have considered here today. We are concerned with programs which provide adequate incomes to all in need, rather than just certain categories of persons; we are concerned with eliminating the unnecessary and irrational differences that exist in the treatment of the poor from place to place and program to program; and, we are concerned with simplifying the system so that the rules, requirements, and entitlements may be clearly understood. I cannot tell you now what our program recommendation will be, for our deliberations have not proceeded this far. But it is in the context of a system of this sort—fairer, more adequate to meet all needs,

and providing greater hope and incentives for the future, that I place reform of food programs and find such reform wanting.

Basically, in my view, the issue is one of priorities in the allocation of resources: of an incremental versus total attack on the problems of low income people in the United States.

If we somehow solve the food problem, we must then solve the housing problem. If, after more hearings, new Commissions, and television documentaries, renewed public indignation, we solve the housing problem, we will then have to solve the clothing problem and the medical problem and the transportation problem, and so on and so on.

It seems to me that we must recognize all of these problems for what they are: interrelated attributes of the lack of money income. Perhaps, if we do that, we can make a concerted attack on the basic problem, rather than taking a time-consuming, inefficient, and unsure route such as the one we have followed in the past. For that path has put us where we are today.

QUESTIONS FOR MR. HEINEMAN

In various places in your statement you criticize our Federal food assistance programs and imply that they should not be expanded. At page 14 you said that food programs meet none of the criteria which you describe as the justifications for any kind of assistance programs.

At page 15 you state "the main problem facing poor people is not a failure of food programs but lack of money." You recommend that we should not rely upon expanded food programs "*in the long run*".

Will you please clarify your position with respect to expansion of the food programs, and particularly the Food Stamp Program.

Do you believe the Food Stamp Program should be expanded in the short run?

Is the Food Stamp Program really an "in time" program or is it more akin to an income supplement program?

Do you believe that all food assistance should ultimately be supplemented by cash income benefits?

When will the Commission on Income Maintenance make its final report?

At pages 11, 12, and 13 of your statement you suggest that if provided sufficient income, poor people tend to expand their food purchases and provide themselves with a varied balanced diet if given sufficient income.

Do you think that if a poor family were given the same amount of money that most of us have to spend in the supermarket that they would purchase the same kinds of foods that you and I purchase at the supermarket?

Is it not a fallacy to assume that if you give poor people money they will continue to buy the same "poor peoples foods" they are used to eating?

Your statement implies that nutrition education is perhaps not as important as some of us have been thinking. At the bottom of page 12 you say that *some* low-income persons need nutritional education "as do people at nearly all income levels," but that the most pressing need is food and money to buy food.

Would you agree that it doesn't do much good to educate a poor person about nutrition when they don't have enough money to buy the food in the first place?

If nutrition education is part of the answer to hunger and malnutrition in the United States, is this a problem of educating all of us about nutrition or is it a special problem of educating poor people to know how to make their limited incomes buy the food that they need?

If we need special nutrition education for poor people, does not this amount to saying to poor people that they must be taught to do and to know what the rest of us need not know about nutrition because we have more money than they do? In other words, are we going to end up teaching poor people what rich people don't have to know about nutrition?

Is this a good way of approaching the problem of poverty?

At page 7 of your statement you suggest that we could federalize the Food Stamp and Commodity Program and elsewhere in your statement you indicate that our present system of relying on local administrators has been a failure.

What has your Commission found with respect to local administration of welfare and food assistance program that leads you this conclusion?

Senator ELLENDER (presiding). I regret that I was late.

I defer to my good friend from Minnesota to ask questions.

Senator MONDALE. Thank you, Mr. Chairman.

Mr. Heineman, I thought your statement was an excellent one, in several respects, but particularly because it causes us to focus on the broader issue of the relationship between trying to meet a specific need of the deprived, to the broader what you term total approach of meeting the income problem and permitting the deprived to meet their problems as they see them.

Am I correct that your testimony is not intended, in any way, to imply that nutritional education is a substitute for needed income or needed assistance in the purchase of nutritious food? That the deprived obviously need substance of some kind, in some way, to achieve an adequate diet?

Mr. HEINEMAN. My testimony is not so intended.

SHORT-RUN SOLUTIONS

Senator MONDALE. I am sure you are aware that public opinion at this point has proved somewhat unreceptive to the income maintenance approach. I think it has a good deal of merit, and a recent survey, I think, indicated that by nearly 2 to 1, the American people believed in an opportunity strategy, and by a reverse percentage, opposed an income maintenance strategy.

Assuming that the American people at this point are not prepared to accept a total income maintenance program, would you support and favor a vastly expanded and liberalized food assistance program, as a short-run partial answer to the problems of the deprived?

Mr. HEINEMAN. As a short-run partial answer, I would personally favor it, unless it is a distraction from what I regard as the basic need of the poor, which is cash income. I have seen, of course, the polls to which you refer, Senator Mondale, and I, myself, believe that, up to now at least, the case has not yet been made for income maintenance, and I, personally, have great confidence in the willingness of the American public to respond to legitimate needs, when the case is fairly made.

Senator MONDALE. There does, however, appear to be a vast difference, in dealing with the generalized problem of the deprived, as distinct from a specific problem of the deprived. I think all of our welfare laws reflect that, because we always have specific categorical aid programs for the deserving poor. We have AFDC for the aid for the children of the separated parents, in most States, and we are always trying to slice the pie so the "undeserving" poor are not eligible—"undeserving" in quotes.

What you are proposing, if successful—and I hope that you will be successful—involves a basic restructuring of American understanding in this field, and, as I understand your response to my question, that being true, you would favor in the interim, a liberalization and improvement of food programs, to try to reach the problems, the nutritional problems of the deprived.

Mr. HEINEMAN. Yes; subject to my testimony, Senator, to the effect that I really, I think, do not believe in in-kind programs as meeting the problems of the poor. I think short term they are essential, there is certainly no present substitute for the food programs. They are existing institutions, which permit us to supplement the incomes of people who are needy, and whom we could not reach otherwise.

Senator MONDALE. Well, now, isn't the food stamp program a form of income maintenance? Isn't it a form of providing subsidy to the deprived to permit them to purchase food?

Mr. HEINEMAN. Yes; any in-kind program is, of course, a form of income maintenance.

Senator MONDALE. And if they find it easier to buy nutritious food because we reduce the cost of food, or make the food free, aren't they better able to deal with some of the other problems to which you make reference: Housing and transportation, and the rest?

Mr. HEINEMAN. I think, sir, that our experience is that without adequate income, the poor are quite likely to pass up a meal, in order to meet a rent payment.

Senator MONDALE. Right. I agree with you. Wherever we went, we found this: That, faced with the question of eviction or breakfast, they would pay the rent. And, for that reason, the children starve. Therefore, if we can meet the problem of food, nutritious food, for the family, aren't they more likely to have their food needs met?

INCOME MAINTENANCE PROGRAM

Mr. HEINEMAN. There is no question, Senator, that the food stamp program and, to a lesser degree, the commodity program, have met important needs, and are continuing to meet important needs. I suppose any difference between us, if there is a difference at all, arises from my view that for the reasons I stated in my principal statement, they are inadequate to do the job that we all wish, and would be inadequate, even if expanded greatly.

Senator MONDALE. I think what divides us is a political judgment as to whether you can get income maintenance quickly, because I am sure you will agree with me that this generation of children shouldn't starve, while there is a great debate wrangling in this land that might result in income maintenance some years from now.

Mr. HEINEMAN. Senator, I think we would all agree to that.

The only thing I would have to say is that in spite of years of in-kind programs, including food stamp and commodity distribution programs, they are starving.

Senator MONDALE. I agree, and that is what this particular committee is about, to try to translate what I regard to be token programs into program of substance, such as that suggested by our chairman, Senator McGovern, the other day, so that we really meet the nutritional needs of the deprived.

I agree with your criticisms, and hope that we can meet them.

Let me ask one further question; then I will conclude.

Let's assume that we adopted a program of income maintenance, and, as I understand it, sent to each family an amount which we determined was necessary for a basically adequate living—rent, food, the rest: Are there not families which would receive this money, who, for various reasons, might be unable to make the choices necessary for nutritious meals?

Mr. HEINEMAN. Yes, sir.

Senator MONDALE. For example, the illiterates, or the retarded, mentally ill, the senescent, people with tragic problems such as alcoholism, and so on, would they nevertheless need help of some kind, lest the money be spent, even then, in ways that deny adequate nutrition?

Mr. HEINEMAN. Yes, sir.

Senator MONDALE. So that your proposal for income maintenance would have to include a services approach, as well.

Mr. HEINEMAN. Yes, sir.

Senator MONDALE. Thank you, Mr. Chairman.

Senator ELLENDER. Senator Percy, do you wish to question?

Senator PERCY. Thank you, Mr. Chairman.

Mr. Heineman, I think you have contributed very importantly this morning in two areas, among others—the correlation that you can't deal with this problem in an isolated vacuum, the correlation between housing, many other things.

Nutrition and food, of course, are essential and, also, I think the findings that you have made, the degrading forms of some of our present welfare programs, are borne out in my own experience. I can still remember the stigma our family felt as we saw the relief truck pull up once a week at the door and stood in horror of how long it would stay there, for fear the neighbors would see it, and, of course, they did. So that to the extent that we can get away from that kind of welfare, I think we will have moved ahead.

I would like to ask you, however, because of the inferences I have from your testimony, whether some form of guaranteed income is going to be an end result of your studies.

From a political standpoint, and possibly a budget standpoint, this may be a difficult step to take this year. The American people are not prepared to go into a guaranteed income program soon. It is going to take possibly some better understanding on our part and better education. The American people are quite willing to go into a much more extensive program on guaranteed employment, however.

Some 70 percent of the people feel it is right. If a person has a desire for a job and ability to hold a job, he should have one.

Do you think we should move ahead extensively this year in trying to provide more employment for people and, therefore, more income? If it is, for instance, right to subsidize employees at General Motors who are hard-core unemployed, and need skill and education and training, as we do now, would it be well to undertake programs also in hospitals and other social and public agencies where we could supplement the income for those who are able to work, and bring more people into the working force?

Mr. HEINEMAN. Senator, we have been trying to draw a profile of the poor and, I, at least, have reached a conclusion that, important though work programs are, they will, because of the nature of the poor, not do the job; they can't do the job, and reliance on them, in my judgment, will be a snare and delusion.

For example, nearly one-third of the poor are in families headed by people who are already working full time. If you were to take a pencil and do a very simple computation, of multiplying a man working 40 hours a week, 52 weeks a year, times a minimum wage of \$1.60, and assume that he was the head of a small family of only four, a wife and two children, you would find that he was under the poverty line.

If you recognize at the same time that there are millions of positions in this country, including State and local positions, that pay under the minimum wage, because they are not covered; if you add to that

the fact that the working poor, many of them by nature of the jobs, are working seasonally, or only part time; you will see that at today's level of poverty perhaps 15 million poor people are in families headed by a worker.

Second, about a fifth of the poor, roughly, are aged, more than 65.

Third—and I do not happen to have at my fingertips the exact number—a very substantial number of poor families are headed by a woman, with small children, and with no husband, and we there must make a very important social choice, as to whether we want her to work, leaving the children, and are we going to provide day care, and of what type, and the like.

I think, Senator Percy, with great respect, that when the final profile of the poor population is presented to the Senate, and hopefully the House, that it will be recognized that while there is a segment of the poor at today's employment level that are not working for one reason or another, that this is a very, very small segment of the poor, and that we may be deceiving ourselves as to the effectiveness of job training and similar programs.

DAY CARE CENTERS

Senator PERCY. May I ask your judgment on the question of day care centers for providing a place for children to go so that a mother could work, if she was relieved of the responsibility during the day of taking care of those children? Do you feel that an investment in the construction of day care centers—we don't have adequate physical facilities today—would be a good investment, and that it would be a good thing for a woman to have the chance to be gainfully employed during the day, and go home with the children in the evening, and have those children adequately provided for and properly fed during the day?

Mr. HEINEMAN. Senator, this is a very complex question, as to which I am not yet prepared to express a definitive answer. I would like, however, to suggest one or two of the problems.

The cost of child day care centers in urban areas, of a quality that I think you would be interested in is very substantial. Also, in connection with the day care argument, we have at least traditionally made the choice in this country that it is desirable for mothers to remain with their children, and this would require a significant departure from at least conventional social policy in this country.

Third, roughly a half of the poor, slightly less, are rural poor, and the problem of the provision of day care centers for the rural poor is very significant, because one then gets into the question of transportation, how do we get them to the day care centers, and the like.

So, while I think there is a very strong argument that could be made for day care centers in urban areas, I think there are also very strong arguments against them, and I, at the moment have not reached a personal conclusion.

WIDER NEED

Senator PERCY. Could I ask the question: Do you feel that poor people are poor only because they lack money? We hear the phrase, "the psychology of the poor." Do you feel their problems will be solved if they are provided with an adequate income, on the basis of your studies?

Mr. HEINEMAN. No, sir. I do not wish to imply at the moment that we, or I, am thinking of a total cash income equivalent to meet all the needs of a family. But in direct response to your question, Senator, I do not believe that the provision of cash is a total solution to the problems of the poor. I do believe that the provision of some cash income is an essential building block in order to provide them with the ability, the receptivity, to receive the education, the health services, the many, many services and attentions which all people require. I think that without at least a universal, basic, minimal income transfer, they do not and cannot take advantage of the other services that are needed to get them out of poverty.

Senator PERCY. Could you expand on the studies that you have made as to the great concern that people have that if you give the poor money, they will not then use it on food? You have alluded to the fact that you are surprised at the level of intelligence evidenced in balance of diet, the ingenuity used by the poor sometimes in making do with very little, but could you expand on the studies that you have made and, whether or not, if income were provided, adequate food would then result from that additional income?

Mr. HEINEMAN. Studies on the buying habits, the consumer knowledge of the poor, are very difficult to come by, and even difficult to make. In response to Senator Mondale, I said that we would be pleased to furnish the committee with what we have.

I would like to say, Senator, that, I believe most of the members of the Commission, as a result of our extended hearings are satisfied as I am satisfied on two major issues responsive to your question. One is that the poor will be as wise in the expenditure of money as the population generally is, which doesn't mean that every poor person is going to spend money wisely, any more than every member of the unpoor population spends money wisely. It doesn't mean that some poor people, aren't going to get drunk, and dissipate their funds, just as members of the middle class get drunk and become problems to their family, and so on.

I am not suggesting that perfection resides in the poor. I am suggesting, however, that we do not believe that they will make their choices any less wisely than the population as a whole.

The second point I would like to make is that I believe that they will make these choices more wisely than an omnipotent bureaucracy could make choices for them.

Those are essentially two points, sir, and I must say that some of these conclusions are an act of faith; some of them, I think, are supported by evidence, and we will try to provide that to the committee.

ADMINISTRATION OF FOOD PROGRAMS—HEW

Senator PERCY. You have indicated that in the long run, more income is simply necessary, to really basically solve this problem. We have to deal in both the short run and the long run. What suggestions can you give us, for better administration, then, of the existing food programs? Is it possible to get more nutrition education? Do you feel that distribution of food, say, by HEW rather than the Department of Agriculture would improve the program, or make no substantial change or improvement in the program?

Mr. HEINEMAN. It is my personal belief, Senator, that the food pro-

grams would be better administered if they were administered by HEW rather than by the Department of Agriculture. It is my personal opinion that the Department of Agriculture is more client-motivated in terms of producers than motivated in terms of recipients, and that in terms of the poor whom the programs are designed to reach, it would be better if the food programs were distributed by HEW.

In terms of improving them, I suppose I must say, Senator, again with all respect, that I think there are inherent limitations involved. The food stamp program, which is by far the best of the programs, has basic limitations; for example, the poor can't afford the food stamps, or that they can't get to the distribution points to buy the stamps, or that they can't use them to buy soap, or detergents. And, again people are stigmatized by Federal regulations—which could be improved, without doubt. Many areas don't have these programs, because of local option. And, again, the families must buy the stamps regularly, or they will be excluded, and, of course, there are the welfare standards, and eligibility standards, and all the rest. These could all be, I am sure, changed. And there is no doubt that if they were changed, in my opinion, they would be greatly improved, but they would still, nevertheless, be in-kind programs, dealing with a specific problem, and not the basic problems of the poor.

NATIONAL WELFARE STANDARDS

Senator PERCY. I would like to yield now to my colleagues and and then come back, if we have a few minutes more at the end of your testimony.

I have one last question on the establishment of national welfare standards.

It is a considerable disparity between welfare payments in some States and in others. Do you feel that we should move early, now—and these are achievable political goals, I think as well as social goals—to establish national welfare standards as an interim remedial assistance in this program?

Mr. HEINEMAN. If we are going to continue as we are, in any sense of the word, we should, in my judgement, without doubt have Federal standards.

Senator PERCY. Thank you, sir.

Senator ELLENDER. How many members are there on this Commission?

Mr. HEINEMAN. Twenty-one, sir.

Senator ELLENDER. Who is the Chairman?

Mr. HEINEMAN. I have the honor of being the Chairman, sir.

Senator ELLENDER. What is your occupation?

Mr. HEINEMAN. I am the president of Northwest Industries.

Senator ELLENDER. What is that? Would you describe it?

Mr. HEINEMAN. Yes, sir.

Northwest Industries is a company that owns a substantial number of companies, including the Chicago & North Western Railway, the Lone Star Steel Co., Union Underwear, and the like.

Senator ELLENDER. Have you any difficulty in arriving at the proper wages to be paid to the people that work in the companies that you have just mentioned?

Mr. HEINEMAN. On occasion, sir, we differ with our employees over the prices to be paid for their services, and we resolve those through collective bargaining procedures. So far as I am aware, in all cases, we pay substantially more, we pay the minimum wage or higher, of course.

Senator ELLENDER. In the last paragraph of your statement, you seem to take the position that the solution to all of this is high wages. That is, paying money, rather than the distributing of food.

Mr. HEINEMAN. In income transfers; yes.

Senator ELLENDER. That is your view?

Mr. HEINEMAN. That is my personal conclusion.

Senator ELLENDER. Would you have any food distribution at all, if we followed the recommendations in the last paragraph of your statement?

Mr. HEINEMAN. I believe, sir, that over time, and depending upon the level of income maintenance which the Congress would approve, that the in-kind programs would phase out and disappear.

Senator ELLENDER. Would you have any distinction made as to the employees? Certainly, there are some who work more than others. There are some more competent, and I am just wondering, how can we reach the goal that you prescribe in the last paragraph of your statement?

If I read your statement correctly, up to this time, it seems that democracy has failed.

Mr. HEINEMAN. I am sorry, sir. I didn't hear you.

Senator ELLENDER. I said, if I am to read your statement, and understand it well, it seems to me democracy has failed. Because you say here that you must solve the housing problem and after that you have got to solve other problems including the food and clothing. We seem to lack in almost every department, every endeavor.

Mr. HEINEMAN. Democracy, sir, has been immensely successful, and has not failed with respect to 90 percent of the population. Perhaps a little less. With respect to the poor, I am afraid that, at least in my judgment, there are significant failures. I, personally, would not attribute them to democracy, in a political science sense, but to the fact that many people fall between the cracks of a highly industrialized society, and they don't, somehow or other, get noticed.

Senator ELLENDER. Would you say that automation has been the cause of much of our trouble?

Mr. HEINEMAN. I am sorry, sir; there must be a problem with the microphone. Could I ask you to repeat that, sir?

Senator ELLENDER. Would you say that automation has been the cause of much of our trouble?

Mr. HEINEMAN. Not with respect to the poor as we know them. It has contributed somewhat to them, but not with respect to the poor as we know them; no, sir.

Senator ELLENDER. What has caused this difficulty? Because it seems to all come at one time. I came to Congress in 1937, and we started out a housing program, public housing. Then in 1948, 1949, we provided more housing, and it seems as though all of this is coming, according to your statement, upon us at once. Things, according to your statement here, look very bad and bleak. I am just wondering what the conclusion of your Commission is going to be.

Mr. HEINEMAN. Well, as I made clear, Senator, in my opening statement, I am here simply as an individual.

Senator ELLENDER. I understand that.

Mr. HEINEMAN. And I am not speaking for the Commission; I do not yet know myself what conclusion the Commission will reach. So far as the fact that these things seem to be coming at once, in recent years, we have noticed a much higher incidence of cancer, for example, and some of my medical friends tell me it is because we have improved our diagnostic techniques; it is really not a higher level, we have simply come to notice it more, and I would like to suggest that in a way, it may be, sir, that perhaps our diagnostic techniques are improving, or we have become more sensitive.

Senator ELLENDER. You seem to find fault with every food program we have, and I presume that you level your criticism at the operation, the way it is handled. How much thought have you given to the food stamp program? Where did you get your information to substantiate the changes that you are now proposing?

Mr. HEINEMAN. A very competent staff has prepared extensive program memoranda based on analysis, meetings with the various departments affected. In addition, the Commission has held some 13 hearings, at widely dispersed places throughout the country, has talked to the poor about it, taken evidence, and the like, and this is the basis for the statements made.

I would be very happy to provide you with staff memoranda, and anything else that the committee wishes, of course.

FEDERAL STANDARDS

Senator ELLENDER. Of course, that will become important when the matter comes before the proper committee. As I understand, some effort is going to be made to follow some of your suggestions to put the food stamp program in the HEW, rather than retain it in the Agricultural Department.

I presume you are for free distribution for stamps?

Mr. HEINEMAN. I don't think, sir, that I have a personal opinion.

Senator ELLENDER. And you are suggesting that this entire program, as well as the school lunch program, and the bulk food program, all be administered by the Federal Government?

Mr. HEINEMAN. The question of the administration is quite different from the question of Federal standards. I believe that my comment, sir, was that there should be Federal standards. Whether or not it should be administered locally, and with local people, I have not formed an opinion.

Senator ELLENDER. There is a proposal, though, that I understand you to be advocating. As I understand your statement, the Federal Government should handle it entirely.

Mr. HEINEMAN. I do not believe, sir, you will find that in that statement.

Senator ELLENDER. That's the way I understood it. That is the interpretation I put on it.

Mr. HEINEMAN. If that is interpreted in that way, if we are talking about the inkind programs, my own view is that it should be Federal standards.

Senator ELLENDER. Now, you say——

Mr. HEINEMAN. What page, sir?

Senator ELLENDER. Page 7.

We could "Federalize the entire operation of the food stamp and commodity program."

I interpret that to mean that you want Federal people to handle it, and to distribute this food, and——

Mr. HEINEMAN. No; I think, if you read the three together, you will see that these are possible alternatives, sir, including that we could allow commodity and stamp programs to operate in the same counties; these are all possible alternatives.

We certainly could federalize it and it would solve many problems. I am not at this moment urging it upon you. I am urging Federal standards.

Senator ELLENDER. What do you mean by that?

Mr. HEINEMAN. I would myself, sir, do away, for example, with the local option as to whether or not there should be participation in the food stamp program.

Senator ELLENDER. In other words, you would want the Federal Government to make that determination?

Mr. HEINEMAN. That is correct, sir. I fail to see how we can rationally distinguish between a poor person living in one county and a poor person living in another, depending upon whether a local county decides that he should receive food stamps or commodity distribution, or a school lunch program, or the like.

Senator ELLENDER. As a matter of fact, no food stamp program or commodity distribution program can be had in a county unless the welfare program, which is a branch of HEW, decides that the county is eligible for it. And in many instances, a determination has been made, not by the local government, but the Federal Government, through the welfare program.

Mr. HEINEMAN. I believe, sir, that the decision is made by the local welfare people, and not by HEW.

Senator ELLENDER. I know, but they work together. The local welfare program wouldn't be in existence except for the Federal welfare program. As handmaidens, they work together.

Mr. HEINEMAN. That is, of course, true, Mr. Chairman, but that is still quite different from saying it is the HEW that makes what is a local decision made by local people as part of the State welfare apparatus.

Senator ELLENDER. You take the same position, as I understand it, with respect to the school lunch program. The school lunch program has been in existence now for about 21 or 22 years, and it has been my position, in the Congress, that such a program can best be administered through local cooperation. And, as a result of that method, we have been able to get the local people to provide about 75 percent of the cost of this program, and the Federal Government furnished about 25 or 26 percent of the program.

With money short as it is now, I wonder what would happen if we put all that in the lap of the Federal Government.

Mr. HEINEMAN. I personally participated in a hearing in Tucson, Ariz., sir, where we found that whether or not there were free lunches provided varied between school district and school district, upon the local discretion. We found that whether the children were required

to pay, or not, school lunches depend on occasion, on the discretion of the school principal. And in one particular school, based on the evidence we received, we found that the principal was notifying white mothers—or at least one white mother—that if the children did not have the funds, they would not have to pay, although Mexican-American mothers in the same school were not so notified. It may be, sir, that this results in a lower Federal cost in money, but I suggest that there are very severe Federal costs in other than money.

Senator ELLENDER. Of course, there may be some areas wherein the program has not been administered efficiently, but, all in all, I think it has worked very well. And except for the fact that we obtained full cooperation at the local level, I don't see how a program of this kind could be carried on. I would say the same thing holds true with the food stamp program.

Would you want to permit the Federal Government to handle it altogether, without local participation?

Mr. HEINEMAN. I have tried to make clear, Mr. Chairman, and I do so most respectfully, that I have reached no personal conclusion as to whether administration should be local or Federal. By and large, I prefer local administration, if it is in accordance with Federal standards, which would prevent either discrimination or too wide local discretion, or nonparticipation altogether. Because I do not believe, personally, that we can afford to have poor people in one part of this country of ours being treated differently than poor people in other parts of the country, based on the particular views of local people.

Now, this is different from saying that it should all be administered by Federal employees. This has to do with Federal criteria and standards.

Senator ELLENDER. The only reason why I am prompted to ask you these questions is because on pages 5, 6, and 7, I consider your testimony as more or less critical, and you as I understand, state what should be done. Together with the other testimony that I have just read to you, I must assume that you have made a study of all of these things, that you have come to these conclusions. That is why I am asking the questions, trying to elicit from you reasons why you want to change it.

Mr. HEINEMAN. I welcome the questions, Mr. Chairman, and the courtesy with which you asked them, and I think it is a fair statement that my statement is critical of in-kind programs, for the reasons I have stated.

Senator ELLENDER. Have you personally visited any of these places where these programs were being administered?

Mr. HEINEMAN. Yes, sir.

Senator ELLENDER. Where was that? In Arizona?

Mr. HEINEMAN. In Breathitt County, Ky., in Tucson, Ariz., and on the Papago Indian Reservation, in Arizona.

Senator ELLENDER. Did you do that as a member of this Commission.

Mr. HEINEMAN. Yes. Our Commissioners, of course, have also visited many other areas.

CASH TRANSFERS

Senator ELLENDER. There has been quite a cry about issuing free food stamps, instead of having the recipient contribute a small amount.

What is your view as to that?

Mr. HEINEMAN. As I stated, I have not personally formed a view on that. It is a fact that many families who are eligible can't afford to participate in the food stamp program, because it does require cash payments.

Senator ELLENDER. Well, that would mean, then, that you would want to give them free, wouldn't it?

Mr. HEINEMAN. I am describing a fact, sir, not stating a personal opinion. It is a fact. It is a fact, sir.

Senator ELLENDER. Well, let me ask you, how would you handle it, then?

Mr. HEINEMAN. My own view, as I believe this statement makes clear, is that there should be an income transfer, a minimal, universal money transfer to the poor, and that they will then be able to make the choices to the same extent that the rest of the population can make the choices. This will not obviate the necessity for education on nutrition, any more than it is obviated with respect to the general public.

Senator ELLENDER. This minimum that you talk of, would that have to be in cash, or what?

Mr. HEINEMAN. The minimum I am talking about, sir, would be in cash.

Senator ELLENDER. And that would be by way of wages, or for something done, or simply by way of charity, or help for the indigent?

Mr. HEINEMAN. It would be a cash transfer. I suppose one could say by way of charity. I would prefer to say by way of entitlement.

Senator ELLENDER. Well, isn't that done now, to some extent, in welfare programs?

Mr. HEINEMAN. To some extent, except that today, under the welfare programs, they are heavily categorized. There are many, many poor people and poor children and poor families that are not covered.

Senator ELLENDER. I had occasion this last week to visit two or three of these areas, in my own State, in Louisiana, where the food stamp program was started, quite a while ago. I think Louisiana was the first State in the Union that had school lunch programs. We started it.

When I came to Washington, I thought it would be a good thing to make it national. I participated in doing this, when I was a member of the legislature in Louisiana, back in 1932 and, in fact, 1924 to 1936. And I thought that the program was very good, and also the way it was administered. I felt that unless you obtained local participation to the fullest extent; that is, on a cooperative basis, by the Federal Government as well as local people, it would not be effective.

Mr. HEINEMAN. Mr. Chairman, I hope that nothing I have said here is being construed by you as suggesting that the Federal food programs have not served an important, useful, and valuable purpose, because that is not my intention. We found that people valued the food stamp program, particularly those who are able to use it. There is no doubt whatsoever in my mind, and I hope I haven't given you a contrary impression, that the food stamp program has been valuable.

However, in taking a fresh look, now, as a program, programs can become obsolete, can require a change, like machinery or anything else, and in taking a fresh look, now, which is what I understand your committee is doing, I was asked to give comments about how it has worked, and suggestions, and that is what I am doing, to the best of my ability, but I would not want you to think that I do not feel that the food stamp program has been valuable, because it has been.

Senator ELLENDER. Of course, this committee is concerned with malnutrition and human needs, and I presume that certain recommendations will be made as to how the problem can best be met. Now, that is your objective, also, with this Commission?

Mr. HEINEMAN. Yes, sir. And I hope it can come in with something, before we make our report.

Senator ELLENDER. That's what I have been advocating, that there is need now, and we should make every effort to meet those needs, today, and not next week. And I think efforts along that line have been made, and I hope they will continue. And I am sure that the committee is anxiously awaiting the report from your own Commission, and I hope it is forthcoming soon, so we can take a look at it.

Mr. HEINEMAN. Thank you, Senator.

Senator ELLENDER. When do you think it will be available?

Mr. HEINEMAN. We are hopeful that it will be published in late September or early October.

Senator ELLENDER. Thank you.

Mr. HEINEMAN. Thank you, Mr. Chairman.

Senator ELLENDER. Senator Cook?

Senator COOK. Mr. Heineman, as a man who is an industrialist, as one who has operated railroads and steel companies, did you hold any of the conclusions you have reached before your service as chairman of the President's Commission?

Mr. HEINEMAN. Yes, sir.

Senator COOK. Would you elaborate because I think this is important, and my mail from industrialists is very critical of welfare programs, very critical of the food programs, very critical of maintenance programs, and you, as an industrialist, who operates a very major concern in this country, might be able to enlighten us as to just what caused your attitude to be altered.

Mr. HEINEMAN. I suppose I would have to say, sir, the facts, at least as we find them. When the President asked me to be Chairman of this Commission, while I have had a long-standing interest in welfare matters, due principally to my wife's longstanding and active participation in these areas, it was not something in which I had been directly concerned in the sense of a detailed knowledge of the facts.

I would like to hope that, as a businessman, I do follow facts, and it began to be increasingly clear to me as we began to study these matters—and I will not speak for other members of the Commission at this point—that the conclusions that I stated in this testimony followed almost inevitably from the facts.

Now, the President's statement was that he wished us to put the political situation out of our minds; we were to come in with the best possible program, and I have not been testifying with respect to the political side of it. I realize that there are problems. So that I would say, sir, that I approached it with perhaps a somewhat different point of view, but I believe that the facts, and I hope that our report will be persuasive in that the facts that we marshaled, I hope, will be persuasive to you and the other Members of the Congress.

Senator COOK. Don't you think that most industrialists, if they had had the opportunity to do the work you have done on the Commission, would have reached many of the same conclusions?

Mr. HEINEMAN. Senator, I would like to hope that all fair-minded people would do that. I don't regard myself as a spokesman for indus-

trialists, and, like Congressman and Senators, I suppose we differ pretty widely, too.

I would like to say that we have on this Commission some distinguished industrialists, and I am hopeful that they will reach the same conclusion, although at the moment I have no assurance of it.

Senator Cook. Would you provide us with a list of all of the members of this Commission?

Mr. HEINEMAN. Yes, sir; I certainly will.

Senator Cook. I would appreciate that.

(The list of members follow:)

THE PRESIDENT'S COMMISSION ON INCOME MAINTENANCE PROGRAMS

MEMBERSHIP

Mr. Ben W. Heineman—Chairman, Northwest Industries, Inc.

Mr. Clifford L. Alexander, Jr.—Chairman, Equal Employment Opportunity Commission.

Mr. James W. Aston—President, Republic National Bank of Dallas.

Dean Sherwood O. Berg—Professor of Agricultural Economics, and Dean, Institute of Agriculture, University of Minnesota.

The Honorable Edmund G. Brown—Bell, Hunt, Hart and Brown; former Governor, State of California.

Mr. Donald C. Burnham—President, Westinghouse Electric Corporation.

The Honorable John M. Dalton—Former Governor and former Attorney General of Missouri.

Professor Otto Eckstein—Professor of Economics, Harvard University; former Member, President's Council of Economic Advisors.

Dr. Margaret S. Gordon—Associate Director, Institute of Industrial Relations, University of California, Berkeley; Chairman, Advisory Committee on Research Development, U.S. Social Security Administration.

Mrs. Anna Rosenberg Hoffman—Public and Industrial Relations Consultant; former Assistant Secretary, Department of Defense.

Senator Barbara Jordan—State Senator, Texas.

Mrs. Geri Joseph—Vice President, The National Association for Mental Health.

Mr. Maxwell M. Rabb—Attorney, Partner, Law firm of Stroock, Stroock and Lavan, New York City.

Mr. A. Phillip Randolph—President, Brotherhood of Sleeping Car Porters, AFL-CIO.

Mr. Henry S. Rowen—President, The Rand Corporation; former Assistant Director, U.S. Bureau of the Budget.

Dr. Julian Samora—Professor of Sociology, University of Notre Dame.

Mr. Henry J. Smith—President, Equitable Life Assurance Society of the United States.

Professor Roberts M. Solow—Professor of Economics, Massachusetts Institute of Technology.

Mr. Asa T. Spaulding—Recently retired President, North Carolina Mutual Life Insurance Company.

Mr. David Sullivan—General President, Service Employees International Union

Mr. Thomas J. Watson, Jr.—Chairman of the Board, IBM Corporation.

STAFF

Executive Director—Robert Harris.

Assistant to the Executive Director—Gary Comstock.

Administrative Officer—Norman C. McKenzie.

ECONOMIC ASPECTS OF ELIMINATION OF HUNGER

Do you believe, speaking as an industrialist, if we could move toward a program of this kind, and if we could convince our industrialists of the same attitude that you have, that we would probably save

untold thousands and thousands of man-hours a year, which are lost due to the various illnesses accompanying malnutrition?

Mr. HEINEMAN. This surely is true of the economy as a whole, sir, and, of course, I would add to that medical needs and housing needs and the like.

Senator COOK. What I am really trying to get at is that if we could convince the industrialists of this country that this program would insure to the benefit of the gross national product, then maybe my mail from these industrialists would be quite different.

You stated, rather categorically, that you think that this program could be better administered by HEW than USDA. But let me ask you, in all fairness, unless you change the rules and regulations in regard to the local standards, you don't really feel that HEW could do any better job with this program than Agriculture, do you?

Mr. HEINEMAN. No, sir.

Senator COOK. Well, along this line—

LOCAL PARTICIPATION

Mr. HEINEMAN. Implicit in what I said was the belief that if it were in HEW, that there would be great motivation to change or see that they were changed, or to recommend Federal standards, than otherwise might be the case. But I agree with you; unless they are changed, there would not be significant improvements.

Senator COOK. Well, one thing that bothers me is the possibility that we might move away from local participation in the country. I fear the end result will be that the entire burden of this cost will be laid on the Federal Government, and there will not be any local participation.

Mr. HEINEMAN. Senator, I would like to suggest that Federal standards, and with a greater proportion being borne by the Federal Government, is a form of income sharing that could relieve the State governments of the proportion which they have borne.

Senator COOK. I have found that local administrators around the country tend to write their own rules.

Mr. HEINEMAN. Yes, sir.

Senator COOK. Don't you find this to be true?

Mr. HEINEMAN. Yes, sir; we do.

Senator COOK. To get out of the field of food and food distribution, for a moment, you discussed medical facilities for people. I happened to visit a clinic in Louisville during the Easter recess, and found—at least the people in the dental clinic suggested to me—that 80 percent of the youngsters of 12 years of age and younger who come into the dental clinic never owned a toothbrush. Now, this doesn't surprise you; does it?

Mr. HEINEMAN. It doesn't surprise me, in the light of what we have been learning. As a matter of fact, as I know you know, Senator, the whole area of dental care is largely ignored under most of the programs.

Senator COOK. What I am getting at is, in fact, your statement provides an approach to the elimination of the problem before it is created, rather than coping with the problem once it is here; does it not?

Mr. HEINEMAN. I would like to hope so, sir.

Senator COOK. I agree with most of your remarks; for example, you say on page 11:

It has generally been believed that dependency and poverty spring from faulty values, laziness, apathy, and the like,

and I am afraid what we are doing, and many people in the country are doing, is focusing on the head of the household and his problems. But the facts are that there are no bootstraps for him to pull himself up. We are not really focusing on hundreds of thousands of children. The reason we should be solving these problems is for the sake of the children. We have been overly concerned about underachieving parents than about saving long lives for a future of productivity.

Mr. HEINEMAN. There is a very powerful argument for that, Senator.

Senator COOK. Thank you, Mr. Chairman.

Senator ELLENDER. Senator Pell?

CONSUMER COST DIFFERENTIATIONS

Senator PELL. Mr. Heineman, one question went through my mind as I had the chance to read your testimony regarding the question of differentiation in areas. As you study the picture from the viewpoint of the whole United States, do you feel any solution could be offered to the fact that basic living costs in the part of the country where I come from, New England, are higher—considering the heating, clothing, calories that are needed, than in other parts of the country? Do you believe there is any possibility of a compensating formula, or something of that sort, being arrived at?

Mr. HEINEMAN. The Commission has given a great deal of attention to the evidence on cost differentiations throughout the country. I think, sir, that we have all been surprised by the fact that there is no pattern of cost differentiations discernible, throughout the country. If one were to take 57 major metropolitan areas scattered throughout the country, one, I think, would be astonished at how little the cost of living changes between them. There are significant differences in what people are paid throughout the country, but in costs it is astonishing that there is no pattern. I happen to have been born and raised in northern Wisconsin, where we have low temperatures, and one would think that the heating costs would be much higher, for example, than in Senator Ellender's Louisiana, in the South, for example, and yet one finds that there are offsetting other costs. It is very difficult to justify on the facts as we now know them, and we have made quite careful studies of this area, differentiations based on costs, as distinguished from wages. But on costs, it is very difficult to justify differentiations.

However, one could say that if one were to grant x dollars in one part of the country, it would have a much greater impact because the wages are lower than in another part of the country.

Senator PELL. I am talking just about costs.

Mr. HEINEMAN. Yes; I understood you were.

Senator PELL. Right.

Now, what would be some of these compensating factors? For instance, in Senator Ellender's State, heat is not a factor, at least the southern portion of the State. Warm winter clothes would not be a factor. What would be the compensating factors?

Mr. HEINEMAN. Well, as you know, in the cost of living index, which is really all that we are working with, there are many, many other elements, and obviously, I can't speak knowledgeable about southern Louisiana, for example. But it could range all the way from utilities to medical provision, to transportation, to food, to all the elements that enter into the cost-of-living index.

I would be very happy to provide you with that information, because I think this astonished all of us a little bit.

Senator PELL. It is a subject with which I should be familiar, being from an area where the utility costs are very high, where we live in two- or three-family dwellings, and the cost of heat is several hundreds of dollars, minimum, a year.

So I am trying to determine what the compensating factors would be.

Mr. HEINEMAN. Well, I don't mean to suggest that there are no differentiations, but I do suggest, sir, that there are no patterns, and if one, for example, were to compare Los Angeles, by way of illustration, with your State or Seattle, or Minneapolis. I think perhaps one would be astonished at how little difference there is. All I am saying is that in order to establish differentiations, which I understand to be the underlying question, one would have to first find a pattern which would support such differentiations, and we are only on the cost side now, and all I can say is that all of the evidence fails to support such a pattern.

Senator PELL. Would you be kind enough to have inserted in the record the information you mentioned earlier?

Mr. HEINEMAN. Yes, sir.

Senator PELL. That information showing the breakdown of some of these compensating factors.

Mr. HEINEMAN. Yes, sir.

Senator PELL. I know we feel quite strongly on this subject.

(The information referred to follows:)

AREA COST OF LIVING DIFFERENCES

Analysis of available data on living cost differences for metropolitan areas indicates that—

Differentials do exist among areas for which data are available, but these differences are not as great as is often assumed.

Clear and consistent regional patterns do not emerge. There is much variation within regions as well as between regions. A recent Department of Labor study of comparative living costs in 39 areas for a low living standard budget highlights this. Of the ten highest cost areas at the low standard, three were in metropolitan areas of the West, four were in the North Central region, two in the Northeast and one in the South.

Attached is a Table showing indexes of comparative costs based on a low living standard drawn from a recent U.S. Department of Labor publication which contains the relevant numerical data.

INDEXES OF COMPARATIVE COSTS BASED ON A LOWER LIVING STANDARD FOR A 4-PERSON FAMILY
SPRING 1967

[U.S. Urban Average Cost=100]

Area	Cost of family consumption							Other family consumption	
	Total budget	Total	Food	Total housing ²	Shelter ³ (renter costs)	Transportation ⁴	Clothing and personal care		Medical care ⁵
Urban United States.....	100	100	100	100	100	100	100	100	100
Metropolitan areas ⁶	101	101	101	102	103	94	102	103	104
Nonmetropolitan areas ⁷	94	94	94	90	88	126	92	87	83
Northeast:									
Boston, Mass.....	106	105	105	112	115	95	101	100	106
Buffalo, N.Y.....	103	102	103	100	100	103	105	98	103
Hartford, Conn.....	109	109	108	116	121	104	107	102	109
Lancaster, Pa.....	98	98	104	94	94	89	101	88	103
New York-Northeastern N.J.....	102	101	107	95	94	83	104	108	106
Philadelphia, Pa.-N.J.....	100	99	106	91	89	88	102	98	103
Pittsburgh, Pa.....	99	98	102	92	91	98	101	96	105
Portland, Maine.....	101	101	101	100	98	91	108	100	110
Nonmetropolitan areas.....	96	97	100	86	83	129	95	94	82
North Central:									
Cedar Rapids, Iowa.....	105	104	99	117	121	93	103	93	99
Champaign-Urbana, Ill.....	106	106	101	125	132	93	100	101	100
Chicago, Ill.-Northwestern Ind.....	103	104	102	111	114	91	103	103	103
Cincinnati, Ohio-Ky.-Ind.....	96	96	99	94	94	96	98	85	104
Cleveland, Ohio.....	100	100	99	103	105	100	102	91	104
Dayton, Ohio.....	98	98	98	102	103	92	99	85	104
Detroit, Mich.....	99	100	102	94	93	99	103	99	106
Green Bay, Wis.....	97	95	95	96	94	93	99	91	98
Indianapolis, Ind.....	104	103	100	114	118	97	103	91	105
Kansas City, Mo.-Kans.....	101	101	101	102	102	97	102	95	102
Milwaukee, Wis.....	103	101	98	108	111	95	102	94	100
Minneapolis-St. Paul, Minn.....	102	100	97	104	106	99	102	93	103
St. Louis, Mo.-Ill.....	101	101	104	101	102	102	102	93	97
Wichita, Kans.....	101	101	101	104	104	99	99	84	101
Nonmetropolitan areas ⁷	98	98	96	104	106	123	95	83	81
South:									
Atlanta, Ga.....	95	96	94	96	93	94	97	93	110
Austin, Tex.....	89	90	94	81	76	91	92	92	101
Baltimore, Md.....	98	98	93	104	105	101	96	96	102
Baton Rouge, La.....	91	93	93	88	86	99	93	90	101
Dallas, Tex.....	95	96	93	97	96	94	93	107	104
Durham, N.C.....	94	94	91	97	96	90	95	94	100
Houston, Tex.....	94	95	95	90	86	102	91	102	101
Nashville, Tenn.....	93	94	91	97	94	93	97	93	106
Orlando, Fla.....	92	93	90	95	93	90	92	95	101
Washington, D.C.-Md.-Va.....	104	103	99	113	118	101	97	98	105
Nonmetropolitan areas ⁷	88	89	90	83	78	125	86	84	83
West:									
Bakersfield, Calif.....	98	99	100	88	84	101	103	115	99
Denver, Colo.....	100	100	101	97	96	96	105	102	98
Honolulu, Hawaii.....	122	120	122	140	145	111	99	99	112
Los Angeles-Long Beach, Calif.....	107	107	101	109	113	98	106	133	107
San Diego, Calif.....	101	102	98	100	100	103	100	123	105
San Francisco-Oakland, Calif.....	111	110	105	117	122	102	111	116	108
Seattle-Everett, Wash.....	110	111	108	118	120	107	111	105	105
Nonmetropolitan areas ⁷	103	102	100	101	99	132	101	93	85

¹ The family consists of an employed husband, aged 38, a wife not employed outside the home, an 8-year-old girl, and a 13-year-old boy.

² Total housing includes shelter, household operations and housefurnishings. All families with the lower living standard are assumed to be renters.

³ Average contract rent plus the cost of required amounts of heating fuel, gas, electricity, water, specified equipment and insurance on household contents.

⁴ The average costs of automobile owners and nonowners in the lower budget are weighted by the following proportions of families: Boston, Chicago, New York, and Philadelphia, 50 percent for both automobile owners, and nonowners; all other metropolitan areas, 65 percent for automobile owners, 35 percent for nonowners; nonmetropolitan areas, 100 percent for automobile owners.

⁵ In total medical care, the average costs of medical insurance were weighted by the following proportions: 30 percent for families paying full cost of insurance; 26 percent for families paying half cost; 44 percent for families covered by non-contributory insurance plans (paid by employer).

⁶ For a detailed description, see the 1967 edition of the "Standard Metropolitan Statistical Areas," prepared by the Bureau of the Budget.

⁷ Places with population of 2,500 to 50,000.

Source: U.S. Department of Labor, Bureau of Labor Statistics, "3. Standard of Living for an Urban Family of Four Persons," Bulletin No. 1570-S.

Senator PELL. That is all, sir.

Senator ELLENDER. Senator Dole?

Senator DOLE. I appreciate your statement.

I am just wondering, as a matter of information, as to how much time you have personally spent with reference to the overall problem. I think you have indicated you attended two of the Commission hearings, and have read portions of the transcript.

Mr. HEINEMAN. I have been the chairman since January 1968.

I am sure you understand, Senator, that the hearings and the transcripts are just a part of the administrative responsibility the chairman has in working with the staff. I would suppose that it is fair to say, and I am sure that I won't be exaggerating, that in that period of time, on the average, overall, I have spent 5 to 10 hours a week, each week, on this, since January of 1968.

Senator DOLE. Well, I certainly feel that is commendable. It is the basic point that I have been making with my friends. If we would all spend 5 or 10 hours a week doing something about the problem, instead of writing our Congressman, and writing the members of the Commission, or appearing on television, we might better be able to solve it. I know you recognize, and certainly do, that there is a great individual responsibility in America, and that we don't have the solutions to all the problems on this committee, or in the Congress.

I, for one, am inclined to agree with your general conclusions, that you can pile food to the ceiling, but if the roof leaks, it won't do much good. We have all seen these terrible conditions and knew they would be there when we arrived, so it should be no great shock to anyone on this committee, in finding what we found. It can be found in my State of Kansas, or wherever one goes.

But what concerns me is apparently your conclusion—it hasn't been finalized as the Commission's conclusion—but how do we provide the income, so that we do not deny people freedom of choice.

Mr. HEINEMAN. Senator, I must have been not as clear as I would like to be. The Commission has not reached a conclusion.

Senator DOLE. You say you haven't yet, no.

Mr. HEINEMAN. And so I must have misspoken.

Senator DOLE. No; I think I understood it not to be available yet.

Mr. HEINEMAN. As I wanted to make clear, I believe that the freedom of choice is best made by providing a basic underlying cash minimum, which provides, then, the freedom of choice to allocate that between food and the rent and the medical services, the shoes, or whatever, and to do it so to speak, seasonally, in a way. For example, a family may well need greater payments for clothes before school starts than during the rest of the year, just as an illustration of peak family expenditures at various times of the year.

I believe that one gets a greater freedom of choice by proving a cash income than by saying, "Here is so much flour or so much meal."

Senator DOLE. But there are still basic restrictions on income, and basically not many of us really have a freedom of choice, when we compare what we can do to what another may do, and so I am assuming that there must still be some guidelines.

Mr. HEINEMAN. And limitations.

Senator DOLE. It wouldn't be an open ended cash payment of any kind. You are talking about, then, Federal guidelines, across the board, as I understand it.

Mr. HEINEMAN. Senator, in terms of improving the welfare situation, if we were to go that route, I am certainly talking about Federal standards, but if we are talking about a cash transfer program, I am talking about the transfer of cash, leaving to the poor the budgetary and home decisions that the nonpoor are making.

Senator DOLE. Then basically I agree with you. Is there any reason the food stamp program and the commodity program cannot operate in the same area? It appears to me that one program may be more effective in one area than the other, and you may have touched on it. I believe the commodity distribution program does have some merit. If it provided enough choices, and enough flexibility.

Is it your observation that it will still serve some useful purpose if more commodities were added, more fruits and, I think, meat, as you specifically indicate? Or do you think it should be replaced, wherever possible, with a food stamp program, if we can't do what you suggested ultimately?

COMMODITY DISTRIBUTION PROBLEMS

Mr. HEINEMAN. The commodity program, sir, has other limitations beyond those of the food stamp program, among them being that if one distributes commodities in kind, one must then have distribution centers to which people come to get the commodities. The poor are frequently handicapped, old, they may be disabled, they may be blind, they have no transportation, normally, and it is extremely difficult for the poor, both the urban and the rural poor, to go to distribution centers on specific days, which may not be convenient, at specific hours, which may not be convenient, and return with heavy bundles of food.

This is a very difficult logistical problem.

Senator DOLE. Well, there has been some discussion, perhaps, about mobile distribution centers, that might cope with this problem. So, if we could meet that problem, do you still think it has value?

Mr. HEINEMAN. I suppose, sir, I would say that if we are talking about choices between a commodity distribution program or a food stamp program, that I would come down very hard on the food stamp side, because in the grocer, you have an automatic distribution system already provided, usually near or relatively near to the poor. The grocer provides the warehousing and the transportation, et cetera, so that as between those two programs, if that is the choice you are giving me, I think that I would come down very hard on the support of the food stamp program.

Mr. DOLE. Thank you.

Senator COOK. Mr. Chairman.

Senator ELLENDER. Any further questions?

Senator COOK. May I ask one, Senator?

Senator ELLENDER. Yes, Senator Cook.

Senator COOK. In your report that is going to be filed in September or October, are you taking into consideration, for instance, the tremendous overlapping of Federal agencies, in the areas that you have been investigating?

Mr. HEINEMAN. Yes, sir.

Senator COOK. I would hope that you would, because I think this is the strong obligation of this committee, and also to look into the tremendous overlapping and the competitiveness between agencies, in

an attempt to solve a problem, or at least an attempt to get credit to solve the problem, and you will deal with this to some extent?

Mr. HEINEMAN. Yes, sir.

Senator Cook. Good.

Thank you.

Senator ELLENDER. Well aside from the logistics, in regard to the bulk food program, you have the problem of refrigeration. It is not every home that can have a refrigerator. I know that some people got as much as 4 pounds of butter last month, and unless they have a place to refrigerate that, why, it won't be edible at the end of 2 or 3 weeks.

Mr. HEINEMAN. Yes, sir.

Senator ELLENDER. That is one of the reasons, in my book, that the food stamp is better than the bulk program.

Senator Mondale?

LONGRUN SOLUTIONS

Senator MONDALE. Thank you, Mr. Chairman.

First of all, let me commend you for some, I think, very useful insights on the total income approach, and some new observations—at least, new to my ears—on some of the factors that affect judgments of purchasing of the poor. I think they are very helpful, and I look forward to the report of your Commission, because I think in the long run, income maintenance is the answer. It is the answer right now, but I think for political reasons, the establishment of an adequately funded income maintenance program is somewhere down the road. I agree with your criticisms of the present programs. In some cases, I would even be more critical than you are. I think there is evidence that not only are a larger number of the counties in this country not participating, I think there are 480 that have neither food stamp nor direct commodity programs available, but that in some cases, the programs are token programs. In other cases they are used in a convoluted way as a tool of repression, to discriminate, or to be used as a whip to force people to work. You know, the good natives get the help, the poor ones don't; and it is not handed out in terms of eligibility, but in terms of whom you know, and in order to be benefited, you have to, in effect, forfeit some of your freedom.

And the same is true with the school lunch program, and the school breakfast program. Some States have magnificent programs. For example, Florida was very weak in the first category, but I thought in the school lunch program there was some evidence that they might be one of the leading States in the Union.

I just returned from Alaska, and I was shocked by the extent of hunger and malnutrition; teachers would tell you the kids had arrived at school in the morning and many of them were unable to stay awake because of personal problems in their home, but she said, "Most of them are so hungry they can't concentrate." No breakfast programs, in the State schools, not even lunch programs, despite the fact that hunger is destroying these children.

A lot of other things are striking them, too, but hunger is one of them.

Dr. Lowe, of the U.S. Public Health Service, testified before this committee. He said, "In my opinion, the most readily accessible link, hunger, is also the most critical." This is a link in the chain of poverty.

If we are to insure that infants, children, and pregnant mothers in this country receive adequate nutrition, we could interrupt the cycle and remodel the future. Infant mortality and prematurity rates would decrease. With this, there would come to our children improved growth and development, certainly, of body and probably of intellect. Educational accomplishments and achievement would improve, and with this, economic status would rise. We have heard this from many pediatricians and specialists in the field.

You commented earlier about the small proportion of the poor who have within themselves the capacity to achieve further opportunity to improve their status. These doctors and others are saying that hunger is one of the chief impediments and perhaps the most accessible problem.

Having given that background, it is my impression that your testimony as it stands tended to emphasize the importance of an immediate attack on hunger, in the absence of a broad substantially financed income maintenance program.

Can't you find it a little more possible to say that in the absence of an income maintenance program, that we should move swiftly and liberally, with a broad-gaged nutrition program, at all levels, including early childhood, that would meet the problems of the hungry and malnourished in this Nation, right now?

Mr. HEINEMAN. Senator, as you put it, it is always very difficult to say no to you.

Senator MONDALE. Could you say yes? [Laughter.]

Mr. HEINEMAN. But I am afraid that I would have to say that, and I recognize that you have a political judgment to make, and I don't have that awesome responsibility, but I suppose that I would have to say that I believe we should move swiftly on poverty, of which hunger is a most horrible result in this country, but that I would move swiftly on all segments of poverty, because I simply do not believe that in-kind programs will meet the needs of the poor.

Senator MONDALE. Well, what do I tell those children in Alaska that don't have breakfast and lunches? To wait for a \$24 or \$30 billion income maintenance program?

Mr. HEINEMAN. I would hope not. I would hope waiting would not be any longer than the kind of a program you are talking about, and I would hope that the costs would not be what you are suggesting.

But I could only give you, Senator, my best views of what will truly help the poor, and I know the difficulties of trying to implement what is needed.

Senator MONDALE. Well, let me repeat a question I asked the first time around.

If you were forced to assume that this Congress and the next Congress could not adopt a broad program of income maintenance, adequately supported, would you then urge a swift and liberalized program of nutrition in this country?

Mr. HEINEMAN. Yes. If that did not involve everybody sitting back for 10 years to see how it worked.

Senator MONDALE. All right. I will accept that.

Let me ask you one final question: What is the quickest way to get income maintenance, to have a series of programs such as Senator Percy and I helped get through the Congress for homeownership

and rent assistance, in the last Congress, the vastly liberalized nutrition program, programs to assist employers, to hire deprived people, and programs for health and the rest, until we get to the point that it is obvious that we could simply shift into an income maintenance program without making a big cost difference and invest the poor with the power to make their own choices, or to sit back as we have, with vastly, tragically underfunded categorical programs and hope for the greater day of income maintenance? Which is the best strategy?

Mr. HEINEMAN. Senator, if I thought those were the two alternatives, I would answer exactly as you would like me to, but I do not believe that those are the two alternatives. I believe, personally, that if leaders in the Senate and the Congress were to devote themselves to the income maintenance program, that the public would accept it. Too often, it seems to me, we think what is politically difficult is politically impossible, and I do not think that is the case here.

Senator MONDALE. Well, I have stood on the Senate floor and argued for \$20 million for rent supplements and have been defeated.

You are talking about \$8 or \$20 billion, or some experts say \$30 billion, in a budget of in excess of \$200 billion.

I don't think I am making a political judgment for which there isn't ample evidence, and what I worry about are those hungry kids I have been looking at. Who is going to feed them? When? And every day destroys those children. And what I am trying to obtain from you—and I think your total solution is exactly right—is help right now to get support for a quickly and vastly liberalized program of nutrition.

Mr. HEINEMAN. I never thought, Senator, that I would be sitting here and be construed as opposing feeding children. That is not my point of view.

Senator MONDALE. Very good. Thank you.

Well, I appreciate your support.

Mr. HEINEMAN. Thank you, sir.

Senator ELLENDER. Senator Percy?

Senator PERCY. Mr. Chairman, I just have one further question.

I was not in Alaska, and didn't see—

Senator MONDALE. I wish you were. We were looking for some Republicans there, the last couple of days. [Laughter.]

Senator PERCY. I am awfully glad I wasn't, but I think that Mr. Heineman would be one of the few Chicago people, in our own community, who would recognize that there are children in Chicago who go to school hungry, who can't study in the morning, because they are hungry, and if anyone out there would like evidence of that, we have recently had some of our suburban communities adopt city schools, and one of them in Green Cove, reported to me the shock that suburban women had, in recognizing that one of the greatest deterrents to education for young children was hunger.

Senator MONDALE. Right.

MEDICAL ASSISTANCE

Senator PERCY. One of the reasons that we know these problems is the hospital system that we have. Hill-Burton has done a marvelous job for what it was intended to do, but so much money has gone into bricks and mortar for bed hospitals that we simply have not con-

structed the facilities in the neighborhoods, in the communities, easily accessible to people that would be most helpful, possibly.

Last year, I put a bill in to provide for States developing a plan under Hill-Burton to build neighborhood comprehensive health clinics, where the whole family could go, where the unemployed in the community could be employed right in that health facility. Now, also, to change the formula, so that we base the money to the States not on population and income, but on the number of medically indigent people in those respective States.

I would be reintroducing that bill, and now that medical experts, at medical schools have testified, it has some involvements suggested by them in reintroducing it, but if your studies have led you to believe that this kind of reorientation of our health facilities would be helpful, I would appreciate your comments on it.

Mr. HEINEMAN. I can't say, sir, that our studies have produced that result, or the contrary; I do not mean to imply that it has led us to a contrary view. I think we are satisfied and impressed with the difficulties of obtaining adequate medical assistance and health for the poor, how very difficult it is for them to get it. But I am not sure that what we have done would be helpful in your area, although I suppose I should answer that I don't know, Senator Percy.

Senator PERCY. From your knowledge of Chicago, let's just take the West Side of Chicago, the whole ghetto area out there, is it generally your impression that medical assistance and help is not as accessible and available to those people in low-income areas as it is to higher income areas, that mothers have a much more difficult time getting medical attention and remedial advice, and nutritional assistance in how to feed themselves during the period of pregnancy, for instance?

Mr. HEINEMAN. No matter how measured, Senator, whether measured in terms of doctors per thousand of population, or hospital beds per thousand of population, et cetera, your statement is completely correct.

Senator PERCY. Thank you very much.

Senator ELLENDER. Are there any further questions?

If not, the committee will stand in recess.

I understand that tomorrow, at 9:15, we are starting a field tour of the District of Columbia, and there will be a chartered bus at First and C Streets, which will take on members of the committee who desire to go on this tour.

We stand in recess until tomorrow.

Mr. HEINEMAN. Thank you very much.

(Whereupon, at 12:10 p.m., the committee recessed, to reconvene April 15, 1969.)

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Mr. LITTON. I can't say, sir, that our studies have produced that result, or the contrary. I do not mean to imply that it has led us to a contrary view. I think we are satisfied and impressed with the facilities of obtaining adequate medical assistance and health for the poor, how very difficult it is for them to get it. But I am not sure that what we have done would be helpful in your area, although I suppose I should answer that I don't know, Senator.

Senator PERRY. From your knowledge of Chicago, is a part of the West Side of Chicago, the whole ghetto area, there is it really your impression that medical assistance and help is not as available and available to those people in low-income areas as it is in higher income areas, that mothers have a much more difficult time getting medical attention and remedial advice and nutritional assistance in how to feed themselves during the period of pregnancy, in infancy?

Mr. LITTON. No matter how measured, Senator, whether measured in terms of doctors, or thousands of population, or hospital beds, per thousand of population, or other, your statement is completely correct.

Senator PERRY. Thank you very much.

Senator LITTON. Are there any further questions?

Mr. LITTON. I stand in recess.

I understand that tomorrow, at 9:15, we are starting a field tour of the District of Columbia, and there will be a chartered bus at West and C Streets, which will take on members of the committee who desire to go on this tour.

We stand in recess until tomorrow.

Mr. LITTON. Thank you very much.

(Whereupon, at 12:10 p.m. the committee recessed for recreation.)
(April 16, 1967.)

APPENDIX

NATIONAL INDUSTRIAL CONFERENCE BOARD, GUARANTEED ANNUAL INCOME: A PLACEBO OR A CURE?

(An Address By Ben W. Heineman, Chairman, The President's Commission on Income Maintenance Programs, Washington, D.C.)

I am happy to be here tonight to discuss some current problems of welfare and income maintenance.

The fact that the National Industrial Conference Board has focused its winter meeting exclusively on this subject is adequate evidence of its current importance. Nevertheless, it might be worthwhile to mention briefly some of the facts that have led to what is now regarded as a "crisis in welfare."

In this city alone, a million human beings—10% of the population and 20% of the children—live on welfare. Nationwide about 6% of all children under 18 receive welfare aid. And since 1950 the program has increased 480% in cost.

These statistics are, by themselves, difficult to accept, but their context makes them part of a conundrum which our society must solve—for along with steadily increasing welfare roles we have experienced unceasing economic dynamism. In 1968, the Gross National Product increased 5%, and the poor population was reduced by 4 million. *But* welfare recipients increased 14%. The welfare roles seem to have a life of their own, detached from job markets or the economic environment.

And this is only one anomaly. In the past several months, the President's Commission on Income Maintenance Programs has held public hearings among the poor in widely scattered regions of the United States. We have seen proud families existing in quiet desperation in the Eastern Appalachians. We have seen American Indians pushed into barren lands and administered by a clumsy bureaucracy. We have observed Mexican-Americans in the Southwest struggling to survive under shocking conditions of neglect and hostility. We have witnessed the alienation and distrust of the inhabitants of our urban slums.

In short, we find poverty to be an all too general phenomenon—and not relative to rising American living standards, but absolute. There are too many families with inadequate shelter, inadequate clothing, absolute hunger, and absolutely unhealthy living conditions. For too many in our society the world's mightiest economic machine is out of gear.

And—what is worse—we have often seen these poor, bewildered and harassed by their own government. At the bottom levels of our society, government seems unbelievably complex; social programs seem to do harm as well as good; and our society's normal respect for the individual disappears in favor of an enervating bureaucratic suspicion and distrust.

The plain truth is that whatever our income maintenance system is, it does not work. As one of the commissioners asked upon leaving a public hearing, "How in hell did the United States ever get in a mess like this?"

It seems clear to me that we got here by not defining and agreeing upon our ends, in short by not doing that planning for the future that is fundamental to our private and business lives. In their present form, current programs do not constitute an income maintenance system. Instead, they are an assembly of programs characterized by disparate objectives; by gaps in coverage and inadequacies in benefit levels, by administrative variations between programs and regions; and by undesirable social and economic side effects.

Our food programs are geared more closely to the desires and political influence of the agricultural producer than to the needs of the hungry. Our social security programs pay more to widowers than to widows; and less, relatively, to single persons than to married couples. Our public assistance programs pay far more, comparatively, to the aged, to the blind, and to the permanently and totally disabled than to women with dependent children. In some states a single aged person can get a larger grant than an AFDC family of four. No assistance is given to the working poor.

Administration and definition of programs varies—apparently arbitrarily—between different programs, and between the same programs in different regions. Under the public assistance program, the states determine need and payments. And for old age assistance the determination of need varies from \$77 in South Carolina to \$221 in Alaska; but 17 states do not even pay what they determine to be needed. In some states, payments average as little as one-quarter of the determined need.

But inadequate or poorly administered and conceived though these various programs may be in the light of today's beliefs and needs, it must be kept in mind that many function precisely as they were originally intended. For these long existing programs have been altered and adapted—then declared to be failures—when they were in fact originally intended to serve quite different ends.

What is lacking is appropriate attention to our goals.

We entered this decade administering income maintenance programs initiated in the years of the New Deal: Then, as concern grew about poverty, and our urban "crisis," we used these existing programs to attempt to mount a war on poverty. But the mood and the context of the 60's differed radically from those of 30 years ago.

The social revolution of the 1930's was occasioned by the great depression, and by the harsh experience of the ordinary man in the face of sudden economic storms. Programs were developed to protect families against the ravages of unemployment (if they had been previously employed), age, and physical disability.

The basic assumption of these programs was that in our society people achieve adequate income and social mobility through their jobs; and need only be protected against changes in the unemployment rate, and crippling losses of income when they retired. Education was to be provided so that the children of the poor would not remain dependent; and, finally, some of the remaining poor, the aged, the blind, the totally and permanently disabled, were viewed as acceptable charity cases, worthy of permanent public support.

However, this income maintenance policy did not take principal aim at the general problem of poverty but rather at the temporarily unemployed and those physically handicapped through age, blindness or other total and permanent disability. In the 1930's our society was still too far away from affluence, too near—psychologically and actually—to economic deprivation, to concern ourselves with the poverty of all our citizens.

Today—however—the context of poverty, and our view of it is vastly different. The economic growth of the last decades has multiplied the size of our economy several times over. The unendurable strains that the poor can impose upon an affluent society have become self-evident. We have learned the cost of poverty; the costs to the poor, to the affluent, and to the general society. And as we see the possibilities of compounded economic growth, we are becoming more concerned about the quality of life for all our people.

But to meet our new goals we have chosen old means. We have stretched the New Deal programs to fit new cases, we have expanded them, and we have tried to correct their deficiencies.

We have done much. But we have not changed our theories. And hence, we have not realized our goals.

And yet, 22 million Americans still live in poverty. The truth is that the programs designed 30 years ago do not fit the needs we feel today. We have truly reached a point at which we cannot get there from here.

The needs have changed. The times have changed. We must identify alternative approaches, and as a total society, we must devise new income maintenance policies.

But before we devise new policies, we should take some time to understand those for whom the policies will be meant. We must answer such basic questions as: How? What? Why? *How many* poor are there? *What* are they like? *Why* are they poor?

At the end of 1968, there were an estimated 22 million poor persons, as defined by the Social Security Administration. About one-half of all poor families lived in the South; one-half were children under 18; two-thirds of the poor were white; one-fifth were over 65; and, perhaps the most striking fact of all, *one-third consisted of families in which the father was employed throughout the year.*

But these figures, by themselves, are incomplete and misleading. The barrenness of poverty; or the humanness and incredible diversity of the poor are not easily captured by a statistical profile.

It is difficult to discuss, analytically, the effects of the barrenness poverty imposes on people's lives. But you feel it in a two room shack in the hollows of the Kentucky Appalachians—inhibited by an unemployed miner, his wife, and many children. You see it in the ugly decay of urban tenements, or of mobile homes in trailer camps. You see it in the filthy hands and faces of children and parents of the rural poor, dependent for water on open wells, some of which go dry in summer and fall, and many of which are located below their own or their neighbor's privy.

I remember one disabled former miner—who lived in a small shack, with several children, and no income. A commissioner asked him what he did during the day. He stared for a moment, and then he said, "I sit here and look at the road."

And I wondered, after seeing this, how education or job training programs could be expected to work in the absence of income and the basic amenities of life. Children, for example, seem to need more than better education—growing up in poor families with inadequate food or shelter, itself, deprives one of perspective and opportunity. And as we talked to families with small children who have "water gravy" for breakfast, we wondered about recent studies showing a high correlation between malnutrition and mental retardation.

In talking and listening to the poor, one is struck moreover by the vicious circles which characterize poverty—for the normal man becoming *unpoor* seems inordinately difficult.

Some are older people who *became* poor when they could no longer work; some were born in poor families and never gained sufficient education or skills; some are now children in poor families. They are retarded, or disabled, or trapped by discrimination, or poor by sheer chance. And some are trapped by what anthropologists call generational transfer. Most of us, not all, but most, have acquired our basic habits—of cleanliness, of diet, of work—by transfer from prior generations. We have seen our fathers and grandfathers go to work regularly, daily, and we have acquired ingrained habits—at a very early age. But generational transfer can be of quite a different sort, and just as binding, and just as compelling.

The efforts of some to escape poverty are thwarted by our antipoverty programs themselves. In one city we spoke with a young woman from a family on welfare who had tried to work her way through college. But because she was living at home, the state defined her income as part of her family's income—and consequently reduced her family's welfare check dollar for dollar by her pay. If a young boy seeks to earn money on a newspaper route, or as a packer in a grocery store, or in any other way, as an unemancipated minor, his earnings are attributed in many states to his family and their public assistance checks are reduced dollar for dollar.

For many of the remaining poor, the simple day to day effort to survive, to stay afloat, requires all their will. What does a disabled man, an elderly couple, or a child *do* to escape poverty? How does a woman with six children cope while she is hunting work or being trained? If you are an unskilled, middle-aged, unemployed laborer, how do you adjust?

Finally, and most vivid of all, is my impression of the diversity of the poor. They are black and white, rural and urban, young and old. Some are resigned, some are proud, some are angry. They cannot easily, and fairly be categorized. They do not fit well into neat demographic boxes. And our future programs should not attempt to make them do so.

The challenge we face, then, is to design an approach to income maintenance that encompasses our new ends and, at the same time, serves the poor, fairly, realistically, and with dignity. In designing such an approach are there lessons to be learned from 30 previous years of government action? Can we avoid Peter Drucker's recent dictum that "the best we get from government in the welfare state is competent mediocrity."

To begin with, we must recognize the social and economic costs of approaches which divide people into many groups. By making such divisions, programs have too frequently seemed to harm or be unfair towards those they were trying to help. There has been for example, a general reluctance to deal with the employed and employable poor. If a male head of a family with three or more children works 40 hours a week 52 weeks a year at the minimum wage, he will be beneath the poverty line. Too often this type of "full" employment is marked by lay offs, or partial employment, which will reduce the family's income still more. And there remain many full time jobs in this country including many state and municipal jobs where the pay is less than the minimum wage.

No Federal income transfer programs have been enacted to supplement the earnings of the working poor, and programs for persons who are employable are inadequate in terms of coverage and benefits. But this failure results in the anomalous and inequitable situation in which AFDC families where a male head has deserted may receive more total income than intact poor families headed by fully employed workers ineligible for income supplements.

Moreover, categorization and the absence of a true national perspective in our income maintenance programs lead to other inequities which are difficult to tolerate. Why should women and their families on social security receive more than similar families on AFDC? Or why should people in some states receive less, or be subject to drastically different rules than those in others? These kinds of differences are irrational and destructive if our concern is *poverty*.

Furthermore, we have to recognize how the proliferation of categorical programs affects the ways we motivate people. The categories offer incentives to certain people to modify their behavior to qualify for the benefits of the category. Thus, the existence of AFDC creates an economic incentive for fathers with low and irregular income to leave their families, and for women receiving AFDC to arrange alliances which do not entail a legal obligation for family support.

It is clear to me that the system as it now stands make so many distinctions, defines so many groups, and offers so many different incentives that it cannot really be understood or controlled. If we desire an income maintenance system that incorporates national priorities and whose ends approximate those planned, then we must drastically alter the existing categories and think more carefully about those we construct in the future.

Finally—and in my judgment this is critical—we must face realistically the limits of government. One irradicable impression that has come from the public hearings of the Commission on Income Maintenance is that our government programs are almost unintelligible in the field.

Time after time during the public hearings we have encountered programs and program regulations seemingly designed to keep people *out*. There are Spanish-speaking areas where program guides and brochures are only issued in English. Medical examinations to determine disability are sometimes held 20 and 30 miles from the homes of the disabled poor, who have no means of getting there. Food or food stamps are often distributed from central locations on a limited number of days each month—making it impossible for isolated families without transportation, or aged, or disabled persons to get to distribution centers or to get heavy packages home.

Rules are cumbersome, and inflexible, and sometimes incomprehensible. Services are provided at inconvenient times and places; and too often without the knowledge of those for whom they are intended. There is little or no coordination between different programs serving the same people. The result is that government programs are just not being delivered to the people at whom they are directed.

The reason for this seems to be that we underestimate the difficulties of government. Private business—for all its problems—runs large organizations supremely well; but private business has, essentially only one objective—to maximize profits. Government policy—on the other hand—involves unclear, often conflicting objectives, which are not easily understood by anyone. Therefore, in programs involving large numbers of people and the delivery of services, discretion almost inevitably flows to the lowest levels. And policy makers find it impossible to control their own programs.

The moral is not that we can do without government; but that we have to be realistic about it. Governmental mechanisms should be simple and easy to understand. Government organizations should not be asked to draw fine distinctions between groups; or to combine the giving of services with the exercising of policing powers. We must formulate programs with the knowledge that government is in part like the little girl in the poem—"When she is good, she is very, very good, and when she is bad, she is horrid."

I have argued, thus far, for a new income maintenance system—one formulated realistically and rationally to suit our new ends. However, the conscious effort to design such a system will require that we make clear social and political *choices* about fundamental building blocks. What—then—are the basic alternatives before us?

Extensive job training and employment programs enjoy substantial support as the possible basis for a new income maintenance system. Indeed, they are often spoken of as the fundamental alternatives to general income transfer programs. These job-related approaches range from public employer of last resort programs,

to the provision of employment subsidies to industry—but they all basically assert that if people are enabled to enter our economic system then cash transfers or grants will be unnecessary.

This theory has proven true for most of us—all of us in this room, I should say—but it cannot simply and easily be applied to the poor.

To begin with, close examination of the poverty statistics forces one to ask how many of the poor will be helped by an employment approach. *Do we want children under 18—who compose one-half the poor—to work?* Should the poor over 65, one-fifth of the poor, work? *How many poor women can or should leave their children and work?* And if we accept work for such women as a basic policy, are we prepared to provide day care centers to provide for their children? And what about the large number of full-time, or seasonal, or part-time workers who are heads of families that are poor? We can never forget the critical fact that fully one-third of the poor are already working poor. I think it is clear that the work solution is not as general as it might seem.

But more importantly employment programs seem to stretch to the breaking point the capacities of government. Such programs attempt to categorize people, to determine their ability, to provide relevant training, and to place them into jobs. These are enormously difficult tasks, normally performed by freely operating labor markets, and not to be lightly assigned to government bureaucracies. The state employment services, for example, are surely among the least successful of government activities.

In my judgment, these observations force us to conclude that employment approaches cannot satisfactorily provide the basis for a general income maintenance system, and are not fundamental alternatives to income transfer systems. They can be viewed, however, as ideal complements to, rather than supplements for, other approaches.

But what are these other approaches? This—I think—is the fundamental question. And the weight of the evidence makes me conclude that our new income maintenance system—at the base—must directly affect incomes, and must explicitly preserve incentives for the poor.

There exists a wide variety of means by which these two requirements may be met. Children's allowance-type programs, fundamental reform of the public welfare system, and universal income programs related to the poverty line are all possibilities.

And often, unfortunately, *heated disagreements develop around the specific design of these approaches, rather than around the extent to which they meet the two essential requirements.* But these requirements offer valuable means of evaluating programs.

First, we owe to this society and to the poor themselves an effort to preserve incentives toward employment and personal growth. This society cannot afford the loss of millions of potentially productive men and women. *The poor deserve a program which motivates them toward independence. And we must judge as unacceptable programs which do not provide such motivation.*

But equally important a new *income maintenance system must directly transfer incomes to all the poor.* Poverty itself is intolerable to a society as large, as rich, and as interdependent as ours. SOCIAL INVESTMENT PROGRAMS SUCH AS EDUCATION, TRAINING, OR HEALTH WILL NOT WORK IN THE ABSENCE OF INCOME SUPPORT. And transfers given only to certain groups are inequitable and undefendable. Thus, fundamentally we must ask of our income maintenance programs that they transfer incomes. The poor need and must have cash.

It troubles me to say this because I know the force of some counter-arguments. Income transfer can lessen motivation for some. Education, training, and employment are the basic and, in the final analysis, the best means to social mobility.

But in emphasizing these approaches we underestimate the crippling effects of absolute poverty. Men and women who are poor cannot, even for a day, afford to take risks; they cannot accept opportunities which take time and money. And in any case these opportunities are not relevant to the problems of many of the poor.

Therefore, only income transfers to the poor can allow the other mechanisms—education, training, health, and employment—to function adequately. Moreover income transfer systems can be made fully reconcilable with the preservation of work incentives. By charging a household's income transfer grant 50c, for example, for each dollar earned; a worker will always have a higher net income than a non-worker with a similar sized family. And income transfers must be the basis of a new income maintenance system.

When we have made *this* decision, we must still choose programs which can realistically be expected to function, which do not demean recipients, which offer opportunities to the poor, and which do not have socially disruptive effects.

We will not, of course, choose only one program. The aged or the blind do not require the same programs as children or the middle-aged working poor. We will want education, training and employment for those who can take advantage of them. We will want to provide many services. We may, in some way, want to transfer different incomes to different groups.

But at the base, we must have one universal program which equitably and simply transfers cash income to all the poor. This fundamental building block must have a national perspective. It must be administratively feasible. It must not destructively divide the poor. And it must provide built-in incentives for those who can use them.

With such a basis, we will not cure overnight, but we shall have gone far towards solving, the critical problems of poverty in this nation. And by approaching this goal in a manner that reaffirms our society's respect for the worth and dignity of all its citizens, we shall have recognized the responsibilities of affluence and, perceptibly, raised the quality of all our lives.





