HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 8, 1965

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., used these words of Scripture, James 4: 8: *Draw nigh to God, and He will draw nigh to you.*

Almighty God, we are uniting in a moment of prayer and joining hearts in a covenant with Thee and one another to walk in Thy ways of love and loyalty.

Thou art always beseeching us to open widely the windows of our soul that we may fortify our spirit as we face the darkness that bewilders us and seems to be settling over so many areas of the world.

Grant that we may never compromise and surrender to the forces of evil lest we betray our blessed Lord who alone is able and willing to deepen our faith in the power of righteousness.

May special blessings of insight and vision be given to our President, our Speaker, and all who share in the responsibilities of leadership as they seek to translate the lofty ideals of democracy into practical realities and make them regnant in the life of our Republic and mankind everywhere.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 30. Concurrent resolution to honor the victory over poliomyelitis.

CALL OF THE HOUSE

Mr. ANDERSON of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 69]

Ashley	Buchanan	King, Utah
Baldwin	Cohelan	Leggett
Baring	Dent	Mailliard
Blatnik	Hollfield	Powell
Bonner	Ichord	Purcell
Brademas	Jones, Ala.	Toll

The SPEAKER. On this rollcall 415 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOCIAL SECURITY AMENDMENTS OF 1965

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6675) to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, to improve the Federal-State public assistance programs, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6675, with Mr. DINGELL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Arkansas [Mr. MILLS] had 3 hours and 15 minutes remaining; the gentleman from Wisconsin [Mr. BYRNES] had 2 hours and 48 minutes remaining.

The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield 1 minute to the distinguished minority leader, the gentleman from Michigan [Mr. GERALD R. FORD].

PROGRAM FOR THE PERIOD PRIOR TO AND SUBSEQUENT TO EASTER

Mr. GERALD R. FORD. Mr. Chairman, I have asked for this time to inquire of the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT], the schedule for the period of time prior to and subsequent to Easter.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Chairman, I am happy that the majority leader has brought this matter up, because I do want to keep the House fully informed.

Mr. Chairman, we had thought that we would have up for consideration the Department of Defense authorization bill which, of course, is a very important bill, on Wednesday following Easter. However, that bill will not be ready for consideration.

We therefore have no legislative program for the week following Easter, and it will be our plan to adjourn over 3 days at a time, within the rule, so Members can govern themselves accordingly.

Mr. GERALD R. FORD. In light of the situation in the House Committee on Armed Services with reference to the committee report on the $15 billion-plus Department of Defense authorization bill, I fully concur with the decision of the majority leader and the Speaker in not programing or scheduling any legislation during the week following Easter.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield further, we appreciate the cooperation which the minority leadership has shown in this matter. He has been very cooperative and I am happy to make this announcement to the House.

Mr. GERALD R. FORD. Would the majority leader give us an indication as to when the House will conclude its business next week?

Mr. ALBERT. The only bill we have of any consequence for consideration is the presidential succession bill, which we hope to consider on Tuesday or Wednesday. We do not have any District bills for Monday.

I cannot promise the Members that they can leave Washington at the close of business on Wednesday, but I know of no important business for Thursday of next week.

Mr. GERALD R. FORD. I thank the gentleman very much.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. When is Pan-American Day next week? Do we have any business on that day? Usually we do not. Will there be any business scheduled after that? I understood Pan-American Day was on Wednesday of next week.

Mr. ALBERT. Wednesday of next week has been designated as Pan-American Day.

Mr. MILLS. Mr. Chairman, I yield to the distinguished gentleman from New York [Mr. KEOGH] 15 minutes.

Mr. KEOGH. Mr. Chairman, I should like first and immediately, even though obviously inadequately, to commend our great Speaker in his typical and gracious designation of a talented young man to act as Chairman of the Committee of the Whole. It was this young man's father with whom I had the distinct pleasure of serving in this body for almost 20 years, and on the Committee on Ways and Means for a number of years.

Mr. Chairman, you are indeed to be commended for the proud manner in which you have carried on the tradition of that great father of yours whose name will forever and closely be associated with this monumental program we are about to enact into law.

Mr. Chairman, the decisions embodied in the pending bill have been quite adequately explained in detail by those great men who have preceded me.

There are, however, Mr. Chairman, two specific provisions in the pending bill in which I have a deep and abiding interest, and I should therefore make bold to detain the committee briefly in order that the RECORD with respect to these two provisions may be clear.

As Members of the House are aware, there is a large number of our citizens who heretofore have been deprived of the protection of the Social Security Act simply because of the form in which their income is received. For many years I have pointed out that this is extremely unfair to these individuals and I have sponsored legislation to provide for their coverage. I refer, of course, to those individuals who receive their income in the form of tips and gratuities. In the 87th Congress I introduced legislation to remedy this glaring gap in social security coverage, and have consistently espoused the proposal on every available opportunity.

Therefore, it is with a sense of considerable pleasure and satisfaction that I point particularly to the provision in

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H.R. 6675 which will extend social security coverage to more than 1 million individuals and their families who receive their income in the form of tips and gratuities. These individuals and their families have needed the protection which is offered through the Social Security Act for many years.

There have been two problems which had to be met. The principal difficulty has been to devise a fair and practical system for obtaining information on the amounts of tips received by an individual which could serve as a basis for contributions and benefit credits. The other problem has been the question of whether tips should be taxed as wages or self-employment income.

As is more fully pointed out in the committee report, it is a matter of common knowledge that in an occupation where employees customarily receive tips, the regular wages of these employees are generally far below those of other employees with comparable training and duties. We have received information to indicate that, on the average, about one-third of the work income of employees who receive tips in the course of employment is in the form of tips. For many, tips constitute the major source of earnings. Since the regular wages of employees who customarily receive tips are relatively low, the benefits based on those wages are likewise low. The amount of tips received by employees who regularly receive tips is estimated at more than $1 billion a year. Under existing law, only a small fraction of this amount can now be counted. This situation will be remedied by the provision in H.R. 6675.

The Committee on Ways and Means concluded, after considering this entire problem very carefully, that the decision which it reached in connection with the legislation last year was a fair one, and that the only equitable way of counting tips toward benefits is on the basis of actual amounts of tips received and that the only practical way to get this information is to require employees to report their tips to the employer. Thus, the plan which is included in this bill, H.R. 6675, in that regard is identical to the provision which was contained in the social security bill which was passed last year, H.R. 11865.

I might also point out that the committee received full and complete information on this subject from both employers and employees before taking action in connection with this bill. Indeed, before including a similar provision in the bill last year, the committee invited written comments from employers on any technical or other problems which might be encountered in connection with such a proposal. This year, the committee heard in executive session from representatives of the employer groups most closely affected—the National Hotel and Motel Association and the National Restaurant Association representatives, in addition to the employee representatives.

Mr. Chairman, I am convinced that these provisions contained in this legislation are sound, and I again commend my colleagues for including this provision which will benefit so many individuals and their families in the years to come.

Mr. Chairman, another area with regard to social security coverage which has concerned me greatly for a number of years has been the failure to permit some form of coverage of Federal employees under the program. As I have stated on numerous occasions in the past, I can perceive no valid reason why the employees of the largest employer in the United States should be precluded by law from receiving the benefits and the protection under this act. In connection with the consideration of the bill which became the Social Security Amendments of 1960, I sought for inclusion of a provision which would have afforded Federal employees an opportunity to participate in this program. I was not successful on that occasion. However, the Committee on Ways and Means agreed that efforts of the executive branch should be expedited in evolving an appropriate and sound method for coverage of Federal employees. To that end, we included a provision in the report accompanying the 1960 bill requiring the Department of Health, Education, and Welfare to submit a report to us and urging the interested departments and agencies of the executive branch to accelerate their efforts in finding a workable and sound solution to this problem and report it to the Congress at the earliest opportunity.

Mr. Chairman, I regret to advise the membership that the report which we requested in 1960 was not submitted to the committee until late in the stages of completing committee action on the pending bill. It obviously was too late for the committee to study fully the suggestions contained in the report.

The committee was advised by the Department of Health, Education, and Welfare that the executive branch has initiated an overall study of retirement provisions for Federal personnel. On the strength of this and in the face of inadequate time, the committee, reluctantly I believe, refrained from including a provision in this legislation. I do, however, invite the attention of the entire membership to the statement in this regard which is contained in pages 103 and 104 in the report of this bill, particularly the statement that it is the committee's expectation that the current study which is underway will be completed not later than December 1, 1965, and that the deadline will be met. We have delayed too long on this.

I should like to point out that the report of the Department of Health, Education, and Welfare did contain one suggestion which, although far from meeting the problem, does afford some minimum measure of solace, and I have introduced a bill to carry out that limited degree of assistance.

The gentleman from Virginia [Mr. BROYHILL] has introduced an identical bill. In effect, these bills will provide social security protection for Federal employees and their survivors who do not have protection under the civil service retirement system. This would be accomplished by providing that the period of civil service of an individual who has no right to a civil service retirement annuity, deferred or otherwise, may be transferred to the social security system and counted as covered employment for social security purposes.

I want to make clear, Mr. Chairman, as forcefully as I can, that I do not consider the bills which we have introduced to be the total solution to this problem. It is what we regard as an absolute minimum which should be done immediately. The long-range solution involves much more than is contained in these limited bills, and I hope, when I say "long range" that we will be able to accomplish a solution to the larger problem well before the end of this Congress.

Mr. Chairman, I have pointed to these two particular areas of H.R. 6675 because they were areas of special concern to me which had not been covered in a detailed way by the speakers who preceded me. I subscribe to the comments which have been made by my chairman with regard to the monumental provisions of this bill extending medical care for the aged, in the extensions of the public assistance provisions and in the very noteworthy changes in benefits and in coverage of the old-age, survivors, and disability insurance program.

Mr. Chairman, this too is a day that will live long in history. For this day is the day when the Committee of the Whole and the House of Representatives will have risen to heights unprecedented and will have taken the first long step in the direction of providing adequate medical coverage for our senior citizens.

Mr. Chairman, the Great Society is on its way.

Mr. Chairman, I yield back whatever time I have remaining.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to discuss the bill, H.R. 6675, may be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GRABOWSKI. Mr. Chairman, I rise today to voice my support of H.R. 6675. I take particular pleasure in supporting this bill because it is my belief that this is a great event in the social and economic history of the United States.

The medicare bill, when passed, will have the greatest impact on this Nation of ours of any legislation since the original Social Security Act. It will affect a segment of our society greatly in need of help. It will contribute to the war on poverty. It will remove from many the stigma of "charity" and it will guarantee to our elderly that they will receive medical attention at the time of life when illness comes most frequently and when their financial resources are low.

As you know, I have introduced legislation identical to this bill now under consideration. I did so in the sincere belief that this is excellent legislation and that the gentleman from Arkansas, Chairman MILLS, and the House Ways and Means Committee have done a su-

perlative job in considering all the proposals forwarded in the area of medical care for the aged and in formulating a bill which is not only workable but which looks to the needs of the future as well as those of today.

This bill actually is divided into four parts: Medical care for our elderly citizens; a part dealing with maternal and child health, crippled children and mentally retarded programs; a part revising and improving the benefits and coverage of the old-age, survivors, and disability insurance program, and the part improving and expanding public assistance programs.

There has been a great deal of controversy stemming from this legislation. I know that my office, and I am sure the offices of my colleagues, reflects this controversy in the amount of mail, telegrams, phone calls, and visits from delegations which this bill has engendered. There has been every shade of opinion expressed, from complete opposition to any kind of Government assistance for the elderly to opposition to any form of social security financing to complete support for medicare under social security.

We all have had to sift these opinions and evaluate them and we have had to be guided by our own knowledge of the situation and our consciences.

When I think of some of the letters I have received, letters from old people telling of living on $54 or $70 a month for all the necessities of life, of insurance companies dropping health policies when elderly policyholders become ill, of hundreds of dollars in medical bills when these people cannot pay, of their shame at having to ask for welfare—which to them is nothing more than charity, then I ask how can anyone refuse to support this legislation.

This is a great bill. This is a bill which will bring innumerable benefits to a group of people which needs these benefits badly. I urge your vote for H.R. 6675.

Mr. KARTH. Mr. Chairman, as Americans we are filled with pride for our Nation's advanced technology and our great wealth. However, until very recently we have lagged behind some Western European nations in providing social services for our disadvantaged citizens.

The administrations of Presidents Kennedy and Johnson have been sensitive to our Nation's shortcomings in this area and have made great strides to overcome these deficiencies.

A national system of providing health care is an example where our country is far behind most of the advanced nations. Many of us remember when in the 1940's and early 1950's, Senators Murray and Wagner and Congressman Dingell advocated a national health program. At that time their proposal failed to get widespread support. Yet the various hearings which were held disclosed the plight of the aged sick and stirred many consciences. So while the idea of comprehensive health care lingered and vanished as a legislative issue, that of medicare for the aged persisted through the years. Vehement attacks on medicare whittled down the proposed program to such a modest "package" that even its advocates apologized for its obvious inadequacies.

Ironically, the foes of medicare unintentionally made H.R. 6675, as a health care bill, a far better piece of legislation. They accomplished this by educating the public, through their well-financed publicity campaign, to the shortcomings of the medicare bill.

President Johnson and Vice President HUBERT HUMPHREY last fall made a health care program for the aged a major election issue. Their overwhelmingly victory practically assured it favorable consideration by the 89th Congress.

I think it is particularly fitting that at this moment we should pay special tribute to those of our colleagues who did the pioneers work on this legislation: The late Congressman Dingell and Senators Murray and Wagner. We owe a special debt to Congressman Aime Forand and CECIL KING, Senator CLINTON ANDERSON, and others in Congress who in more recent times worked so diligently for medicare.

Much has already been written of Chairman WILBUR MILLS' unique genius in bringing out of the House Committee on Ways and Means a bill which incorporates the finest features of the different approaches to health care for the aged. He has rightly earned the thanks of the millions of people whose lives will be made better by his most influential leadership.

I will vote for the adoption of H.R. 6675 because I believe that we need to give this measure of justice and security to the aged and to the needy sick.

Mr. LANGEN. Mr. Chairman, our action on the Social Security Amendments of 1965 is going to set a pattern that the citizens of this Nation will have to live with for many years to come. We can either set an orderly pattern based on the real needs of our senior citizens or we can enact a patchwork piece of legislation that not only fails to provide all of the needed services but threatens the soundness of our social security system and paves the way for socialized medicine.

I fully realize and support the principle of adequate health facilities being made available to the aged. We have a responsibility in this field and should act. However, such aid should be made available at a reasonable cost to the taxpayers of the Nation.

This House should support a plan to assist our elder citizens in obtaining adequate health care. But we should not support a plan that saddles the wage earners of America with an increase in the regressive payroll taxes they pay. To force these wage earners to finance medical assistance for every senior citizen, regardless of whether it is needed, is unconscionable. That is why I believe we should support the substitute proposal before us, so that we will have a program that will meet the medical needs of the aged at less cost without burdening the social security system.

What is so interesting, Mr. Chairman, is that the principle of voluntary health insurance as contained in the alternate proposal is the same principle as adopted by the majority in the medical services program which was added to the administration's original medicare bill. We in the minority are, of course, pleased that they saw fit to improve the bill to the extent of adopting a number of our proposals. However, the substitute bill before us would improve the package even more, coordinating all of the benefits under one system instead of two separate and conflicting systems.

It is difficult for me to understand the wisdom of financing some medical care through social security taxes and the rest through voluntary insurance systems. What you end up with is half of the so-called medicare bill calling for compulsory coverage paid for by the wage earners, some who cannot afford to pay for medical care for others, and the other half calling for voluntary contributions from individuals and general revenues of the Government. And even with both of the programs in effect, our older citizens would still not be sufficiently protected from the unusually high costs of extended illnesses or expensive drugs.

As we note in the minority views in the report on the bill before us, the hospitalization program proposed in this bill, as the majority now admits, was "oversold." Many of us have long contended that the medicare provisions were completely inadequate. In an effort to stave off the inevitable disillusionment, a number of Republican proposals were tacked onto the bill. I should agree that these additions were sorely needed. Now we have the opportunity of going all the way by adopting the alternate proposal with its voluntary provisions.

The alternate proposal, which I believe we should support, would meet all of the medical needs of the aged, both in and out of the hospital. It would also cover catastrophic illnesses to a greater extend than the administration bill. Under the program, all persons 65 years of age or older would be eligible on a uniform basis and their participation would be voluntary, without a means test. Our social security system would not be threatened because financing would come from general revenues of the Government and from the people themselves. Social security would only be used as a factor in determining the cost of the insurance for the individual. Insurance plans already in effect would not be disrupted. And the young wage earners of today would not be taxed for medical benefits for those who do not need it.

Mr. Chairman, it makes good sense to eliminate the duplication of coverage that is inherent in H.R. 6675 by combining all medical benefits in a single, comprehensive insurance program. We would provide greater benefits and protection for less money.

It is hoped that a majority here will cast an affirmative vote for the elderly and for the wage earners of America by supporting the alternate proposal. It is the better of the two plans. The other, as reported to us from the committee, is unacceptable because it does not provide all of the needed benefits and the method of financing seriously endangers the entire concept of social

security, putting the Nation dangerously close to complete socialization of the medical profession.

Mr. PIRNIE. Mr. Chairman, the subject before us has evoked widespread interest throughout the Nation. With the possible exception of civil rights, the question of health care for the elderly has received more attention than any other program before this 89th Congress.

There appears to be unanimous consent that some form of assistance with medical expenses for our senior citizens is needed; I have found little disagreement with that basic premise.

However, as can be observed in this Chamber today, there is some disagreement respecting what may be termed the specifics of the program to be adopted. Who will be covered? What benefits will be included? How will the program be financed? Who will handle its administration?

I long have taken a position in support of a program that is soundly financed on a contributory basis during one's earning years. I believe that the individual should prepare for his retirement years when he must anticipate medical expenses will be higher during the period of his reduced income. The simple, direct way to thus prepare is through a contributory plan operating during his working years. You might say that this is the "buy now, pay later" theory in reverse. To me, it is sound.

Further, I believe that use of the existing social security structure to collect moneys for the program has real merit because it eliminates the necessity of establishing wasteful, duplicate collection mechanisms. This proposed program is of necessity costly and far reaching; therefore, we have an obligation to put forth every effort to make it as economical and equitable as possible.

Also, I have advocated that a trust fund be established for the program, separate from the social security fund, so that Congress and the American public would have the capability of checking on the financial status of the plan at any given time in order that timely adjustments could be authorized to insure its stability.

Our obligation will not cease upon passage of this bill. We must be ever mindful of our responsibility to keep a watchful eye on the adequacy of the funds in reserve today for those who will require assistance tomorrow.

Mr. Chairman, I, like my colleagues here and millions of Americans across the country, have given much serious thought to the type of coverage that should be included in a health care for the elderly program.

I have maintained that we should endeavor to establish a basic hospital plan for all those to be covered, as well as a supplemental plan, available at a minimal additional charge to those who voluntarily elect to participate, to cover related doctor and drug expenses.

I have long expressed an interest in developing a program that would permit a partnership between the Government, the people, and private insurance companies and I trust that maximum consideration will be given to the full utilization of the capabilities of private agencies in serving this program.

One other aspect of this bill warrants particular note. In addition to coping with the health care question, it also calls for an increase in social security benefits, in essence, a cost-of-living adjustment.

In addition, it calls for the continuation of benefits to age 22 for certain children in school, provides for actuarially reduced benefits for widows at age 60 and grants benefits to certain persons currently 72 or over now ineligible. Further, it liberalizes the definition for disability insurance benefits, increases the amount an individual is permitted to earn without suffering full deductions from benefits, revises the tax schedule and increases the earnings counted for benefit and tax purposes so as to fully finance the changes made.

Many of us, during the last Congress, cast affirmative votes on a bill to increase social security benefits and to bring about several much-needed revisions in the program. We were gratified by the favorable action of the House. However, as you know, we were later disappointed when the Senate sought to include other controversial amendments which kept the measure from again coming to the floor.

Now it is a different story. We have before us a plan which incorporates sound proposals adopted from several different sources. Areas of previous disagreement have been skillfully compromised. As a result, we have a bill which is not an administration measure nor a Republican bill. It is a composite approach, far more acceptable to many of us. It is one I feel can provide desired and needed benefits for our senior citizens, present and future.

Mr. FARBSTEIN. Mr. Chairman, this is a great day for the elderly of our country. We are finally making it possible for them to overcome their longtime fears of medical disaster by passing this legislation. We are also liberalizing the social security law in various of its facets. I am therefore proud to vote for this bill.

One-tenth of the people of our Nation are faced with the threat that ill health could, at any moment, wipe them out financially, reducing them to wards of the Nation's charities. These people are our senior citizens; those men and women who have lived fruitful and productive lives, yet who must now, for a number of reasons, hover on the brink of impending debt and despair.

Of these 18 million people, more than half have incomes of less than $1,000 a year. A full third have no assets whatsoever besides this meager income, while half have assets of less than $1,000. What makes limited finances such as these so frightening is that, when a husband or wife is hospitalized, aged couples today face medical bills averaging about $800 a year. Our elderly citizens require three times as much hospital care as the young and, when they go to the hospital, they stay, on the average, twice as long. Moreover, the rapidly increasing costs of medical care hit them hardest because whatever income they do have is generally fixed.

In 1960, Congress took limited steps to meet this problem by passing the Kerr-Mills Act. This act was deficient in two respects. First of all, it mistakenly assumed that health care problems in old age are limited to the very poor. We have just seen from the previous statistics that this is not true. Even people who have lived quite comfortably throughout their working lives face the prospect of limited funds when they reach retirement. But the more pertinent fact is that the extended periods of illness that usually accompany life's later years can undermine the economic independence of even the most secure.

The second and more critical weakness of Kerr-Mills is that it leaves the application of a suitable aid program to the jurisdiction of the individual States. After 5 years, 9 States have not bothered to comply with the provisions at all, and only 7 of the remaining 41 have anything approaching an adequate program.

I am proud to say that my own State of New York has instituted one of the better programs under Kerr-Mills, but even there it is not a complete arrangement. It necessarily uses the welfare approach and, as such, can never hope to be the ultimate answer to the real needs before us.

I, therefore, rise to voice my support for the bill which I believe does answer these needs—the proposed amendments to the Social Security Act, better known as medicare.

This bill, as reported by the Ways and Means Committee, would give three levels of protection, each one being more comprehensive than the old Kerr-Mills Act.

First, it would provide a basic plan of hospital insurance financed through the social security system. This section would provide compulsory protection to all persons 65 and over and would be financed by equal contributions by employee and employer to a separate hospital insurance trust fund. The benefits under this section would include:

First. Hospital inpatient services—60 days for each spell of illness with $40 deductible.

Second. Posthospital extended care—at least 20 days and maximum of 100 days following transfer from hospital, in facility having agreement with hospital.

Third. Outpatient hospital diagnostic services—available as required with $20 deductible during a 20-day period.

Fourth. Posthospital home health services—up to 100 visits after discharge from hospital or extended care facility.

The second level of protection involves a supplementary plan covering physician's fees and other medical services. All persons over 65 would be eligible for this plan on a voluntary basis. There would be an annual deductible of $50. Then the plan would cover 80 percent of the patient's bill for the following services:

Physicians' and surgical services in hospital, clinic, office or home; mental hospital care for 60 days in spell of illness—180-day lifetime maximum; home health services, without requirement of prior hospitalization, for up to 100 visits

a year; other medical and health services in or out of medical institution including diagnostic X-ray and laboratory tests; electrocardiograms; certain ambulance services; surgical dressings; splints, casts; rental of certain medical equipment as iron lungs, oxygen tents, braces, artificial limbs.

As a third section, the bill incorporates an extension of the Kerr-Mills program. Believing that this old plan would provide an excellent underpinning to the other programs, H.R. 6675 extends the coverage to include the blind, the disabled, and families with dependent children, and increases the Federal matching share for cash payments for those needy persons.

In addition, the bill includes a number of excellent child health programs and public welfare amendments, and provides for some much needed increases in general social security benefits.

But, while the comprehensiveness of the provisions takes steps toward securing economic stability for our elder citizens, the way in which they are applied promises to affirm a dignity for these people that previous plans have neglected. No longer must our aged be subjected to humiliating means tests. No longer must they seek protection in the form of degrading handouts. These benefits are not charity or welfare. Under this program, the individual will have contributed financially to his own security and that of his family. The benefits will be paid because the person has earned them.

Many people have been worried that such a program might lead to Government control of the medical profession. This is not the case, and in fact, the bill specifically prohibits the Federal Government from exercising "any control over the practice of medicine or the manner in which medical services are provided." Further, the bill allows the beneficiary to choose whichever doctor, hospital, or agency he desires.

It would seem to me that, rather than fettering medicine with new restrictions, this bill opens up new vistas of freedom in treatment that the profession has never known before. For no longer must a physician weigh his diagnosis in terms of what the patient can afford. He can now practice his art as it was meant to be—prescribing care solely upon what he analyzes the patient's need to be.

I am excited about this bill. I believe it to be one of the most significant pieces of social legislation to come before this Congress in years. What is more important, I know my constituency is decidedly in favor of it as well. It is for this reason that I took steps to make sure that it did not expire in committee as so many of its predecessors have. Last year, I personally had printed and circulated cards throughout my district whereby voters could express directly their feeling for this bill. The response was great and overwhelmingly in favor of the bill. I submitted this material to the Committee on Ways and Means so that its members might be aware that the people of my district and even of the entire Nation want this bill and want it now.

For too many years in the past we have allowed important measures such as this to die in the web of legislative procedure, making Congress a symbol of inaction in the face of need. Let us repudiate the "do nothing" Congresses. Let us become a "do something" branch and pass quickly this legislation which is so desperately needed and which embraces the hopes of every elderly person in our Nation.

In the above, I stated my full support for the medicare bill. I do have one serious reservation about it, however. This concerns the omission of any provision for drug costs. In many cases, drugs can present a ruinously high cost of illness, and this is particularly true of the elderly who are chronically ill.

Certainly, many of our aged will be able to meet drug costs if they have, as I assume they will, protection of medicare. I do not propose to subsidize all drug costs, but only those of the greatest in need.

For this reason, I plan to introduce legislation to set up a drug stamp program which will be quite similar to the very successful food stamp plan. Under this proposal, a person who is within a maximum income limitation would be issued coupons redeemable at any approved retail drugstore. Full freedom of purchase will be maintained as it has been in the food plan.

I believe this measure will plug the one remaining hole left in the bulwark we built for our elderly. I urge your consideration of it and hope to see it passed as a companion measure to the medicare bill.

Mr. SCHMIDHAUSER. Mr. Chairman, I would like to add my voice in support of H.R. 6675. First of all, I would like to compliment Chairman MILLS and the members of the Ways and Means Committee for reporting a bill which will enable our senior citizens to receive the best possible medical attention without fear of having their lifetime savings wiped out due to a major illness, or creating a financial burden for their children. It is the solemn duty of this, the wealthiest and greatest nation on earth, to provide this program for those who have contributed so much to the building of our society when they are no longer able to participate in the labor market.

I feel that the basic plan of this bill which will provide for hospital care and posthospital care financed through the social security payroll tax is the proper answer to the problem of ever-increasing costs of hospital care that are burdening our older citizens. Also, the inclusion of a voluntary plan to provide for physicians' services, diagnostic and laboratory services, and home health services is a most fitting supplement to the basic hospitalization plan. This program, based on small monthly payments by those who choose its coverage along with a like contribution raised from the general revenues, is in the finest American tradition of free choice.

Further, this proposed bill would not only strengthen the Kerr-Mills program by establishing minimum standards for medical assistance, provide for less stringent "means test," increase the contribution of the Federal Government, but would extend coverage to all needy persons regardless of age.

I feel that we have had presented to us a bill that is financially sound. The basic plan will be administered from an actuarially sound separate trust fund, and will cost those employees who contribute to it less than 40 cents per week. The voluntary supplemental plan can be paid for by those who choose it with no loss in their present social security benefit rate.

Finally, Mr. Chairman, I feel that we owe a large debt of gratitude to Chairman MILLS and the members of the Ways and Means Committee who were able to combine the best features of several proposals into one comprehensive program of medical assistance that has few parallels in the history of legislative responsibility.

Mr. SICKLES. Mr. Chairman, one of the most pressing questions of our times—the issue of how to pay for the increased medical expenses that face many elderly Americans—will be substantially resolved by the program established by the bill to be voted on today. This bill is now on the last leg of a long legislative journey.

For a number of years, most people have recognized that our elderly citizens—who because of the miracle of modern medicine and science are enjoying longer lives—need financial assistance to protect them from the steep hospital and medical bills they frequently incur in their retirement years when their income is reduced.

To aid the elderly, Congress is considering legislation which makes a three-pronged attack on the problem.

First, and perhaps most important of all, the bill proposes a basic plan of hospital insurance protection financed primarily by an increase in payroll taxes, which will be deducted along with social security from the worker's paycheck. These funds will establish a hospitalization program available to almost every American at age 65 and over. Briefly, the program provides for: Up to 60 days of hospital care for each illness, with the first $40 deductible; up to 20 days of posthospital nursing home care, with 2 additional days for each day that a person's hospital stay was less than 60 days; posthospital home health services for up to 100 visits, including, for example, daily visits by a nurse; outpatient hospital diagnostic services, with a $20 deductible clause.

As a companion feature to the basic hospitalization plan, elderly Americans would be permitted to participate in a voluntary program to help them meet the cost of physicians' services. This supplementary plan would be financed by a $3 monthly contribution by the individual participant, which would be matched by an equal contribution by the Federal Government from general tax revenues.

The program would cover 80 percent of the cost of doctors' services, home health services, hospital services in mental institutions, and other health services, after a $50 deductible. Briefly, the program provides for: Physicians' and surgical services whether furnished in

the home, hospital, clinic, or office; hospital care for 60 days in a mental hospital, with a 180-day lifetime maximum; home health services, without prior hospitalization, for up to 100 visits, during each calendar year; additional medical and health services, whether provided in or out of a medical institution, including X-ray and laboratory tests, X-ray, radium, and radioactive isotope therapy, ambulance services, and other miscellaneous services, such as surgical dressings, casts, rental of wheelchairs, braces, and artificial limbs. Eyeglasses and dentures are not included.

In addition to the hospitalization and supplementary medical services plan, the existing Kerr-Mills program would be revised and expanded to provide care for a limited number of needy elderly persons who lack the money required to receive full health care.

The improved Kerr-Mills program would require a State to provide inpatient and outpatient hospital services, laboratory and X-ray services, skilled nursing home care, and physicians' services, in order to receive Federal grants. The States would be required to establish a flexible income test, geared to the size of the medical bill confronting the elderly person. The States will also be required to help needy elderly persons pay the various deductible costs required to participate in the supplementary voluntary program I mentioned earlier.

This three-pronged attack on the health problems of the elderly: Basic hospitalization coverage, the voluntary program for medical services, and the improved Kerr-Mills program, constitute a tremendous step forward for America.

Also included in the bill is a 7-percent, across-the-board increase in social security benefits, and many other amendments liberalizing the basic social security program.

I am giving this bill my full support because it is a major step toward the goal of providing adequate health care and financial security during retirement years for every elderly American.

Mr. ROOSEVELT. Mr. Chairman, I rise in support of H.R. 6675, the Social Security Amendments of 1965, which will provide a hospital insurance program for the aged under the Social Security Act. It also provides for an optional supplementary health benefits and medical assistance program, financed by individual premiums and Federal Government matching payments, and operated through private insurance carriers.

I have long fought for legislation to provide medical and hospital care for our senior citizens, and commend the magnificent work done in this 89th Congress by the Ways and Means Committee, and its chairman, the gentleman from Arkansas [Mr. MILLS].

Building upon the provisions of the King-Anderson bill, this bill utilizes the basic social security approach commended by both the Kennedy and Johnson administrations, which approach I thoroughly endorse.

Mr. Chairman, I have some very vivid memories, very personal memories, of the controversies that raged when the first social security bill was put forward. There were predictions of dire consequences, breakdown in the moral fabric of America, and expressions indicating little faith in the American people. All of these fears have proved to be without foundation, and the social security principle has proved a sound one.

In addition, this measure provides for a program of supplementary medical care and assistance which is available to all persons age 65 or over, on an optional, voluntary basis, regardless of whether or not they are eligible for social security, railroad retirement, or other benefits.

Here we offer the American people a program consistent with both the Federal concern for the basic welfare of all Americans, and the individual and private responsibility for self and family.

There are now more than 18 million people in the country who are 65 or older, and their numbers continue to increase. Most of them have little or no financial protection against serious illness. On the average their incomes are one-half those of younger people. At the same time, their need for health care is about twice that of people under 65.

This program will make it possible for people to build insurance protection in their working years against the high cost of illness in their old age—just as they now build social security protection for themselves and their families against the loss of earnings accompanying old age, disability, or death in the family.

In addition, this far-reaching program increases by 7 percent all old age, survivors, and disability insurance benefits, with a new minimum benefit of $44 per month.

One of the most significant provisions of the bill is that which permits payment of children's insurance benefits to the age of 22, provided the child is a full-time student. With so much emphasis placed today on the need for higher education, this continuing assistance will be of immeasurable benefit to the children of disabled workers, as well as orphans, who could not otherwise realize their full potential by the completion of their education. Last year I introduced legislation to accomplish this worthwhile purpose, and I am particularly gratified that the Committee on Ways and Means has included it as a part of this package. It will benefit an estimated 295,000 young people.

An especially humanitarian provision of this measure is that which permits widows to begin receiving reduced benefits at age 60, if they so choose. We are well aware of the difficulties women face at this age in finding employment, if they are fortunate enough to enjoy sufficient good health to permit them to work Some 185,000 widows who are not physically capable or otherwise qualified for full-time employment will find this aspect of the bill will greatly alleviate their plight.

Liberalized disability insurance eligibility requirements will benefit an estimated 155,000 disabled workers; while liberalized eligibility requirements for benefits will aid an estimated 355,000 persons 72 or older.

Finally, this comprehensive bill improves the Kerr-Mills program by expanding State medical assistance programs not only to the indigent aged, but also to needy persons who are part of the dependent children, blind, and permanently and totally disabled programs, increases the Federal share of payments under all State public assistance programs; and increases Federal authorization for maternal and child health services and for crippled children services.

Next week I will analyze and report in greater detail exactly what a person 65 or older can expect from this bill—how much money, how and where to obtain it, and what total benefits he can anticipate.

Mr. Chairman, we have the opportunity today to add another vital brick to the foundation of President Johnson's Great Society, and to add a significant weapon to our growing arsenal for his war against poverty.

We also have the opportunity to say to some 18 million aged Americans that the great wealth and plenty of this country, toward which their own contribution has been immeasurable, shall not bypass them, and that they shall share with younger Americans the abundance of necessary goods, the freedom from crushing worry, and the dignity of spirit afforded by our great American way of life.

Mr. GILBERT. Mr. Chairman, I have sponsored and worked for a program of medical care for our senior citizens since coming to Congress. The realization that we are about to enact this program is a source of great satisfaction to me.

The bill before us, H.R. 6675, "The Medicare and Social Security Amendments Act of 1965," represents the culmination of 13 years of surveys, studies, and very careful consideration of the health needs of an increasing elderly population, and how those needs might best be met.

I commend the chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], and members of the committee for their outstanding accomplishment, and I congratulate the chairman for his brilliant and informative analysis of the bill on yesterday.

I rise in support of H.R. 6675, and I call upon my colleagues in the House to join me in voting prompt approval of this legislation.

No one can dispute the increase in public awareness of the health needs of the aged and the growing realization that it is our Government's responsibility to help finance a medicare program. This bill offers realistic and responsible methods of meeting a great need. I am confident it is financially sound and that it will not endanger the existing social security system. The various aspects of the proposal have been studied thoroughly on the basis of actuarial funding, financing, and administration. It presents a workable solution to the problem of financing health costs of the elderly.

The basic hospital program will be financed by employee-employer social security taxes, except for persons 65 and over who are not eligible for social security or railroad retirement benefits, whose portion will be financed from gen-

eral revenues. The supplementary voluntary medical program provides that one-half shall be paid out of general revenue funds and the other half by premiums of those who choose to participate.

The need for the hospital and medical programs provided in H.R. 6675 is obvious. Government statistics show that the number of Americans 65 and over has more than doubled in the past 20 years—from about 9 million to 20 million. Since 1950, doctors' fees have gone up 51 percent and hospital rates have gone up 139 percent. The field of medicine leads all others in terms of increased percentages. Older people have been hurt the most by these increases. They require three times the hospital care of younger people and they stay nearly twice as long when hospitalized—and yet the income of older couples is less than a third of that of younger couples. As age increases, so do chronic illnesses; 8 percent of all citizens 65 and over suffer some kind of chronic ailment. Nine out of ten elderly are hospitalized at least once during their retirement years. The inability of millions of elderly people to purchase costly private policies has been brought out in committee hearings and revealed in Government surveys. Almost one-half of the elderly now receiving social security benefits have less than $12.50 a month in retirement income outside of their social security checks. They either cannot afford private insurance programs or they are considered too poor a risk.

Mail from my constituents has been overwhelmingly in favor of medical care under the social security program. Hundreds of letters have described pathetic circumstances of bare existence on small social security and other pensions as the only source of income. I have been reminded over and over of the tragedy of these older citizens, already barely able to afford the necessities of life, amidst spiraling rents and other living costs. A serious or prolonged illness could leave them, as it often does, in a state of complete destitution and fright.

The program of medical care provided in H.R. 6675 will help these senior citizens maintain their dignity and independence; it will provide them economic security and will eliminate the necessity of charity.

Mr. Chairman, I want to mention the main benefits of this program. The basic hospital plan, available to all 65 and over—an estimated 20 million—provides: Hospital care up to 60 days for each spell of illness, with the patient paying the first $40; posthospital extended care of at least 20 days and a maximum of 100 days following transfer from the hospital to a hospital-affiliated nursing home; outpatient diagnostic services, with the patient paying the first $20—credited to the hospital in-patient deductible of $40 if hospitalized within 20 days; and up to 100 posthospital home visits by a nurse, therapist, or health aid. This part of the program provides for hospital care, nursing home, diagnostic services and home-health care; it does not pay for doctor's services, for drugs outside the hospital, or for eyeglasses, false teeth, hearing aids, and artificial limbs.

The voluntary supplementary medical plan covers doctor's fees and other medical services. All persons age 65 and over will be eligible on a voluntary basis. Those who choose to enroll will pay a monthly premium of $3, and an equal amount will be paid by the Government out of general revenue funds. If a person is receiving social security benefits, the $3 premium will be deducted from his social security check. After an annual deductible of $50, the insurance would pay 80 percent of the cost of the following services: Doctor and surgical services in a hospital, clinic or home; up to 100 home service visits a year without the requirement of prior hospitalization contained in the basic hospital plan; X-ray and lab tests, electrocardiograms, radium therapy, rental of equipment such as wheelchairs, oxygen tents, iron lungs, braces and artificial limbs, and certain ambulance services; and hospital care in a mental hospital and limited payment for treatment of mental conditions outside a hospital.

Mr. Chairman, I have strongly supported the 7-percent increase in social security benefits which H.R. 6675 provides, retroactive to January 1, 1965. Too many of our 20 million now receiving social security benefits—the aged, disabled, widows, and orphaned children; who are the most economically disadvantaged in our country—have only their small social security checks as a major source of income.

I am pleased also that the bill contains other provisions I have long supported and worked for—to continue social security benefits for a child up to age 22, if he is attending school. I never felt these benefits should stop at age 18, when a child is in school and is in the most expensive years of his life.

Another feature of the bill which I sponsored in a separate bill and I am pleased was included is that tips received by employees shall be considered as part of wages for social security purposes. Many employees work in industries where a large portion of their income is in the form of tips, and while they have had to count these tips as wages in paying income taxes, they have not been included as part of the wages on which social security benefits are computed.

Other important provisions in H.R. 6675 are: Persons eligible for social security payments whose outside earnings are between $1,700 and $2,400 will receive less of a reduction in their benefits. While this is an improvement, I would have preferred the inclusion of my own proposal to remove altogether the limitation on the amount of outside income. Widows will have the option of receiving benefits at age 60 instead of 62, with the amount actuarily reduced to take into account the longer period over which the benefits will be paid.

Mr. Chairman, H.R. 6675, the Medicare and Social Security Amendments Act of 1965, is a far-reaching and important bill which will improve the economic security of every American family. It is not a perfect bill, but it will solve most of the health problems of those who can least afford medical and hospital care. This legislation will free persons 65 and over from the threatened burden of vast medical expenses; it will provide protection that will permit our elderly citizens to live out their lives in dignity instead of in constant dread of imposing financial burden on their children or the necessity of turning to welfare agencies.

No one in this Congress could be more pleased than I am that, after so long a time, we are about to fulfill the promises made to our senior citizens to give them a program of medicare.

Mr. ZABLOCKI. Mr. Chairman, at the outset I want to commend the House Ways and Means Committee and its illustrious chairman, Mr. MILLS, for reporting to the House of Representatives the Medicare and Social Security Amendments of 1965.

This comprehensive, far-reaching measure is a tribute to the Congress and our American system. It proves anew that our Government can act effectively to meet the needs of our people. As an original cosponsor of the medicare measure proposed by our former colleague, the gentleman from Rhode Island, Aime Forand, and a sponsor and supporter of the King-Anderson proposals, I am most gratified that the House of Representatives will at last have the opportunity to express the national consensus on health care for the aged.

I have no doubt about the outcome, for two reasons. First, the need for new legislation to meet the health needs of our elderly citizens long has been recognized. Second, the bill we have before us today provides a practical and prudent remedy to the problem of medical care for the aged.

By combining a hospital and nursing home care program under social security with a voluntary supplementary plan providing doctors' and other medical fees financed by individual contributions and Federal matching funds, and with improvements in the Kerr-Mills Act, the legislation before us today mounts a three-pronged attack on the health problems of our aged.

It will also assist our senior citizens by increasing basic social security benefits by 7 percent, thereby helping them cope with increasing living costs and strengthening their purchasing power.

Mr. Chairman, today in my own State of Wisconsin, there are some 440,000 individuals who are over 65 years of age, according to the U.S. Census Bureau. By 1970 the State will have 482,000 elder citizens. Over 10.5 percent of the State's population is in the 65-plus age category, as compared to an average of 9 percent for the rest of the United States.

At present, if a financially disastrous illness strikes a Wisconsin senior citizen, he or she has only two choices. One is to go "on the county" with all the demoralizing and degrading connotations of that term. The other is to apply for aid through the State's Kerr-Mills program.

Although Wisconsin is reputed to have one of the better Kerr-Mills plans in the country, it still has fallen far short of need. For example, the State is able to provide only 45 days of hospital and nursing home care, in contrast to the

120 days recommended by the Department of Health, Education, and Welfare.

Our State, like many others, is hard-pressed to raise sufficient revenues to finance many necessary and expensive State programs. For that reason, although the enabling legislation envisioned a $5 million biennial appropriation, the State budget provided only $2,842,500 for the first 2 years of the program.

Adding in the Federal matching contribution, and figuring the program as established in Wisconsin on an annual, per capita basis, it divides out to $7.15 per elder citizen in the State.

This is one-fifth the average expense of a single day in a hospital, when one includes room, board, nursing care, and medical supplies.

Of course, because of income and other restrictions, many of the State's elder citizens have not been eligible for Kerr-Mills assistance. An estimated 180,000 are eligible, however. For them the annual per capita share is about $16.60 per year. That is $6 less than the average daily rate for a semiprivate room in a Milwaukee hospital.

From these figures it is evident that, while it has helped ease the problem, the Kerr-Mills program in Wisconsin has been only a stopgap measure. It has not provided the answer to the pressing medical problems that plague the elder years of so many of our citizens.

Facts and statistics, no matter how impressive, can never convey the feelings of misery and hopelessness that have accompanied old age for so many of our citizens.

To gain an appreciation of the plight of the aged, one must listen to the personal experiences of our senior citizens. Many persons have written to me on this problem, citing cases which they knew intimately. Because of the compelling nature of these letters, I would like to quote brief excerpts from a few.

From a Milwaukee man:

I believe that my wife's father would still be alive today if we had medical care under social security. He was too proud to ask for help when he needed it.

From a West Allis, Wis., man:

My father had a stroke and my mother had a gall bladder operation which was covered by the insurance they carried. Then came the time to renew their hospital insurance. My father sent the check in well before it was due but the insurance company claimed they never received it. The company said they could renew their policy at a very substantial increase in rates which my parents could not afford. Now they are at a time in their lives when they need protection most and they don't have it. It is time for the Government to act to protect these people.

From a retired Milwaukee man and wife:

My wife and I cannot seek medical care on the small pension checks we receive, which we need so badly now. Please vote for the medicare bill.

From a West Allis man about his mother-in-law:

She could not afford hospital and surgical insurance so all of her savings were spent. My wife's sisters and brothers borrowed money also to help and their resources were used up. In addition, some had sons and daughters in college and this made it very difficult. This is a real problem in the United States. We are far behind most industrialized countries in furnishing medical care.

From an elderly man in Palmyra, Wis.:

My wife and I have to live on $109.50 a month with no other income. If you think it is easy to get along on that just try it once for about 2 months * * *. Total hospital and doctor bills amounted to $1,600.48 for 2 years. I had to sell my home in order to pay for it.

From a Milwaukee retired worker:

I have retired * * * due to a heart condition on doctor's orders. Due to this condition, it is quite hard to get coverage for my protection. The requirement and premium asked for by the insurance company that I contacted was impossible for me to get protection in my case. My pension check will not cover the amount asked for by the insurance company for my wife and myself. When you pass 70 years of age, it gets to be a problem to get by.

From a Milwaukee man:

Being one of your constituents, I would like you to know that I am a little tired of waiting for action on the medical bill for the aged * * *. Too many lives are at stake.

From a South Side elder citizen:

Had a heart attack in the year 1962. Was protected by a policy I had taken out in 1955. Unfortunately, had no surgery clause. It was necessary to operate on my leg on account of a clot that formed there while lying in the hospital. Was in the hospital 40 days. My protection was only for 31 days. The hospital bill was $2,040.15. I paid $973.75. In addition, I paid approximately $900 in doctor and surgeon bills for which I was not protected.

Mr. Chairman, by enacting the program embodied in the Medicare and Social Security Amendments of 1965, the Congress will provide benefits to every man and woman in this country who is over 65. For the first time many Americans will know security in old age. Banished will be nagging worries that illness might force them to lose all they have gained during years of labor and that they will be relegated into a life of poverty.

The opportunity to act against this evil in our society has been long in coming. After years of a hard-fought campaign, victory is in sight. We must not fail now to exercise our clear-cut responsibility in acting favorably on the meritorious and historic measure before us today.

Mr. Chairman, I trust the recommittal motion will be defeated and that the bill as reported by the Committee on Ways and Means will receive the overwhelming approval of this august body.

Mr. FUQUA. Mr. Chairman, we all recognize that many of our elder citizens have difficulty in meeting their medical bills. I am not insensitive to this fact. Some method must be found to assist those who are in need of medical assistance and cannot afford the care that they need. But let me emphasize how strongly I feel should be considered the word and the fact—need.

For some 20 years now some form of compulsory Federal health care under social security has been presented to the Congress. Today we are to vote on a bill which is supposed to meet that problem, and a bill which has many sections of merit. But, Mr. Chairman, in my humble judgment this is not the bill that should be passed by this Congress.

This bill would cover only a segment of our population, not our entire elderly population and without regard to their needs. Benefits would accrue to all those so covered, regardless of whether they have need for such benefits or not. The cost would be tremendous. I am informed that this bill would impose on the workers today a staggering sum of $35 billion for hospitalization benefits for those already over age 65.

I am well aware of the needs of the people in my particular district in regard to this legislation which I think might well be somewhat typical of other parts of the Nation. I know full well of the dire need of many of our citizens. I also know full well that many, many of those who would be covered under this program have no real need for such coverage.

Its cost would be shifted to the working man today. Those paying the bill are not prepaying for future benefits for themselves; they are paying a payroll tax for benefits for those who would immediately be covered.

It matters not whether the recipient of this program has adequate hospitalization insurance or whose bills might be rather mild and that he would have no problem meeting them. This is not considered.

For when you lump those who have a real and earnest need in with those who have no such need, you have a situation where a tremendous burden is placed upon the back of the American taxpayer.

I have stated consistently that while we have a need, while there is a dire need on the part of so many, the solution to this problem should be based on need.

This bill does not follow that concept. In my opinion it does not take into consideration the fact that hundreds of thousands who will be covered and receive benefits have no real need for those benefits. By the same token, many thousands who have a real and dire need and who are not covered by social security are left to the mercy of the world. I simply cannot believe that this is the proper approach to the solution of this problem.

Mr. Chairman, I think further that the American taxpayer should not be deluded into thinking he is getting something for nothing. At the outset of this program, the tax will be only a fraction of what it must ultimately become to make the program financially successful.

The bill we are now debating provides for a mandatory hospitalization program financed by a payroll or social security tax, together with a voluntary program for medical services financed partially by contributions and partially out of the general revenues of the Treasury. And still it does not attack the problem on the basis of the needs of the individual American citizen.

Illness does not strike just those who are covered by social security. Those in need who are not covered are left almost in an unfortunate position as they are

today. A truly good program would have been to attack this problem on this one basis—to provide care for those who cannot afford to pay.

The benefits would be obvious. Allowing those who could afford to pay their own medical bills to do so, when multiplied by the thousands upon thousands of such individuals, would cut the cost to a portion of what it is today.

I think of two individual cases of the past year involving constituents of mine. One involved a father who had brain surgery, remained in a coma for over a month and then passed away. The medical bills were staggering in this case. The cost of such specialized surgery and equipment is beyond the means of most families to pay. A program that would have helped in this case is justified.

But there was another father of about equal age who entered the hospital with a rather minor ailment for a week. After treatment, he was returned to health and released, paid a hospital bill of less than $200, which he could afford, and has not had a health problem since. He did not need a program; he was fully able and willing to pay his own way. I can see no justifiable reason why the working man should be shouldered with an additional tax to help pay costs for a case such as the latter.

This bill provides for 60 days of hospital care and related benefits for the aged irrespective of financial need, without any financial contributions from those already over age 65, and without regard to whether the individual may already be adequately protected against such costs.

This does not take into account the results of catastrophic illnesses. A long and serious illness might easily run beyond this point of limited days, and again I emphasize, this program does not have its basis in meeting the real need of such cases of prolonged and serious illness.

Further, this bill automatically extends these benefits to all of those presently over age 65, and to those who attain that age before 1968, without regard to coverage under the social security system, except that the bill excludes certain Federal civil service employees and their families, irrespective of age.

Anyone reaching age 65 after 1967 must have the specified quarters of coverage under the social security system to be eligible for hospital benefits. It thus excludes all those in need who attain the age of 65 without the required quarters of social security coverage. It excludes those Federal civil service employees I have mentioned. It does not meet their need, which might be just as acute as that of any of those covered by its provisions.

If experience is any basis, we can reasonably expect that the tax rate in the bill will not be adequate to meet the financial demands of the program. Our experience is that the tax rate will be increased and that the wage base will be "updated" and expanded to provide additional funds to meet the increases in the cost of service.

And all the while, Mr. Chairman, there will be thousands of American citizens in dire need of medical assistance, who will not be covered and assisted. At this same time, there will be hundreds of thousands who will be receiving benefits who have no real need for them and would willingly forgo them in return for a program that was based on need, at a much less cost and burden to the American taxpayer.

I have studied and restudied this bill and all of its provisions. I sincerely believe that while it has its merits, while there are provisions which I can support and would like to support, there are major provisions that I feel are not in the best interest of the American people. I am deeply concerned that it does not meet the needs that it was originally designed for—the aged who cannot afford the high cost of medical care.

I sincerely urge that the House not pass this bill in its present form and that it will send it back to the committee for further study and evaluation, in an effort that we might come forth with a program which has its basis in need, and would truly serve our elderly who cannot afford adequate medical attention.

Mr. O'BRIEN. Mr. Chairman, this is a historic day in the legislative history of the House of Representatives. At long last, we are demonstrating that our great Nation has the will and the way of meeting the health problems of our elderly people without stripping them of their dignity.

While this bill covers the full spectrum of the aged, I am particularly elated over what it will do for a vast army of middle income and small business people, who labor all their lives to insure a decent standard in their declining years.

These are the people who, through their taxes, have shouldered such a heavy share of our humane programs.

Too often, I and our colleagues have witnessed the impact of a grave and costly illness upon these people in their old age.

Where have they been able to turn? I know the gates of public welfare are there, but the key to them has been too costly for these people. Strip yourselves of dignity and the fruits of your past diligence, we tell them, and we will patch your aged bodies without cost.

Now, under this bill, these people can march into the golden twilight years with heads high. No longer will they be forced to choose between death and poverty. They will be insured, not only against the costs of ravaging illness, but against the loss of all the fruits of their diligence.

I am proud to support this bill and I am proud of my country for the support a majority of its citizens have and are giving this humane bridge to a better tomorrow.

Mr. RODINO. Mr. Chairman, I rise today in support of one of the greatest measures which has ever been before Congress in my time. Every year for many years now, the question of medical care for the aged has been pressing upon us, until it has grown and swelled into the comprehensive bill before us today.

And I believe that this measure is inevitable. There is room for argument on what the results of the bill may be, but there can be little argument over the necessity of this legislation. Some kind of medical care bill is inevitable and it is my contention that the bill before us today offers the best possible solution to the problems it seeks to confront.

I believe the moral character of a nation can be accurately judged by the way it treats its elderly.

It is to America's credit that this country has recognized, met and eased many of the special needs and unique problems that beset our aged citizens after their years of fruitful labor are ended and they enter that strange new era of sharply curtailed income known as retirement.

The social security program, established 30 years ago in the darkness and despair of the great depression, has provided a basis for financial independence for millions of senior citizens.

Through the years, Congress has authorized a succession of increases in the monthly payments under social security to compensate for the inexorable rise in living costs that strikes so cruelly at those who struggle to make ends meet on a fixed budget. Increased benefits notwithstanding, Congress has seen to it that the social security program remains actuarially sound.

Many other measures have been enacted by Congress to enhance the economic and social well-being of our Nation's elderly, including tax relief, a senior citizens' housing program and expanded social welfare services.

The biggest single unmet need—and many of us have been emphasizing it for years—is in the area of medical care. Just as a disease untreated becomes a plague, so the neglected medical problem has increased in complexity and urgency.

Those who argue that the bill before us is contrary to the traditions of this country, the tradition of self-help and independence; those who argue that this measure or one like it is no more inevitable than the downfall of private medicine that will surely follow; remind me of an image evoked by Sydney Smith, the English parson, in writing about the need for electoral reform in 19th century England: "In the midst of this sublime and terrible storm, Dame Partington was seen at the door of her house with mop and pattens, trundling her mop, squeezing out the sea water and vigorously pushing away the Atlantic Ocean."

This comparison of the House of Lords' attempt to stop reform to that of Mrs. Partington against the ocean may be applied equally well to the situation in which we find ourselves today. I believe the medicare bill is a necessity in terms of needs, in terms of our ideals, in terms of our traditions. This legislation is the logical step in the evolution of our welfare programs that has progressed since the Social Security Act became law in 1935.

The bill is not, as its detractors claim, a radical proposal, but is simply just the next step in providing services and finances to select groups of those who are in need.

The medical care portion of the bill, part I, amends the Social Security Act by

adding two new titles—XVIII and XVIX—to the Social Security Act. It establishes three new programs for health insurance and medical care for the aged. The first of these creates a basic plan providing protection against the costs of hospital and related care; the second authorizes a voluntary supplementary plan providing physicians' services and other medical and health services to cover certain areas not included in the basic plan; the third expands the Kerr-Mills medical care program for the needy and medically-needy and combines all the vendor medical provisions for the aged, blind, disabled, and families of dependent children, now in five titles of the Social Security Act, under a uniform program in a single new title. This expanded medical assistance program is estimated to provide new or increased medical assistance to about a million needy persons during an early year of operation.

Let me pause for a moment to examine just why these programs are necessary in terms of need, in terms of our traditions, and in terms of our ideals.

The number of elderly individuals receiving old-age assistance under the Social Security Act for November, 1964 was 2,161,464, with an additional 217,336 receiving medical assistance for the aged. In my State of New Jersey alone, in November there were 13,872 individuals receiving old age assistance with payments averaging $81.25, $18.87 of which went as vendor payments for medical care, an average which is considerably larger than that of the country as a whole. In November in New Jersey there were 5,287 individuals receiving medical assistance for the aged, the average payment in this instance being $250.27, again a figure that is considerably larger than the average of the Nation as a whole.

What do these figures mean? The average payment to a recipient of old-age assistance is so low as to mean that there are a significant number of our elderly who cannot afford medical care adequate to the needs of their age. Let me quote at this time from the report of the Committee on Ways and Means:

> Today, few older people are free of the fear that costly illness will exhaust their savings. In many instances the one or more episodes of hospitalization which virtually all aged people will experience can quickly dissipate whatever savings they have been able to accumulate for their later years. The frequent medical attention required by older people suffering from chronic illness can also be a serious drain on their financial resources. A large and growing proportion of the elderly applying for public assistance have had to do so only because they cannot afford needed health care. Frequently the assistance for which they must apply is very limited in scope and inadequate to meet their needs.

Mr. Chairman, the fear of major illness hangs like a sword of Damocles over the heads of our senior citizens. One strike is sufficient to wipe out a lifetime of savings at a time of life when it is impossible to replace. When that modest, hard-earned nest egg is gone, everything is gone. Those carefully nourished dollars are the difference between a fulfilling existence and a drab retirement. Without the nest egg, hope gives way to despair and the glowing sunset years become chill, dark and empty. There are too many of our elderly who must regard death as did the poet Shakespeare as "Just death, kind empire of men's miseries." There are too many of our elderly we feel, as did King Henry VI, that "Having nothing, nothing can they lose."

Too many of our older citizens continue to exist in the threatening shadows of poverty and financial ruin, through no fault of their own. They have been trapped by the ever-rising cost of illness that has soared high above their ability to pay. The dollar that was set aside, often at considerable sacrifice, some 10 or 20 years ago, buys only a fraction of a dollar's worth of medical care at today's prices.

This is not as it should be in a country that prides itself on its prosperity and on the concern it has for its citizens. This is not as it should be in a country that wishes its people to have freedom from want, from fear and from hunger. For the elderly in this country today do not have that freedom. The bill before us seeks to give them at least freedom from the fear of the cost of sickness so that they may use their income to equip themselves against the pangs of hunger and of want.

I have heard in the controversy that has accompanied this legislation that the bill is not justified by experience. I do not think that this is true; but if it were true, nations are sometimes compelled to act without experience for their guide, and to trust to their own wisdom for the anticipation of consequences. The instances where this country has been thus compelled to act have been eminently successful to date. Where were the precedents for the midnight ride of Paul Revere, or the legislation of the New Deal which helped to get this country back on its feet after a paralyzing depression? To those events, contrary to experience and unsanctioned by precedent, we owe the structure of this country today.

Extolling the past at the expense of the present is a sign of old age, and this is not a nation of old men. But it must be a nation that gives to its elderly the option of equipping themselves with an easily affordable insurance plan to provide for the payment of doctors' and other specialists' services. At the very least, it must be a nation that gives to its citizens the vehicle by which they can contribute during their working lives to the fund out of which their health expenses will be paid when they no longer are strong enough to earn the money with which to pay those expenses.

The medicare provisions of this bill are but a continuation of the old-age insurance system that was initiated with th Social Security Act. They provide for the financing of payments through a separate payroll tax and separate trust fund. It has been estimated that approximately 17 million insured individuals—who are presently eligible for social security benefits—and 2 million uninsured would qualify for benefits on July 1, 1966. The cost of providing basic hospital and related benefits to people who are not social security or railroad retirement beneficiaries would be met from general revenues. There will be no problems in obtaining the revenues with which to finance these new programs.

The voluntary plan with premiums of $3 are to be paid by social security beneficiaries by deductions from their benefits—which, by the way, will be increased a minimum of $4 per month for all beneficiaries so that all who so desire may participate—and matched equally by Federal revenue contributions. Moreover, the provision in the income tax law which limits medical expense deductions to amounts in excess of 3 percent of adjusted gross income, as well as the present limitation on medicine and drugs for persons under 65 are abolished. Provision is thus made for partial or full recovery of Government contribution from enrolled persons with incomes high enough to require them to pay income taxes.

During the almost 2 months of deliberation over this measure I have heard much criticism of the architects of the bill. Now that it is before us, we realize the injustice this does to its authors. Men cannot sit down and draw up a plan as complex as this with as much ease and as much exactness, and with as complete gratification of their wills, as an architect can do in building or altering a house. The works of legislators are not the works of calm wisdom—they are not the best that a dreamer of dreams can imagine. It is enough if they are the best plans which the times in which they act will permit.

This bill does fit the needs of the moment. It is tailored to meet the needs of our elderly through its medical care provisions, the increase in the benefit and coverage provisions and the revision of the financing structure of the Federal old-age, survivors, and disability system, and in the expansion of existing public assistance programs.

Mr. Chairman, I would like to mention briefly these additional features of the bill. Old age benefits are increased by 7 percent across the board, with a $4 minimum increase for a worker retired at 65, an increase I have long supported. I have been a strong advocate, too, of reducing the retirement age at which eligibility begins, to 60, as I am delighted to see the provision which provides actuarially reduced benefits for widows at age 60. I am delighted also to see the continuing benefits up to age 22 for certain children in school, the liberalization of the definition and waiting period for disability insurance benefits, and the increase in the amount an individual is permitted to earn without suffering deduction from benefits. The tax schedule and the earnings base are revised to finance the changes made.

The public asistance programs are expanded by: increasing the Federal matching share for cash payments in State programs for the needy aged, blind, disabled, and families with dependent children; eliminating limitations on Federal participation in public assistance to aged individuals in tuberculosis and mental disease hospitals under certain conditions; and affording the States broader latitude in disregarding certain earnings in determining need for aged

recipients of public assistance. It is estimated that some 7.2 million persons will be eligible for increased cash payments under the Federal-State matching programs.

Finally, this bill contains a provision aimed at helping another needy segment of our population. This provision increases the amount authorized for maternal and child health and crippled children's services over current authorizations of $40 million in 1966 by $5 million for fiscal 1966 and $10 million in each succeeding fiscal year to reach $60 million in 1970 and after. In addition, it authorizes $5 million for fiscal 1967, and up to $17.5 million for each succeeding year, for grants to institutions of higher learning for training professional personnel for health and related care for crippled children, particularly mentally retarded children and those with multiple handicaps. A new provision is added authorizing a 5-year program of special project grants to provide comprehensive health care and services for children of school age or preschool children, particularly in areas with concentrations of low-income families. And last, there is a provision providing grants of $2,750,000 for fiscal year 1966–67 to assist the States to implement and follow up plans and other steps to combat mental retardation authorized under section 1701 of the Social Security Act.

Mr. Chairman, I do not want it said of the 89th Congress that we were afraid of change for the sake of change. I have said before that there can be little argument over the necessity of legislation of this sort. And it is heartening that even those groups and individuals who were most outspokenly opposed to medical care for the elderly have come at last to recognize that the problem can no longer be ignored.

I honestly believe that this is the best bill to meet our needs today. The bill and the problems it seeks to confront do fit so exactly that we can say they were made for each other. There will be mistakes at first as there are in all changes, but reasonable men who know what to expect will find that a very great good has been obtained.

It has been said of this country that it is exempted, by its very newness as a nation, from many of the evils of the old governments of Europe. It has no mischievous remains of feudal institutions, and no violations of political economy sanctioned by time, and older than the age of reason.

The Social Security Act is not sacrosanct. It has been amended and improved in the past, so let us improve and amend it today. Let us remove the ominous specter of major illness, and most of our elderly will find they can enjoy their autumn years in relative comfort and with new peace of mind, secure in the knowledge they will not live out their lives as demeaned charity cases beholden to Government doles.

I am certain that this bill will lengthen and strengthen the warm glow of the sunset years for all of our older citizens—today, tomorrow, and for generations to come. I urge its swift, unanimous approval.

Mr. Chairman, to borrow again a phrase from Shakespeare, "Let us make this the certain glory of an April day."

Mr. O'NEILL of Massachusetts. Mr. Chairman, a generation ago the United States established a system of contributory social insurance providing protection against the loss of earnings due to retirement in old age. This social security program has been broadened and improved so that today it covers practically all kinds of employment. It provides protection for families of retired workers as well as for the worker himself, for survivors of deceased workers, and for totally disabled workers and their dependents. The program has been adjusted from time to time to improve the protection provided, thus responding to social and economic changes in our society.

However, an examination of the adequacy of social insurance protection for the aged clearly shows that the existing programs providing cash benefits are not enough to meet another pressing problem faced by today's aged—the problem of unpredictable costs of health care and low incomes with which to meet these costs. I am convinced that the bill before us for consideration would meet this problem; its major thrust is to enable people to contribute from earnings during their working years for protection against hospital and related costs after age 65 when their income is generally curtailed. In addition, the bill would provide for a voluntary supplementary plan—financed out of monthly premiums from beneficiaries with matching amounts from Federal general revenues—for protection against the cost of physicians' services and a variety of other health costs. And the bill before us would make important improvements in the existing social security program and in the Federal-State public assistance programs.

NEED FOR PROTECTION

The financial resources of older people are extremely limited. They have, on the average, only half as much income as younger people, and they have little in the way of assets that could be used to supplement this income. One-fourth of aged families, and one-half of the aged living alone, are at or below the poverty level. This situation is not likely to improve substantially. The increasing frequency of early retirement plus a longer life span will mean more years over which retirement resources will need to be used.

While their incomes are low, total health expenditures of people past 65 are very high—twice as high as those of younger people. In the case of hospital expenses, the ratio is almost three to one. Thus, older people have a special problem arising from the cost of health services—they need more care and they have less money to pay for it. This need is aggravated by the fact that health costs are rising and will undoubtedly continue to rise. As a result, many aged people have been crippled financially by high health costs and have had to rely on their children for help, obtain medical care through private charity, apply for public assistance or go without adequate attention.

Although the problem of financing health costs of younger people is being met to a large extent by private insurance organizations, most of the aged cannot purchase effective health insurance protection at a price they can afford to pay. Despite years of effort and hard work by voluntary insurance organizations, only a little over half of the elderly have any kind of health insurance coverage and most of what they do have is very limited. The basic difficulty has been that the cost of private insurance is necessarily high because the aged need so much in the way of health care. They are unable to pay the cost of premiums for adequate insurance from low retirement incomes and can ordinarily obtain health insurance only on the expensive individual, nongroup basis. As a result, most voluntary health insurance within reach of the pocketbooks of the aged is very inadequate, covering perhaps 20 percent of their medical costs.

And public assistance programs cannot and should not be relied upon to meet the problem of high health costs and low incomes of the aged. Because of financial priorities, some States have not developed medical assistance programs, and other States are forced to severely restrict the help that can be given. Public assistance by its very nature can only benefit the very needy—there must be a requirement that the person demonstrate he can no longer get along on his own. This "means test" often involves investigation of the aged individual's personal affairs, and those of his family. Many aged people would rather forgo needed medical care, even to the detriment of their health, rather than ask for charity. These are serious deficiencies in public assistance but the most serious deficiency is that public assistance does nothing to preserve the financial security of the great bulk of the aged who are able to get along unless or until serious and costly illness occurs; public assistance does nothing to remove this threat to independence and self-support.

It is clear then that public assistance programs and private health insurance cannot, by themselves, meet the problem created by the combined effect of high health costs and low income in the aged. The problem requires an approach that does not depend on payment of the entire cost of protection after retirement but instead enables individuals to pay for protection against the major cost of illness in old age over the course of their working lifetimes. The method of contributory social insurance, which underlies the present social security program, offers the only practical way of making sure that almost everyone will have hospital protection in their old age. This bill provides this essential part of the answer to the problem.

PROVISIONS OF THE BILL

I would like now to comment briefly on the two health insurance programs for persons over age 65, which would be provided for in this bill. The basic plan will provide protection against the costs

of inpatient hospital care, and related services which can frequently take the place of inpatient hospital care, for 19 million older people. Over 99 percent of the aged would receive protection under the basic plan. In addition to the inpatient hospital care, the basic plan would cover posthospital extended care, organized home health services and outpatient hospital diagnostic services. Coverage of these important alternatives to inpatient hospital care would help subordinate financial considerations to medical considerations in decisions on whether inpatient hospital care or some other form of care would be best for the patient.

The basic hospital insurance plan will be financed by a special, earmarked earnings tax paid by employers and by workers during the years while they earn and are best off.

Mr. Chairman, in addition to the basic plan, this bill offers a supplementary plan for people who are age 65 and over. Individuals who voluntarily enroll in this program would receive protection against the cost of physicians' services and other medical and health services in and out of medical institutions. This program would be financed through small monthly premiums paid by participants and matched by a Federal Government general revenue contribution.

Mr. Chairman, I congratulate the members of the Committee on Ways and Means from this side of the aisle who have presented us this fine bill. And I express my great admiration for the leadership of the great chairman of that committee, my esteemed colleague from the State of Arkansas, who exercised statesmanship of the highest order in constructing a bill which can have very wide support. I can assure the Members of this body that, in the words of our President, "a tremendous step forward for all of our senior citizens" will have been taken when we pass this great piece of legislation.

Mr. BOLAND. Mr. Chairman, when President Franklin D. Roosevelt signed the Social Security Act of 1935, on August 14 of that year, he described it as a "cornerstone" upon which a great system for the protection of the American people would be built. That August day exactly 30 years ago marked a momentous change in our way of life. To my mind it sets the point at which we recognized that we had matured as a Nation. For then, for the first time in our country's history the Federal Government recognized that meeting its responsibility for promoting the general welfare in a rapidly industrializing society called for this new kind of protection. As Mr. Justice Cardozo said, in delivering an opinion of the Supreme Court on the social insurance programs, we had come to the place in our country's history where "needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the Nation." He continued:

> What is critical or urgent changes with the times. The problem of preventing want in old age is plainly national in area and dimensions.

Thursday, April 8, 1965 will, I believe, go down as another great day in American history for it will be recorded that the House of Representatives on that day adopted one of the greatest social security bills since the original act. For upon the cornerstone built on behalf of the well-being of the American people 30 years ago is being erected the structure of a great social security system—one which will provide true protection against want in old age, and one which is "plainly national in area and dimensions."

The Social Security Amendments of 1965 face up to the growing need of older people for protection against the mounting costs of the fine medical care available in this country today. As the able report of the Committee on Ways and Means points out:

> Today, few older people are free of the fear that costly illness will exhaust their savings. In many instances the one or more episodes of hospitalization which virtually all aged people will experience can quickly dissipate whatever savings they have been able to accumulate in their later years. The frequent medical attention required by older people suffering from chronic illness can also be a serious drain on their financial resources.
>
> A large and growing proportion of the elderly applying for public assistance have had to do so only because they cannot afford needed health care. Frequently the assistance for which they must apply is very limited in scope and inadequate to meet their needs.

The bill before us today meets this problem in a number of ways. First, it establishes three new programs for health insurance and medical care for the aged under the Social Security Act by setting up first, a basic hospital insurance plan providing protection against the costs of hospital, related posthospital care—skilled nursing home and home health visits—and outpatient diagnostic services for individuals 65 or older, financed largely through the social security method; second, a voluntary "supplementary" plan providing physicians' and other medical and health services financed through monthly premiums of $3, matched equally by Federal Government revenue contributions; and third, an expanded Kerr-Mills medical care program for the needy and medically needy which would combine all the vendor medical provisions for the aged, blind, disabled, and families with depending children, now in five titles of the Social Security Act, under a uniform program in a single new title, with the Federal matching share also being increased.

To improve the health services available to our young people as well, the bill would, among other provisions, greatly strengthen existing programs for maternal and child health and crippled children's services and establish a new 5-year program of special project grants to provide comprehensive health care and services for children of school age or preschool children, particularly in areas with concentrations of low-income families.

I am also pleased to see that the cash benefits program is strengthened in a number of ways. The 7-percent increase across the board—the first since 1958—is not only a greatly needed liberalization but it will also make it possible for many people to purchase the $3 a month supplementary plan. The liberalization of the earnings limitation is another adjustment to modern times which will be welcomed by many people. Finally, I was particularly pleased that the committee added the provision adopted last year, but lost when the bill died in conference, which would continue benefits to dependent and surviving children beyond age 18 and up to age 22. For, as the committee report states:

> A child who cannot look to a father for support (because the father has died, is disabled, or has retired) is at a disadvantage in completing his education as compared with a child who can look to his father for support.

Mr. Chairman, the Committee on Ways and Means is certainly to be congratulated for the careful but comprehensive consideration and wisdom they have shown on all parts of the bill they reported to this body. It is, indeed, a great bill, and a historic bill. It meets the challenge of our President as to our obligation for advancing the Nation's health in a way which, I believe, calls for bipartisan support. For, as the President said in his health message:

> The health of our people is, inescapably, the foundation for fulfillment of all our aspirations.

And it recognizes that—

> what is critical or urgent changes with the times.

Mr. EDWARDS of Alabama. Mr. Chairman, I rise in opposition to the portion of this bill which would impose a compulsory payroll tax in order to finance a system of hospital benefits. I support most of the other provisions in this bill.

The disadvantages of the compulsory payroll tax in financing a program of hospital benefits are so substantial as to outweigh the advantages in other parts of the bill, and therefore, it is my intention to support the Republican motion to recommit, and to oppose the committee's bill.

Every American, regardless of his religious beliefs, should have an opportunity to make his own decision regarding participation in a Government program of hospital insurance. First, this program assumes that all citizens over 65 have similar needs for hospitalization help. In actuality, though the need of some is beyond question, many others have neither a need nor a desire for outside help in paying for their costs of illness. Second, many Americans feel deeply about their own self-reliance, and would reject the imposition of Government programs. They are determined to take care of themselves and of their families. And I submit this is a character trait we should encourage, not discourage.

In addition, this is an inefficient way of providing help where it is needed. The taxes paid by younger workers under this bill will not be commensurate with the benefits received by those over 65. We

need to formulate programs with greater efficiency.

I also want to indicate that this bill imposes a liability of approximately $35 billion on the social security system, or on all employed persons presently paying social security taxes. This endangers the strength of the system itself, and raises the question as to just what upper limit we in the Congress think taxpayers will tolerate in payments into the system in order to keep it solvent.

The bill provides only modest increases in the payroll tax in the early stages of the program. But sharp increases come later. This is another example of political scheming, and is like telling the country: "Yes, we are fiscally irresponsible, but we in Congress have enabled the country to delay the day of reckoning. The big bills will come later."

The bill is also not entirely fair to taxpayers, because a payroll tax is a regressive tax. It hits the lower and middle income people the hardest. No consideration is given to an individual's ability to pay.

I support several provisions of the bill. It is gratifying, for example, that after years of delay, the need is now recognized for liberalization of the earning test for the aged who seek to supplement their social security benefits with outside earnings of their own. My bill, H.R. 5236, on this issue is only one of many, and action on this point is long overdue.

I also support the 7-percent increase in cash benefits, the provision for lowering the eligibility age from 62 to 60 for widows, and the amendments to the Kerr-Mills program.

The Republican proposal is for a national health insurance fund financed partly through voluntary participation and partly through general revenues. This program provides comprehensive care, and would not seem to promise more to needy people than it can produce.

It is completely voluntary, it preserves the role of the States in providing individual assistance, and its cost would be more in line with actual benefits received.

I want to emphasize that persons over 65 who need financial help should have it. I regret that those of us who oppose a compulsory payroll tax are pictured as somehow being against senior citizens. I oppose the compulsory payroll tax not because I am against senior citizens but precisely because I want to see the Government do the most effective job possible for them.

The compulsory payroll tax will not do the job. It will bind us all more closely to the rigid structure of Government direction without providing the most effective help possible.

We need a voluntary program with financing assistance from general revenues, and I am hopeful that we can achieve it.

Mrs. SULLIVAN. Mr. Chairman, the House of Representatives is taking a great and historic step forward in the passage of the most important social security bill since the original act was written into law in the first administration of Franklin D. Roosevelt—the 1935 act which was condemned and attacked in the 1936 election as a "tax on payrolls" and as a disaster for American labor and American business. The original act, of course, was no disaster—it was one of the firmest foundations ever constructed for our continuing prosperity and economic stability.

I am proud to support this bill as reported by the Committee on Ways and Means. It is far better, in the coverage it contains and the financial hazards it helps our older citizens to guard against, than we had dared to hope for just a few months ago. For the bill now not only contains a prepayment hospitalization insurance program such as called for in the King-Anderson bill, but also includes the essential features of a voluntary health insurance program for the retired such as we have had for some years for retired Government employees. The bill, furthermore, authorizes a very substantial broadening of the Kerr-Mills program which we passed in 1960, but which some States, like Missouri, I am sorry to say, have never implemented. I hope Missouri will finally put the Kerr-Mills program into effect.

Furthermore, the cash benefits of retired workers and their dependents, and of the widows and dependent children of workers who have died, will all be increased by this legislation now before us.

MISINFORMATION ABOUT THE LEGISLATION

Mr. Chairman, I have been deeply concerned over the misinformation which was spread so wildly about the possible effects of this legislation. Quite a number of older people now living on small social security annuities have written me in fear and distress that adoption of a prepayment hospitalization insurance program for the retired, and of a voluntary health insurance program such as this bill also authorizes, would bankrupt the social security fund and jeopardize their monthly cash benefits.

One poor woman wrote to me:

> I do not want to take the risk of having my $87 a month cut off because the fund is broke from paying the hospital expenses of wealthy people who don't need any help.

Others voiced similar fears. Of course, the hospitalization insurance program will be financed under a completely separate fund—just as is the social security disability program—so that the monthly annuities received by retired workers or by survivors of workers could not be adversely affected in any way, no matter what might happen to the special hospitalization insurance fund. A special payroll tax will be levied just to cover hospitalization insurance. All money received from that special tax will go into a separate fund just to cover insured hospitalization expenditures. The main social security fund, covering old age and survivors insurance, will not be subject to any withdrawals for hospitalization or health insurance or disability insurance or for the Kerr-Mills program or any separate and distinct social security programs.

OPPOSITION IS BASED ON WRONG PREMISES

I can understand, if not agree with, the fears expressed by many of the doctors that because the Federal Government is going to help pay part of the hospitalization costs of elderly people covered by social security, that in some way the Federal Government will insist upon telling the individual doctor what treatment to provide, or which patients to send to the hospital for operations. No such thing can happen under this legislation. The Federal Government administers a health insurance program for millions of active and retired Federal employees, but does not tell any doctor what to prescribe, or what to charge, or how to treat any patient, or what patient he may or may not send to the hospital for an operation.

Thirty years or so ago when the Blue Cross program was being started, the American Medical Association, as I recall, was extremely critical and unhappy about this idea, too. The same fears were expresed, only that time it was that a hospital administrator—rather than a Federal bureaucrat—would attempt to tell the physician how to prescribe, or what to provide in the way of treatment, or which patients to send to surgery. Since then, the medical societies have learned the value of the prepayment insurance idea, and the Blue Shield program is a good example of how this lesson was put to use.

The voluntary health insurance program set up under the social security bill now before the House of Representatives will make it possible for all of our elderly citizens to obtain insurance—for which they will pay a monthly premium—to assist in the payment of medical bills. The advertising campaign in behalf of the AMA's so-called eldercare bill as a substitute for the King-Anderson bill, stressed the limitations in the King-Anderson bill, which did not provide any assistance in paying doctors' bills and other medical expenses. Now the social security bill has been amended to cover a portion of such costs. So anyone who opposed the King-Anderson bill on the ground that it did not go far enough to help the elderly meet the high costs of medical care should be able now, in good conscience, to support this new bill which meets this problem directly.

DOCTORS AND THEIR FAMILIES TO BE INCLUDED UNDER SOCIAL SECURITY

The opposition of the American Medical Association over the years to anything and everything about social security has had the consequence of keeping all self-employed physicians out of the social security system. They are the only professional people, or self-employed people, not now covered. Their spokesmen maintained that doctors as a group never retired—that they worked right on through their later years—and thus would never benefit to any large extent from the social security retirement program.

What the spokesmen for the profession failed to point out, or apparently to consider, was that many young physicians die each year from heart attacks, overwork, or other causes before they can establish any real financial security for their families, and their widows and children—alone among all groups of Americans—received no survivorship benefits under social security. I know personally of a number of cases of this

nature, where the widow has faced a real struggle. This bill ends this discrimination, which has been self-imposed by the medical professional against the families of young practitioners who die leaving widows with small children. I am glad to see this discrimination ended, just as I was when we made the same change some years ago for dentists, lawyers, and all other self-employed workers and professionals except physicians.

REPRESENTATIVE WILBUR MILLS ACCOMPLISHES ONE OF THE GREATEST ACHIEVEMENTS IN CONGRESSIONAL HISTORY

Mr. Chairman, I want to express my deep personal gratitude to Chairman WILBUR MILLS, of the House Committee on Ways and Means, and to all of the Democratic members of that great committee, for unanimously joining in reporting this outstanding social security bill. Mr. MILLS has accomplished one of the greatest achievements in the history of the House of Representatives, in winning the combined support of all of the liberal and conservative Democrats on the Ways and Means Committee for a bill which takes a giant step forward in social security coverage. The Mills bill is, as I said, the most important social security bill since the original act was passed just 30 years ago. Of all of the legislation those of us in the Congress today have been privileged to vote for during our congressional careers, this social security bill we are now passing will be one of those measures we will always look back upon with the greatest pride for the part we have been given the opportunity to play in the legislation's passage.

Every bill we pass is touched with great importance to some Americans. This one represents a most vital matter—vital in the literal sense of longer, healthier lives—for every American. I salute Chairman MILLS for guiding it to committee approval and House passage, and I salute President Johnson for giving this greatly expanded bill his official support, even though it goes far beyond his original recommendations. This is a proud moment for each of us voting "yea" on this bill.

Mr. GILLIGAN. Mr. Chairman, I rise in support of H.R. 6675, and I want to congratulate the chairman and members of the Commitee on Ways and Means for their very fine work in this most difficult task.

This is a good bill, well designed in every respect to meet the urgent needs of this country's elderly citizens for adequate health care. For too long has this need been unfulfilled because of partisan conflicts and entanglements. Now is the time for all of us on both sides of the aisle to join in passing this bill without a dissenting voice. This bill will pass—about that I have no doubt. The larger the margin of approval, the better it will be for everyone in this Chamber and throughout the country.

Mr. Chairman, I have read this bill carefully and the hearings with close attention, and I have listened closely to the debate. I have searched the corners of my mind for possible unwarranted assumptions and have found none. I have examined each section of the bill and found nothing objectionable. I have heard nothing in this debate to arouse any doubt about the necessity and wisdom of this bill.

I will vote against the motion to recommit and vote for the bill on final passage, and I ask that whoever is inclined to do otherwise carefully reexamine his intentions if they spring from party considerations.

Mr. WOLFF. Mr. Chairman, at an earlier date, I spoke before this august body on the medicare bill. At that time, I set forth the pressing need for a medical program to give security to our senior citizens. This need is still with us.

Before the House, we have a new and better medical security proposal. This plan now offers comprehensive coverage. It meets all objections to the previous proposal; in short, it is a superlative piece of legislation. Those sections of the original medicare bill, the eldercare bill, and other proposals which had merit have been combined into one legislative work. Not only have all objections that may have been raised to the medicare bill been abrogated, but we now have a bill that has additional strength through incorporating the good points of these alternative plans.

This is a bill which meets the needs of our country head on. This is a bill that can satiate our demands for medical security. I have worked hard for, and in fact cosponsored, the medicare legislation for this Congress. It is indeed gratifying to see the fruition of this work, this excellent bill, before this House.

The American people must bear the fruit of this proposal; we must pass this bill.

Mr. COHELAN. Mr. Chairman, I rise in support of this farsighted and long-needed bill to provide adequate yet reasonable health care protection for our Nation's older citizens.

The dimensions of the problem which necessitate this bill are familiar, but a few facts are worth repeating, worth emphasizing, and worth remembering.

People over 65 have a far greater need for hospital and medical care than their younger neighbors. They use hospitals nearly three times as much and their health costs are fully twice as high.

But this increased requirement comes at a time when these older Americans are least able to afford it. It comes when the costs of health insurance are highest and when their incomes, on the average, and in the great majority of cases, are the lowest.

Almost half of those 65 and over and living alone receive less than $1,000 a year, and three-fourths receive less than $2,000 a year.

Only half have any health insurance at all and only a handfull—perhaps 1 in 20—have protection against as much as 40 percent of their health costs.

The discoveries of medical science have been exciting. The increase in life expectancy—from 49 to 70 years of age in the last 65 years—has been remarkable. But it is not enough for a great society to add new years to life. We must also add new security, new protection, and new meaning to that life.

Mr. Chairman, from the extensive mail I have received on this subject and from the opinion polls I have sent to my constituents, I am firmly convinced that most Americans do not want this problem met by more lenient welfare programs. What they want, and what they need, is an insurance system under which all workers can pay, during their productive years, for protection against the hospital and medical costs which they will increasingly meet in their later years.

This bill meets that test, and it does more. But it does not remove individual responsibility. Rather it increases it, and this is as it should be.

I am particularly pleased, Mr. Chairman, that the Committee on Ways and Means has added a voluntary, supplemental plan to the basic protection against hospital and nursing home care. By covering payments for physicians and related costs through small monthly premiums, a great area of need, otherwise all too often neglected, is being met.

I am also pleased that the committee has provided for a 7-percent increase in social security cash payments. Not only is this increase long overdue, but the minimum increase of $4 per month will insure that no worker will be excluded by reason of cost from the supplemental plan.

There are provisions of this bill I would change. For example, I am opposed to the deductible which must be paid for hospital and medical care. I am in complete sympathy with its purpose but the fact remains that some who are in need will be excluded and no one should be subjected to the humiliation and degradation of a means test.

But on balance, Mr. Chairman, this is a good bill. It is an essential, fair, and reasonable bill. It is a bill we have discussed a decade now and more and it should be passed with strong support as a constructive response to a pressing national problem.

Mr. WILLIAM D. FORD. Mr. Chairman, it is indeed a proud moment in my life, to be recognized by my dear friend and fellow Michigan Congressman, JOHN DINGELL. We of Michigan are all proud that our colleagues in the U.S. House of Representatives have chosen you to be the presiding officer of this great legislative body during the entire debate on the medicare bill during the past 2 days.

During our campaign for Congress in the fall of 1964, you and I shared many speaking platforms from which we promised the people of our districts that we would support President Johnson's program of adequate medical care for senior citizens as an extension of benefits under the Social Security Act.

We are, Chairman DINGELL, extremely fortunate to be here at this moment, with you in the Speaker's chair, and me on the floor of Congress, working together for the passage of this law. I believe that this Congress will accept the mandate of the people who voted in November 1964 and will pass this legislation. We cannot only report back to Michigan, the faithful keeping of our promise to support this legislation, but the fact of our success and the reality of the adoption of the greatest piece of legis-

lation to come before the Congress in many, many years.

We, who represent Michigan are also extremely proud in the knowledge that our own MARTHA GRIFFITHS, of the 17th District of Michigan, as an influential member of the Ways and Means Committee, was one of the chief architects of H.R. 6675 as we find it before the House of Representatives today.

I want to offer my wholehearted and enthusiastic support for H.R. 6675, the Medicare and Social Security Amendments of 1965. I firmly believe that this action is long overdue, and that we have too long ignored the health care needs of America's older citizens. The need for improving amendments to the Social Security Act contained in this bill is equally urgent.

The most serious threat to the security and peace of mind of our senior citizens is the high cost of illness and medical care. Statistics show that 8 out of every 10 persons aged 65 or older have some type of serious illness. They require hospital care more often than younger persons, and they must stay for longer periods of time. And yet, nearly half of America's retirees have no form of health insurance.

Scientific advances have and are adding years to man's lifespan. In the United States today are more than 18 million persons who have passed the age of 65, and their ranks are increased each year by another 1,500,000. By 1975, we shall have more than 33 million over 65. Unfortunately, this is the most neglected segment of our society. I consider it a national disgrace that our Nation has delayed so long in making adequate health-care provisions for our senior citizens.

Thirty years ago, we established a social security system to provide some measure of financial independence for retirees. But we have done virtually nothing to free them from the fear of becoming a financial burden on their children due to illness.

These millions of Americans contributed from their paychecks for many years to help assure themselves of independence and security with dignity in their old age. I think that they are entitled to this as a matter of right, not as a matter of welfare or benevolence.

Our senior citizens, Mr. Chairman, are a valuable and important segment of our population. Let us not forget that the benefits we enjoy today are the results of their work and dedication in past years.

As President Johnson has so aptly stated, "compassion and reason dictate that this logical extension of our proven social security system will supply the prudent, feasible, and dignified way to free the aged from the fear of financial hardship in the event of illness."

Mr. Chairman, I urge the immediate passage of H.R. 6675.

Mr. BARRETT. Mr. Chairman, I am wholeheartedly in favor of H.R. 6675, the Social Security Amendments of 1965, now before the House for consideration. It has been many years since the first plan to provide health insurance for the elderly was introduced, and it is indeed a great moment to finally have this bill scheduled for debate and a vote. We have the opportunity to go down in history as a Congress which has made manifest the Nation's concern for its elder citizens.

This bill is so comprehensive that in the brief time allotted to me I will concentrate on the health insurance provisions, which will help more than 17 million older Americans.

Other parts of the bill also make important and necessary improvements in our whole pattern of social legislation.

The bill extends the benefits of the Kerr-Mills program to other groups in the population who are as disadvantaged as the elderly—the blind, the disabled, children who cannot be adequately supported by their parents—and who would not be able to provide necessary medical care for themselves.

This bill also authorizes increases in expenditures for the maternal and child health and crippled children programs which are designed to help mothers and handicapped children in need. A new provision is added to the Social Security Act which will authorize special health care to unfortunate young children, who need this help in order to do adequate schoolwork and to lead a normal life.

The Social Security Amendments of 1965 will help our elderly citizens in many ways since it authorizes improvements in the basic social security system as well as begins a new program of health insurance. The basic hospital insurance plan will give protection to Americans over 65 against the costs of hospital, related posthospital care—skilled nursing home and home health visits—and outpatient diagnostic services. These benefits would be financed through a separate payroll tax and a separate trust fund. Those senior citizens who are not eligible for social security benefits would be covered out of general revenue.

This basic plan, which would lighten the dark cloud of financial worry that hovers over the elderly, would be supplemented by a voluntary plan providing physicians' and other medical and health services financed through monthly premiums of $3 by individuals matched equally by Federal Government revenue contributions. Most of our older Americans would join this plan. They would be able to do so because of the 7-percent across-the-board increase in social security benefits, which would more than cover the cost of premiums.

I do not call this proposed legislation revolutionary. It is a natural development, given the comparatively low financial position of the elderly and their lack of resources to cover medical expenses. Americans over 65 are more likely to have serious illnesses, and need hospital care, than are any other age group; and they are least able to pay either out of savings or through private health insurance, which is too expensive for their limited budgets.

Today too many senior citizens are denied even all the necessities of life because of the burden of illness and the fear of dependence. We in Congress have the opportunity, and the duty, to make the life of these older Americans a more pleasant one, to allow them to enjoy their later years in the peace and comfort which we all hope will surround our own years of retirement.

Mr. MICHEL. Mr. Chairman, I find myself in a very difficult situation today, for this bill, H.R. 6675, entitled "The Social Security Act Amendments of 1965," embodies what has been paraphrased as "the best of bills and the worst of bills."

It includes such excellent provisions as a badly needed and long overdue increase in social security benefits, the establishment of a more realistic minimum benefit for those whose participation in the system had been minimal, through no fault of their own, before reaching the age of 65.

I would point out again that these benefits should have been made available to social security recipients almost a year ago if the administration had not seen fit to deliberately doom the enabling legislation by attaching their now discredited original medicare bill to it.

Quite frankly, Mr. Chairman, I like the provision in this measure that would continue benefits to age 22 for children attending school.

Over the years I have been reluctant to propose lowering the age of retirement when, as a matter of fact, advances in medical science and a better way of life are increasing life expectancy more and more. Notwithstanding this feeling, I cannot have too much objection to the provision providing actuarily reduced benefits for widows at age 60, and I would emphasize the point that to choose retirement at an earlier age, the benefit must be reduced, to keep any kind of system actuarily sound.

I believe the provision liberalizing the definition and waiting period for disability insurance benefits has a great deal of merit.

I am particularly glad to see the provision increasing the amount an individual is permitted to earn without losing benefits.

Mr. Chairman, I wish it would have been possible to include all these improving amendments in one package, set apart from the real "hooker" in this legislation, the hospitalization section of the bill—or so-called medicare provision—which is financed through the medium of a payroll tax on wage earners, many of whom may be least able to pay for medical insurance for others, and who themselves cannot participate in the benefits until age 65.

I have referred to the medicare section of this bill as the real "hooker" in the legislation, for if we were to vote on it as a separate provision, I am confident it would be soundly defeated. It cannot, as a matter of fact, stand on its own, and that is the reason we find it enveloped in all these "goodies"—that is, improving amendments to the current act to which I have previously alluded. We are actually being blackmailed here to take medicare along with the good features of the bill, or we are going to have to vote against the whole proposition.

I have a real concern for the future and those millions of our elderly citizens who are counting on social security benefits as their sole source of income for retirement. With this medicare feature,

and its attendant increased payroll taxes, we are going to find ourselves in a position in a few years where the Congress will not be able to provide cost-of-living increases in retirement benefits because we have preempted the tax base for this medicare feature. I would point out, Mr. Chairman, that we are not only increasing the base from which we take the tax from the current $4,800 to $6,600, but we are also increasing the rate for the employee and the employer. As a matter of fact, together, by the year 1973, the total social security tax from employee and employer will be 10.6 percent. By the year 1987 with no additional improvements or broadening of the coverage, the tax will be 11.2 percent. Now for the self-employed, and this would include that great number of farmers in our congressional district, the tax will be raised to 7.5 percent by 1973 and 7.8 percent by 1987.

Let us make no mistake about it; this payroll tax is a regressive tax; and let me cite, if I might, just a few figures that our young people ought to take to heart.

Do you realize that if a young worker begins working next year—1966 at the age of 21—and has deducted from his paycheck the full amount of these social security taxes for the next 44 years, until he reaches retirement at age 65, he could have, if he were to invest his deduction, plus his employer's deduction, at 4 percent compounded interest, a nest egg after 44 years of approximately $81,000. Now, if he were self-employed over the same period and in the same given set of circumstances, he would have a nest egg of better than $55,000.

Not only are these increases in tax frightening for the individual, but they should cause great alarm and concern for business and industry to compete in the future. For example, a telegram I have just received from Caterpillar Tractor Co. reads in part as follows:

> H.R. 6675 abandons criterion of need. Heavy cost to employers will decrease competitiveness of U.S. firms in world markets at same time administration requesting manufacturers to increase contributions to international payments flow. The two positions do not square with each other.

Mr. Chairman, I said at the very outset of my presentation here this afternoon that I find myself in a very difficult situation, for I should like to vote for the good features of this bill and vote to cut out the bad features, as I see them. But under the closed rule under which we are considering this measure, I do not have that opportunity. And so, I am going to vote for the motion to recommit the bill with instructions to implement our Republican-sponsored substitute, which for all practical purposes provides all the benefits, except the objectionable medicare feature, financed with a social security payroll tax.

If the motion to recommit fails—and I suspect with the overwhelming odds against us, it will—I believe that, notwithstanding all the good features of this legislation, I will be compelled as a matter of conscience to vote against the bill on final passage to point up the great concern I have for the future integrity of the social security system and the tremendous increase in tax burdens that will be involuntarily thrust upon every working man and woman in this country.

As a matter of fact, in this morning's mail I received a letter from Mr. Peter Cioni, secretary of Local Union No. 422, International Hod Carriers, in which he says:

> When are the politicians going to tell the public the truth of how social security benefits are derived at and how the low-income groups' benefits keep shrinking each year despite these 7- or 8-percent increases. Those increases sound good, but politicians being what they are, Republicans and Democrats alike, fail to tell the story that each year as the base from which benefits are derived at are raised—despite these increases, those who need these benefits most, benefits keep getting smaller and smaller, and those in higher income brackets who need them least, get bigger and bigger.

I should point out that several years ago I introduced my own health care bill that would have met this problem by way of an income tax credit in the amount of the premium that individuals would be paying for their medical care insurance.

I do believe our Republican substitute here this afternoon is a very comprehensive program, financed partly by premium contributions and partly by general revenues. The relative advantages of the Republican proposal are as follows:

The basic hospitalization program in the committee bill is extended automatically and compulsorily to all eligible persons over 65. The Republican program would be wholly voluntary. When coupled with the payment of a premium contribution, this reduces the duplication of coverage for those already covered under private programs. It preserves the insurance concept.

In the committee bill, the hospital program is extended to all persons presently over age 65—except certain Federal employees—at no cost. The Republican program requires the participants, including those presently over age 65, to make a contribution toward the cost of their insurance. This reduces the cost which under the committee bill must be borne by taxpayers under age 65. It also acts as a deterrent to excessive utilization of benefits on the part of those enrolled.

The hospitalization program in the committee bill is, in fact, a part of the social security tax system. An additional liability of upwards of $100 billion is imposed on the social security tax structure by the adoption of that program. The Republican program is financed out of the general revenues, wholly apart from the social security system. This reliance on general revenues utilizes the general tax system, based on ability to pay. It avoids the regressive payroll tax and does not jeopardize future increases in cash benefits.

In financing the hospitalization program through the payroll tax, as a part of the social security system, the committee bill gives rise to the concept of "entitlement." It creates the erroneous impression that the wage earner is "prepaying" for a specific hospital benefit. This precludes revision of benefits in the future, except to increase the scope of the program. The Republican program preserves the ability to revise the programs as conditions dictate. When the insured is required to pay a premium for the benefits, both premiums and benefits can be modified as the need arises.

Benefits of the combined hospitalization program and medical services program in the committee bill fall short of the benefits provided for in the Republican program. The committee bill does not meet the problem of the catastrophic illness. The Republican program covers the catastrophic illness up to a lifetime maximum of $40,000 in benefits. The Republican bill also covers prescribed drugs while the committee bill excludes this item.

The Republican program provides these more extensive benefits at a lesser cost. By eliminating duplication of coverage and combining all medical benefits in a single comprehensive insurance program, the Republican program will provide more protection for less dollars.

The committee bill offers hospital and medical service benefits to the aged without regard to need. The Republican proposal provides for premium contributions related to cash benefits under social security, coupled with a tax recoupment of the subsidy attributable of individuals with incomes over $5,000. This eliminates "need" as a basis for qualification without extending benefits to those who are, in fact, able to pay the full cost of their insurance.

The Republican proposal also incorporates the underlying principles proposed in the eldercare bills. It makes specific the right of the States to enter into private contracts of health insurance for those eligible under the State-administered old-age assistance and medical-assistance-for-the-aged programs.

In conclusion, Mr. Chairman, may I say that we have recently circularized our district with questionnaires, posing two specific questions on this subject. While we have received about 15,000 returns, we have not yet had an opportunity to tabulate them; but in just a spot check of 100 we find that on the question—"Do you favor 60 days of hospital and nursing home care for those over age 65, financed by added social security taxes, under a compulsory program?"—a reply of 14 yes, 73 no, and 13 undecided.

In reply to the second question—"Do you favor medical, surgical, hospital, nursing home, and drug benefits for those over 65, financed by a tax credit or from general revenues for private insurance, under a voluntary program?"—we received a reply of 70 yes, 18 no, and 12 undecided.

Mr. Chairman, I suspect that complete tabulation of our questionnaire will pretty well bear out this ratio, since our spot check was taken completely at random, with no thought of prejudicing the outcome.

Notwithstanding this tabulation, there is no question but that the popular vote here in the House today is going to be one in support of this legislation on final passage; but I for one, as I have indicated in the course of my remarks, will be one of those voting for the motion to substitute the Republican proposal and if

that fails to vote against the bill on final passage, and hope that it helps to draw attention to this horrendous tax burden that is going to be thrust upon every American and every future generation.

Mr. DANIELS. Mr. Chairman, I am proud to rise in support of H.R. 6675. This week we are witnessing the end of a 20-year struggle to provide a better life for our senior citizens. There are still many Members of this House who can remember stalwart battlers for this type of program like the late father of our distinguished colleague from Michigan, the Honorable JOHN D. DINGELL, whose fame as a champion of medical care for the aged spread from coast to coast. As a newer Member, I am proud to have had the privilege of serving with former Congressman Aime Forand of Rhode Island, the sponsor of the original medicare bill, to whom this victory will be especially sweet. No one deserves more credit for his support of our aged than the sponsor of H.R. 1, the basis for this legislation, the very able gentleman from California, CECIL KING.

Briefly, the bill provides 60 days of hospitalization during each period of hospitalization for all persons who have reached the age of 65, financed by an additional tax on employers and employees under the social security system and the Railroad Retirement Act. Those persons over 65 who are not covered by railroad retirement or social security will receive medical care financed by general tax revenue.

The committee plan provides additional care for those who require medical attention after leaving the hospital. The bill allows posthospital care up to 20 days after each stay of 3 days or more in a hospital.

H.R. 6675 provides outpatient diagnostic care with a $20 deductible feature for services provided by the same hospital during a 20-day period. If, however, within 20 days after receiving the outpatient diagnostic care the patient became an inpatient in the same medical facility, the $20 he has already paid would be credited to the $40 he would have to pay as an inpatient.

The bill also provides for 100 visits to the home of the patient by a nurse after being discharged from a hospital or nursing home.

In addition to the basic plan which is similar to that proposed in H.R. 1, the Ways and Means Committee has added a supplementary plan to cover doctor's fees. Elderly citizens can obtain this coverage by paying a $3 monthly premium which can be deducted from their social security payments. The Government will match this $3 premium with a similar contribution from general tax funds. The State could also obtain the benefits from the supplemental program by enrolling their old-age recipients and paying the premium.

I am happy to support the provision granting a 7-percent across-the-board increase in social security monthly benefits with the added provision that no recipient shall receive less than a $4-a-month increase. It is hard to imagine in this rich and prosperous Nation that we have senior citizens eking out a meager living on such a small monthly income, but such are the facts. Every great city has its neighborhood of shabby lodging houses where these poor people, lonely and destitute, struggle to keep body and soul together. These are not mendicants or parasites but honest Americans who have fallen victim to the crime of growing old without means to support themselves after their productive years have ended. I commend the committee for including this feature into the bill. Naturally, I would have hoped it would be larger, but to these poor people living at a marginal level even a little bit is a lot.

I am of course glad to see the provisions of the Kerr-Mills bill improved by providing more generous financing of the health care to needy children under the program for dependent children. Similarly, the provisions of the Kerr-Mills Act under H.R. 6675 will be extended to the blind and the permanently, totally disabled.

This bill also increases the Federal contribution for the maternal and child health services by $5 million for 1966 and by $10 million for each succeeding year. Similarly, the Federal contribution for crippled children will be increased by the same amount.

Candor requires me to state this bill is not all that the Congress might enact, but, on the other hand, it is the most outstanding piece of legislation in this area that has ever been brought before this House. Those who oppose this bill but cloak their opposition by saying that this bill does not go far enough have argued that this bill does not cover all the medical needs of our senior citizens of the United States. But they fail to mention that this bill does more than any bill that has ever been voted upon in this House.

Mr. Chairman, I am proud to support H.R. 6675. Every Member who votes today in favor of this bill can say that he has done his share in a great cause. This is a great day for every American who feels that we have an unending obligation toward our older Americans. They have done much for us. Now it is our turn to do just a little for them.

Mr. CLANCY. Mr. Chairman, liberalization of social security eligibility requirements and increases in benefits are overdue. I strongly supported making the necessary adjustments last year when we approved the Social Security Act amendments that would put benefits in line with the rising cost of living. Social security recipients would have been receiving larger checks each month for some time now had the bill not been saddled in the Senate by inclusion of the administration's compulsory hospitalization plan which the House conferees would not agree to.

To insure that the more than 20 million beneficiaries of the social security program enjoy at least minimum standards of health and comfort, I introduced earlier this year a bill (H.R. 4144) to increase benefits by 7 percent. My bill would continue benefits to age 22 for children attending school and would provide actuarially reduced benefits for widows at age 60. In these respects my proposals do not differ from the bill under consideration today.

In fairness to older persons who were unable to acquire the necessary quarters of coverage, my bill would liberalize the eligibility requirements so that certain persons 70 years or older could qualify for minimum benefits. The administration's bill would require that these persons attain the age of 72 before being eligible.

My bill would also provide greater liberalization of the retirement test. Because many elderly persons must or desire to work to supplement their social security payments, I included a provision which raises the amount of outside earnings a social security recipient can receive without penalty to $3,000.

I bring this up today because I want to make it crystal clear that I favor those portions of the bill under consideration today which would improve our social security system.

At the same time, I want to make it equally clear that I am strongly opposed to the concept of financing of hospital benefits through the social security system. In good conscience I cannot vote for the imposition of a regressive payroll tax on wage earners, many of whom may be least able to provide hospitalization and other kinds of health care to persons over 65, regardless of their financial needs. H.R. 6675 would impose upon today's workers a liability of approximately $35 billion for hospitalization benefits just for those already over 65.

A worker entering the work force at the age of 21 will pay a payroll tax for 44 years, which his employer will match, to finance health care benefits if this bill is approved. The actual cost of the hospitalization program per worker entering the work force at age 21, with interest at 3½ percent per year, will amount to $8,590. If the same amount were invested in private health insurance, the worker could obtain far more extensive benefits than are provided under the hospital program contained in the bill.

In not voting for the administration's compulsory hospitalization plan, I follow not only the dictate of my conscience, but also the wishes of an overwhelming majority of the fine people I am privileged to represent, the residents of the Second Congressional District of Ohio. For the RECORD, I include the results of a preliminary tabulation of their answers in response to a multiple-choice question on medicare asked in a recent opinion poll I made. Each major program was briefly and impartially summarized, and the respondent was asked to check the one he favored:

	Percent
King-Anderson bill	9
Bow bill	16
Curtis-Herlong eldercare bill	47
No Federal participation	20
No answer	8

It is obvious from the foregoing figures that less than 10 percent of my constituents who responded subscribe to a compulsory Government hospitalization program. And, frankly, I am inclined to believe that the percentage would be even smaller if all those who favor this

approach realized the ramifications of this far-reaching welfare proposal—chief of which are the inevitable regimentation of medicine, possible deterioration of the quality of health care judging from past experience in other countries, and soaring costs.

I would also like to point out that I think it is particularly significant that one-fifth of the respondents favor no Federal participation in this field.

Their reasoning is no doubt predicated on the fact that where you have Federal participation you risk Federal interference. In an attempt to mollify those who do not want bureaucrats in Washington running their lives, the drafters of the legislation insert a statement that any Federal interference is prohibited. If you only read to page 9 of the bill where the prohibition against Federal interference appears, you might believe this. But if you read the next 70 pages, you will see how the Federal Government plans to run the show.

In place of the Ways and Means Committee bill, the minority Members offer us a substitute measure which would be voluntary rather than compulsory, provide more comprehensive benefits, and would be financed partly from general revenues and partly by payments by those participating. No compulsion. No threat to the integrity of social security cash benefits. No discriminatory eligibility provisions.

I support the concept that adequate health insurance should be made available to the aged at a reasonable cost. But I believe such a program should be voluntary. Therefore, I will support the motion to recommit the committee bill with instructions to substitute in its place the Republican bill, H.R. 7057. This bill would make all the improvements in the social security system proposed in the administration bill but would substitute a voluntary program of health insurance for the compulsory plan.

Mr. YATES. Mr. Chairman, seldom has a subject received a more searching or extended examination than the subject of health care for the aged. This issue has been talked about, discussed, analyzed, debated, and argued in every part of our country. Numerous bills have been introduced in previous sessions of Congress and some were nearly enacted. The volumes of testimony taken during the congressional hearings into this subject would fill a small library.

During this long period many of us were impatient over what seemed to be an endless series of roadblocks and delays. And finally today, the drive of a decade is nearing its goal as we are about to pass a truly historic bill which will protect the health and dignity of our elderly citizens.

If it takes a decade to perfect a medicare bill, then I say it has been a decade well spent, for the bill before us today is a remarkable example of legislative craftsmanship. Perhaps the Roman poet Ovid was right when he wrote "Delay matures the tender grapes and ripens grass into lusty crops." One by one, the criticisms and charges leveled against previous medicare bills have fallen by the wayside.

It was once charged that medicare ignored those not on social security. Now, virtually all older Americans are included in the bill.

It was charged that doctor bills would not be covered. Now, the bill includes a voluntary plan to cover doctor services.

It was charged that doctors would be placed under the bureaucratic direction of the Social Security Administration. Now, the bill finances all doctor services through existing private insurance organizations such as Blue Cross.

It was charged that medicare might someday bankrupt the social security trust fund and jeopardize future retirement benefits. Now, the bill sets up a separate trust fund for hospital care. Both are actuarially sound.

It was charged that medicare ignored the existing Kerr-Mills program of aid to the needy. Now, the bill expands and improves the Kerr-Mills program as a supplement to health care for all elderly citizens.

Mr. Chairman, I think every Member of Congress will agree that we have a serious problem in providing for the health of our elderly citizens, and I am sure that every Member wants to do something about it. What are the dimensions of this problem?

There are 18 million people over 65—about 10 percent of our total population—and the percentage is increasing. Most of these people are poor. The average income for an elderly couple is about $2,500 a year—or below the poverty level of $3,000 established in the antipoverty program. One-third of the old people have no assets and one-half have less than $1,000.

The medical needs of older people are greater. They go to the hospital three times as often as younger people, and they stay twice as long.

Most of these elderly people do not have adequate incomes or savings to provide for the health care they need. Although private insurance is available, most elderly citizens cannot afford comprehensive coverage.

Mr. Chairman, I believe the bill before us, H.R. 6675, is an effective answer to these problems. The distinguished chairman and members of the Committee on Ways and Means are to be commended for reporting it to the House. It is a reasonable and carefully designed proposal which combines the best features of the original administration bill, the AMA-sponsored eldercare bill, and the bill sponsored by the gentleman from Wisconsin [Mr. BYRNES].

The bill will provide up to 60 days of full hospital care per illness for virtually all Americans over 65. This part of the program will be financed through a separate payroll tax similar to social security.

Secondly, it provides all persons over 65 with a voluntary plan covering physicians and surgical services; care in mental hospitals; home health services and other medical services. Persons who choose to participate will pay premiums of $3 a month which are matched by the Federal Government. The plan will pay 80 percent of all bills in excess of an annual deductible of $50.

The third part of the bill expands and improves the existing Kerr-Mills program. It extends coverage to needy persons who are handicapped and requires the States to offer a minimum level of services and to establish a flexible income test.

And finally the bill improves the existing social security program and raises benefits by 7 percent.

What will this bill mean to the average citizen? It will mean that for the first time in our history, Americans will be able to live out their declining years free from the worry of crushing medical expenses. No longer will they need to live with the haunting fear that tomorrow may bring an illness which will sweep away their small savings, their home, their security, and compel them, for the first time in their lives, to apply for relief.

Younger people with elderly parents will not be burdened with heavy medical bills at a time when their own family expenses are greatest. Many of our younger people have had to make severe financial sacrifices in order to meet their parents' medical expenses. All too often, funds diligently saved up for a college education or new home disappear overnight to meet the unexpected and catastrophic medical bills on an aging parent.

But this bill provides dignity as well as dollars. The hospital care portion financed through the social security system is a form of insurance and not charity. Each person pays into the fund during his productive years and is entitled—as a matter of right—to adequate hospital care in his later years. He need not pass a degrading means test or go on relief to prove his eligibility.

Mr. Chairman, I have received a good deal of mail on the so-called eldercare plan sponsored by the American Medical Association.

The principal criticism advanced by the eldercare advocates was that the administration bill covered only hospital expenses and did not cover doctor bills. I am glad to see that this defect has been remedied. The bill now before us contains a voluntary plan for doctor services at a price which elderly people can afford.

However, many of the other claims advanced during the AMA's campaign on behalf of eldercare did not make sense. For example, they would have us believe that somehow, by some financial sleight of hand, eldercare would provide more benefits at less cost. How can this be possible? A medical expense is a medical expense and it is going to cost the same regardless of the financing method. There is no magical shortcut to cheap medical care. Actually, the administration's social security approach is somewhat cheaper because it costs less to administer.

Equally misleading were the glowing descriptions of the benefits available under the eldercare bill. Even the sponsor of the bill had to publicly complain about some of the misleading advertising which was put out in behalf of eldercare. These benefits would depend upon a State's decision to participate. Most States simply do not have the money.

And so, Mr. Chairman, we are about to embark upon a new era in meeting the needs of our elderly citizens.

We are about to extend its time-tested principles to the field of hospital insurance. I anticipate that within a few years hospital insurance through social security will also achieve the near universal support the social security program—that is old-age and survivors disability insurance—now enjoys.

Mr. McGRATH. Mr. Chairman, passage today by the House of Representatives of this medical care measure will be a giant step toward the most comprehensive program of medical assistance to senior citizens anywhere in the world.

The bill which we can adopt today provides far wider coverage than we dared hope for when the 89th Congress convened in January. Combining the best features of medicare and eldercare in its provisions, the bill's passage will be considered a red-letter day for our Nation's elderly citizens.

Furthermore, liberalization of social security benefits included in the measure's provisions will be a boon to all Americans, particularly the section providing a 7-percent hike in social security payments.

I am proud to be a Member of this Congress which has moved toward fruition a much-needed health-care plan which has been debated for some four decades.

I, therefore, urge all Members to vote against recommittal of this bill and to vote for final passage of this great medicare bill.

Mr. RONAN. Mr. Chairman, I take particular pleasure in supporting the provision of H.R. 6675 under which benefits will be paid to children age 18 to 22 who are in full-time school attendance. This is an especially fine and forward-looking provision. It will extend the survivorship protection of the social security program and enhance the educational opportunities we offer our young people.

A child who has lost parental support through the retirement, disability, or death of his mother or father is considered dependent under the present social security program if he is under age 18 or if he has a disability which began before he reached age 18. I strongly concur in the committee's view that a child who is in full-time school attendance after reaching age 18 is similarly dependent. It is simply not realistic today to stop a child's benefits on his 18th birthday and tell him that he is now presumed to be able to go to work and to support himself. While some children can and do become economically independent by the time they are 18, most children cannot be financially independent at 18 because they have not finished high school, and they must look for a living to an economy that has little use for the untrained, unskilled, and uneducated worker. It is time we recognize that this is the situation, that this situation will continue, and that a child who has reached age 18 and is still continuing his education is as dependent on social security benefits to replace lost parental support as he was when he was younger.

Under the bill about 295,000 children age 18 to 22 would get benefits this September, when the school year begins. Many of these youngsters would not be able to continue their education without the benefits this bill will provide. It will mean a great deal to them and to their parents, so many of whom have written to us asking that the benefits be continued.

Mr. ST GERMAIN. Mr. Chairman, I am more than proud today to speak in support of the Social Security Amendments of 1965.

My predecessor, Aime Forand, was the pioneer in this field. It was he who in 1956, first introduced legislation providing for medicare for our senior citizens. He retired from the Congress prior to its passage, but he left a legacy to his successors and this is his crowning achievement.

The principle embodied in his original legislation is carried through in the legislation we are considering today. When he first introduced the measure he knew that it would undergo a great deal of amendment. He knew the fight would be long and hard. He knew that the opposition would be strong and that opponents of the legislation would fight right to the end of the line. But, he also knew that the principle of medicare for our senior citizens was desired by the people of the United States, because it was, and is an absolute necessity.

The legislation we are to vote on today fortunately goes further than the original measure in many respects, and unfortunately does not go as far in others.

This legislation is a tribute to the members of the House Ways and Means Committee who worked so hard and diligently. It is a tribute to Aime Forand, to the late President John Fitzgerald Kennedy, and to President Lyndon Baines Johnson, each of whom put all the weight of their offices and all the strength at their command behind it.

It is a tribute to the people of America—the thousands upon thousands—the millions—who took time, year after year, to write their Members of Congress and inform them of their burning desire and keen interest in this legislation.

This legislation goes beyond providing for medicare and the voluntary insurance program—it also embodies many improvements to the social security system.

The Ways and Means Committee and its staff have gone to great lengths to insure that these benefits will accrue to the people for whom they are intended. I do hope and pray that as a result of these increased benefits the individual States will not attempt to take advantage of these people who need additional help by effecting decreases in the help now being provided. The legislation has been carefully drafted to avoid any such occurrence, for we have seen it happen in the past. I realize there are those who may seek loopholes—but let there not be any loopholes.

The Great Society continues to move forward and this legislation, in my opinion, and in the opinion of many Americans, is the greatest stride it has taken to date.

Mr. DENT. Mr. Chairman, I am honored to rise today in support of H.R. 6675, the Social Security Amendments of 1965. My sincere congratulations go to the gentleman from Arkansas and his able committee for presenting the House with a bill upon which all parties interested in the welfare of the elderly may securely stand. It is not only a milestone in our legislative deliberations, but is also a masterpiece of equity and compassion.

Mr. Chairman, it is entirely appropriate for me to note that the great majority of mail coming into my office concerns the very subject of health care for the elderly. The medicare versus eldercare controversy will probably be remembered by all of us as one of the most heated within memory's reach. It is not only a credit to the gentleman from Arkansas and the Committee on Ways and Means, but a credit to the Congress that this bill embodies the best features of both proposals. It is difficult for me to recall in my experiences, any other legislation, either before the House or the legislature in my own State, which has been worked on more diligently and which considers the vast differences of opinion on the necessary character of the legislation than does this legislation.

The bill before us is referred to as the Social Security Amendments of 1965. This package includes long-overdue and well-needed increases in OASDI benefits. Its main thrust, however, is obviously in the provisions for health care insurance. In light of this, I would like to address the remainder of my remarks to this new feature of our social security program.

Mr. Chairman, it is not the responsibility of the Federal Government to look throughout our society in search of potential responsibility. This would not only be contrary to our entire system of government, but especially contrary to our great and lasting Constitution. It is the responsibility of the Federal Government, however, to satisfy a need—in this instance a physical and social need—when such need is not presently nor properly being met. It is further evident that the individual States cannot meet the problems of the elderly as regards basic health protection. It is therefore incumbent upon the Federal Government, and in accord with our traditions, to provide relief for those who suffer through no or little fault of their own. This is not a giveaway program, nor is it per se a welfare program. It is an insurance program, much of which is voluntary.

This program does not demand a statement or confession of desperate financial inability or the familiar "means test"—and it properly should not. We have already had an experience with that force and found it practically useless. No self-respecting citizen, despite the financial strains upon him, would think of placing himself at the doorstep of welfare and acknowledging his desperate condition before a public entity.

Mr. Chairman, we are a proud and self-respecting people. I daresay that our pride and self-respect is more important to us than most else in life,

including our physical condition and social status. This bill will do nothing to provide more individual virtue; but it will, on the other hand, not force many to sacrifice individual virtue. The alternative proposal would do exactly that. They would force a man to swallow hard and lay open his private business for all to see. They would force him to plead poverty and ask for help. The bill before us asks no such sacrifice.

Although it is true that many who can afford basic hospitalization charges will nonetheless be eligible for these new social security benefits. It is also true that millions more who cannot afford such charges will likewise be eligible. These millions are the rightful concern of the Federal Government, and the legislation before us recognizes that concern and accommodates it.

Mr. Chairman, approximately one-tenth of our citizens are over 65. In my own district, some 35,000 good people are aged 65 or over. I am concerned because they have contributed so much to our country in its development and progress and in the defense of its ideals. They are entitled to anticipate their later years with hope and a feeling of security. They should not have to live their years in fear or despondency and drift. I therefore ask the House to acknowledge these citizens and their problems with compassion and understanding. Let us rise as one and remind them, as well as ourselves, that we do recognize their contribution as well as their needs; and let us rise as one and play our role in their future security.

Mr. FINDLEY. Mr. Chairman, this legislation is so completely centered on methods of financing for medical services, that an important, plain fact is almost obscured from sight.

That fact is this: The medical needs of our elderly citizens are being met today in a superior manner. Those who go without needed medical care are rare exceptions. I have substantial evidence in support of that statement.

Our private medical care system does serve well the needs of the American people. It is regarded as the best the world has ever known. It can and should be improved still more, but let us give credit where it is merited.

To the best of my knowledge, no one has contended that the total effect of this legislation will make medical care in the United States still better. It will make for a substantial change in paperwork, and in the methods of financing medical bills, but it will not increase the number of doctors. It is not apt to make the medical profession more appealing for young people planning careers. So far as I know, it will not add one single additional hospital bed.

On the other hand, it may have an adverse effect on medical care. Judging from the experience of Britain with a similar system, we will have difficulty maintaining our present doctor-patient ratio.

However, my purpose at this moment is not to argue the effect of this legislation on the level of medical care, but rather to provide some solid evidence that the medical needs of the people are presently being met in a superior manner.

For more than a year I have conducted in my home district a continuing survey of medical needs. I have done it through what I describe as my medical care referral service.

This service has convinced me that the medical needs of the 445,000 people in my district are being adequately met on a surprising complete basis.

The drumfire of publicity in behalf of the King-Anderson approach to medical care for the elderly has been continuous during the 4 years I have served in the House of Representatives.

One result of all publicity, I am sure, was to widen the illusion that the health needs of elderly citizens are not being met adequately. The Kerr-Mills program never got the attention it deserved.

In Illinois, for example, my experience indicates that few people ever heard of Kerr-Mills, and most of those who have heard about it have misconceptions concerning it and the way it is administered.

On February 26 of last year, I began my medical care referral service, intended mainly to provide information to constituents about the Kerr-Mills program in Illinois and to assist them in getting medical care if cases of inadequate care were found to exist.

My announcement was carried widely by press wire services. The text follows:

WASHINGTON.—An Illinois Congressman today announced his own medicare program. Representative PAUL FINDLEY, Republican of Illinois, has promised prompt medical attention to any constituent who is not getting adequate medical care.

He said, "Doctors in each major community have assured me of their full cooperation in making this possible." Explaining his new service in a statement issued yesterday to constituents, FINDLEY said,

"All Americans should receive the medical care they need, regardless of personal financial circumstances. This is a principle to which I heartily subscribe, and one that is well rooted in our way of life.

"If you know of anyone in the 20th District who is not getting adequate medical care, please let me know.

"A number of medical service programs, both public and private, are available to help needy citizens. The most recent in Illinois—and perhaps the least known—is the Kerr-Mills program, which provides full reimbursement of all medical expenses to those over 65 who are in need.

"Unfortunately, many people are not aware of what is available, and perhaps occasionally some will go without needed medical care for lack of information. My referral service is intended to meet this problem."

In preparation I had consulted several times with Newton DuPuy, M.D., an official of the Illinois State Medical Society and an outstanding member of the medical profession in Quincy, Ill. He supplied me with the names of doctors in each community who were willing and anxious to cooperate in a referral service. Twelve of the fourteen counties were represented in this list of physicians. The two exceptions were small and sparsely populated, served largely by nearby medical centers.

From the date of announcement to this date, I have had 382 individual responses, almost all of them letters. Other Congressmen in Illinois have had inquiries, I might add, because news of my referral service appeared in newspapers throughout the State. Several of them asked me for details on how I have handled this service.

During the first 4 months, I referred each letter immediately and directly to the doctor on my referral list located nearest to the person involved. This was done regardless of the content of the letter.

My acknowledgment letter read as follows:

Thank you for writing to me concerning your medical care problem. I am transmitting your letter immediately to a medical doctor who is cooperating in this service, and I am sure you will be contacted soon.

Thanks for giving me this opportunity to be of service.

If the letter concerned the medical problem of someone else, the first sentence was altered accordingly.

At the same time this transmittal note was sent to the doctor selected from my referral list:

Thanks very much for cooperating in the medical care referral service. As you know, in announcing the service I asked to be informed of anyone in the 20th Congressional District who is not presently getting adequate medical care.

The enclosed letter is a response to my announcement. I will count on you to get in touch with the person involved—or see that another medical doctor does so—and to do whatever you consider to be warranted.

I would appreciate a note from you indicating ultimate disposition, together with any impressions or suggestions you may have.

Your fine cooperation is deeply appreciated.

Copies of correspondence were sent to the Illinois State Medical Society office in Springfield.

You will note that my announcement did not concern the medical problems of the elderly only. Constituents were invited to notify me of anyone not getting adequate medical care. The invitation was intentionally broad. You will note also that the payment aspect of medical care was not mentioned in any way.

Since making the initial announcement, I have repeated the same basic information in speeches throughout the district, and in several newsletters to constituents. I will continue to publicize it as widely and as frequently as I can.

The response was much smaller than I had anticipated, especially so in view of the broad character of the invitation.

After 4 months of direct contact with physicians, I changed somewhat the referral procedure. All responses are now transmitted directly to the Springfield office of the Illinois State Medical Society, where Harold Widmer does the initial checking.

The change was made in the interest of efficiency for all concerned, to make possible maximum speed in processing and to make the load as easy as possible on the doctors who are cooperating.

Mr. Widmer usually makes a telephone call to the Department of Public Assistance, usually checking directly with the county office nearest the person involved. The check turns up any case history which may be on file. Usually, he will then telephone the person whose medical care is involved. Sometimes, the case

is adequately settled by telephone. In other cases, personal interview with a nearby physician is arranged.

Of the 382 letters only 6 cases suggested the possibility that someone was not getting adequate medical care.

In many cases, the person contacted felt better, with a more confident mental outlook. Many of them had never heard of the Kerr-Mills program, and were comforted to know that such a program existed whether they themselves qualified at that time or not.

Several qualified for assistance under this program as the direct result of the referral service. I do not know the exact number, because I have had no reason nor desire to pry into details.

Since changing to direct contact with the Illinois State Medical Society, I have begun to supply information on Kerr-Mills directly in the cases where information seems clearly to be the only need. The information I supply is duplicated, as follows:

ILLINOIS MEDICAL CARE INFORMATION, KERR-MILLS

This is a system of Federal matching grants to provide medical care to the near-needy aged. It helps those who are otherwise self-supporting but unable to pay medical bills. It became effective in Illinois on August 1, 1961.

A. SERVICES PROVIDED

1. In-patient hospital services.
2. Physicians' service during hospitalization.
3. Physicians' visits for 30 days after hospitalization.
4. Drugs and medications for 30 days after hospitalization.
5. 90 days nursing home care (convalescent or rehabilitation) following hospitalization, including physicians' services and necessary drugs.

B. GENERAL ELIGIBILITY REQUIREMENTS

A resident of Illinois, 65 years of age or older, is entitled to benefits when:

1. Annual income from all sources does not exceed:

Single person $1,800
2 persons (spouse and dependent) ... $2,400

(Add $600 for each dependent.)

2. Cash and marketable assets do not exceed:

Single person $1,800
2 persons (spouse and dependent) ... $2,400

(Add $400 for each additional dependent.)

In determining amount of marketable assets, do not count:

1. Homestead and contiguous real estate.
2. Automobiles, household furnishings, clothing.
3. Life insurance with cash value up to $1,000.
4. Personal property used in producing income.

C. ADMINISTRATION

Administered by the Illinois Public Aid Commission through its county departments of public aid. Those in the 20th Congressional District include:

Adams County: 640 Hampshire Street, Quincy.

Brown County: 233 West South Street, Mount Sterling.

Calhoun County: 308 South County Road, Hardin.

Cass County: 209 West Second Street, Beardstown.

Greene County: 425 South Fifth Street, Carrollton.

Hancock County: 526 East Locust Street, Carthage.

Jersey County: 215 South Jefferson Street, Jerseyville.

McDonough County: 124½ North Lafayette Street, Macomb.

Macoupin County: 213 North East Street, Carlinville.

Morgan County: 205 West State Street, Jacksonville.

Pike County: American Legion Building, Pittsfield.

Sangamon County: 628 East Adams Street, Springfield.

Schuyler County: 213 West Washington Street, Box 111, Rushville.

Scott County: 128 West Cherry Street, Winchester.

D. FINANCING

Federal Government provides 50 percent of the cost of operating Kerr-Mills in Illinois and the rest is State funds.

Similar benefits are available to those who qualify for public welfare. For information, contact the Illinois Public Aid Commission office in your county. In many counties, assistance is available to those in hardship circumstances by township supervisors. For information, contact your county clerk. War veterans may be eligible for medical care and rehabilitation. For information, contact the Illinois Veterans Commission, your nearest American Legion post, or Veterans of Foreign Wars post, or the Veterans' Administration, Washington, D.C.

Important: When hospital care is needed, application must be made before or immediately after entering hospital. This must be done.

All letters which give even the slightest indication that someone may not be getting adequate medical care—or which present specific information problems—are referred immediately to the Illinois State Medical Society.

Our referral service has been developed by trial and error. It is now functioning smoothly and helping a number of people to get the information and assistance they need, thanks to the splendid cooperation by the Illinois State Medical Society, Dr. DuPuy and the associates he has selected, and thanks also to the truly constructive, efficient, and enthusiastic support by officials of the Illinois Department of Public Assistance, the agency which administers the Kerr-Mills program.

Now, a look at the responses. The quotations are directly from the letters. The facts and allegations are not verified.

Six letters suggested a lack of medical care due to inability to pay medical expenses. Two were directly from the person seeming to lack medical care. Here is a quote from one of these two letters:

I am writing about information on the Kerr-Mills medical assistance for the aged program as I am on the low-income social security. I was in the hospital 9 days last July with pneumonia—had to go back for a recheck. The ———— Co. paid a part of my bill, but by borrowing from the bank and the help of my sister, the hospital bill is paid, but I have been unable to pay my doctor bill up to date, so I have not been doctoring, as I want to pay on doctor bill first. Please let me know if I have any assistance as there is always none left on $40-a-month social security.

Four letters were from friends or relatives. Here are three typical quotes:

A minister wrote:

A lady from our church and from your district recently had major surgery. She had a little hospitalization insurance but not enough to cover the bill by any means. She didn't want the surgery because she didn't know how she would pay the bill, in fact she left the hospital the first time and then had to be taken back and have the surgery. My concern and question is, Would the Kerr-Mills program be able to help Mrs. ——— with her medical bill?

From Adams County:

My wife's father was in need of a doctor. He called one and the doctor very plainly told him if he had $25 in cash he would come to see him. If not he should come to his office. Mr. ——— did not have the money and the doctor would not come. At this time he is in need of medical care. I know of other people right near here that cannot afford to go to the doctor—they just can't pay the charges.

From Springfield:

My mother, who is 78, fell about 2½ years ago and broke her left hip. She is now an invalid who suffers very much and is in generally poor health. I love my mother dearly, but we can't afford her medical expenses and right now she needs a doctor and medicine. We do everything else for her that we can, but we have gone broke from our own medical expenses. The last time she was sick, I called the office of public aid but was refused any help. There is more mercy shown our animals, we just shoot them, but our elderly are left to commit suicide or worse.

Twenty-nine letters asked for general information on the Kerr-Mills program, without stating specific problems. Several of them sharply questioned certain provisions of the program, for example, contending they would risk losing their homes by accepting Kerr-Mills assistance. This, of course, was erroneous and suggests that misinformation about the program is widespread.

Here are typical quotes:

In regard to your recent letter which we received—thank you for answering it, but we have decided not to bother about it. We own our home and pay taxes. We don't think it right to take the home property for medical care. We are paying for the medical aid and pension for aged people that haven't any home of their own. I am 73 years old and cannot get medical help or pension because we own our home.

I am most grateful for the help you have given me in trying to get a doctor and some medicine. I received a letter from Dr. ——— but I do not understand the Kerr-Mills program. I did not write or contact him because he mentioned the State public aid office. I had been told to go to them for help quite some time ago, which I did. However, they sent some case worker to investigate me and then sent a letter demanding that I sell my car. I have a crippled knee cap (left leg) and walk with a cane. In fact, I couldn't walk two blocks—even to get groceries.

I just can't see about the medical care. I had a stroke and in the hospital 6 weeks and a blood clot. They thought I wasn't going to come out of it and when I did they thought I would have to be sent to a home until I could be taken care of. When I got home they came around and wanted us to sign our old home over to them for us to get home help. So we knew when our home was gone we wouldn't have a place to stay.

It seems to me that the person who has tried to make his way along in life, saved some money and owns his own home, he doesn't necessarily qualify under this bill. Whatever medical bills are paid by the county, a lien is taken against the house, and

the bills are only paid as a loan. The man who saved nothing, who doesn't own a home, he is more qualified to receive this aid. Am I right?

Twenty letters were in response to my announcement, but merely took the opportunity to criticize a variety of things, such as the social security program, the public aid commission, doctors' fees.

Here are typical quotes:

I also know a doctor who came to ——— approximately 5 years ago, broke and not even enough money for a downpayment on a car. Today, he owns two homes plus two large farms and is considering buying a third. I am in favor of people getting adequate medical attention, but I also believe if the "squeeze" were put on these nickel-grabbing doctors, people would be able to pay their own medical bills.

If you ever hear they cut Blue Cross please let me know, as you know there are lots of poor people who can't afford it and probably would lose what they put in Blue Cross—I don't want to cause any trouble, but I wish they would quit raising it all the time.

Very unfortunately, on April 17 of this year, I suffered a hip fracture. Knowing my hospitalization would be large, I had the temerity to ask for some help through our office here. Very quickly I was voted ineligible. The denial may be due to the fact that I own my own small home and have minimum social security ($40). Perhaps I do not understand details of plan, but my complaint is Kerr-Mills fails to live up to its commitments.

I work for a living and am a Republican but cannot see voting for something that helps some older citizens with their medical bills, and then others they will not help at at all.

Now here I am about old enough to die and still worrying—69. I just got into the lower bracket of social security $40 per month, and it doesn't go very far. I understand Canada puts the lower bracket at $60 which would help a lot.

Having worked in welfare 18 years (12 in Illinois) I feel I know something of the need. The Kerr-Mills is a joke and as you know, so considered by many States who turned it down.

Many, many people who receive social security even in small amounts try to get along and not apply for public assistance because of their pride. They do not have money for medical bills so do not go to a doctor. Again their pride keeps them from going to public assistance offices and having all their family contacted first for help which the Kerr-Mills makes necessary.

In Montana all doctor and hospital bills were paid by the company and everyone who did not have the money to pay these bills were taken care of and it works much better than the Kerr-Mills—but I think coverage under OASI is what these people want and not county or public aid which they refuse to ask for and yet need medical care—these are poor people and do not have money for a lobby like the AMA.

The doctors sponsor Blue Cross and Blue Shield, yet they are starting to defeat their purpose. March 1 my bill for this increased almost $1 per month. How long are self-supporting people going to be able to pay these increases that come all to often. The doctors, I realize, are busy, but must they put everyone in the hospital for a sore toe if they are insured. Also send them into the hospital overnight when it's really an outpatient need. The doctors must surely take their share of the blame for these increases and for the need for OASI coverage for some sort of a medical plan. It's easy to see why many doctors fight this—they have really made money in Illinois under the plan now in effect—many of the hospitals favor King-Anderson or a similar bill.

Again I want to say I'm most interested in the needs of poor people and that they can get medical care needed and still keep their pride. The AMA and their lobby need no one to speak for them.

The largest category of letters—327 in all—were from people who seem to be receiving adequate medical attention but who are struggling to repay hospital and doctor bills, or are trying to pay their parents' bill while supporting their own family.

Letters giving Kerr-Mills information were sent to them, either by one of the physicians, the Illinois State Medical Society or myself. In several cases we received word that they did qualify for assistance. In most cases, however, we do not know how many followed through and were ultimately accepted for assistance.

It is apparent that many of them had no previous knowledge of Kerr-Mills and others had inadequate and inaccurate information.

Here are typical quotes:

Born in Illinois have lived here all my life and am 74 * * * Am in need of medical help. I have arthritis and have two shots a week and lots of medicine, which amounts to a lot of money * * * We have spent our life savings and sold everything except the house we live in. Have two hospitalization insurances but there is always a balance which I am trying to pay now at _____ hospital. We have one daughter that helps us all she can.

I was cut off all medical aid about 2 years ago. I am 73 years old. I never could pay the doctor and hospital bills. It has been more than 10 years. Once in a while I can manage a few pain pills. Poor people should be executed when they reach the age of 50. * * * I need medical help now.

I sure hope you can help me. I am writing about my mother. She is 92 years old and has no funds whatsoever * * * The old age assistance has notified my mother that after this month, she will no longer receive the pension * * * They said her son had to give her $70 a month * * * he isn't able to * * * When the pension office does something like this to her she sits and worries and cries all the time. * * * If there is anything you can do to help her, it would be the answer to her prayers.

Our close neighbors need medical care. The man is 86 and his wife 85. They have worked hard all their lives. They did own a home which they sold a few years ago for about $3,000. About 2 years ago she had a cancer operation and he has a serious heart condition. That operation and their hospital and doctor bills since that time has just about taken all of their savings. They are trying to keep enough money to take care of their funeral expenses.

My total income is $480 a year. During 1963 I spent $252.70 alone on medicines and doctors and $160 on health and life insurance.

My husband was 65 on April 22. On May 9 he had a stroke and was in the hospital which meant hospital bills plus doctor bills and being under a doctor's care for quite some time. * * * He is now forced to retire and go on social security and we would like to know if we might be able to receive medical assistance. He is partially paralyzed and has not been able to talk since he had the stroke.

My wife has not been in the best of health for several years and the medical expenses have been a strain on my salary but I have managed to keep them paid. However, last month, due to anemia and a heart condition, she had to be hospitalized. * * * She was allowed to come home from the hospital twice, but I had to take her back within 2 or 3 days. Now the doctors do not know when she will be discharged. As you can imagine, the hospital and doctor bills are mounting rapidly. I do not own my home and so have nothing to mortgage to pay the bills. I would deeply appreciate any assistance you could give to help get these medical bills paid.

My wife and I have been on social security for about 8 years * * * I had a serious operation during this time which cost plenty—about $1,000, and am at the present time under doctor's care taking medicine every day * * * monthly average medical bills approximately $20 * * * I have no hospitalization. * * * Trying to make ends meet on $91.70 per month. * * * Am I entitled to medical assistance?

In most respects, I am pleased with the medical care referral service. I plan to continue it. I recommend it to other Congressmen as a means of providing helpful information to constituents. If other Congressmen decide to begin the referral service, I am sure the medical societies will cooperate fully.

Indeed, I strongly urge the medical societies to take the initiative by volunteering to cooperate with any Congressmen who may be interested.

If all Congressmen, working in cooperation with medical societies, were to establish this referral service, thousands of American citizens—especially those in their declining years—would be better off, mentally if not physically. They would have confidence that government will meet all—not just part—of their medical expenses if they get in a pinch. They would know they can get this aid and still keep their home, car, and other essential items.

They would know, too, that doctors in their community stand ready to provide adequate medical care, whether they get paid for it or not.

My referral service attracted wide attention in news columns. It also resulted in this editorial, which appeared in the March 2, 1964, issue of the Illinois State Register, Springfield, Ill.:

A Unique Approach—Representative Findley's Medical Care Referral Service

U.S. Representative Paul Findley, the Pittsfield resident who represents this 20th District in Congress, has come up with his own medicare program, promising "prompt attention to any constituent who is not getting adequate medical care." This is a unique approach to the medical care issue, and it also focuses new attention on the duties and obligations of a Congressman.

Lest someone get the wrong idea, we might explain that the Congressman doesn't plan to treat the people's medical ills himself—he's not a physician. Nor does he plan to pick up the tab for anyone's medical treatment. What he is setting up is a referral service which will direct constituents to agencies which will arrange for care and treatment. He has been promised doctors' cooperation in his efforts.

The Illinois State Register does not question the primary motives of Congressman FINDLEY in setting up his medicare program. He says he subscribes to the principle that all American citizens should receive the medical care they need, regardless of personal financial circumstances. We can only assume then that his principal reason for establishing a medical referral service is to help assure that no one goes without medical care for lack of information about availability of such care. That is a laudable motive.

But Congressman FINDLEY is an outspoken foe of proposals to establish a program of medical care for the elderly under the social security system. Could it be that a secondary motive behind the Congressman's referral service is to gather ammunition for the fight against medical care through social security? To be able to say: "Everyone in my district is being taken care of. I know because I'm seeing to it."

If this is the case, there is one aspect of the medical care situation being ignored by the Congressman. It is true that under present programs—particularly the Kerr-Mills program which FINDLEY touts—needy people can get medical aid. But the key word is needy. And a person becomes needy only after all his personal funds have been exhausted.

Under present laws, a person over 65 who retires with modest saving and a small pension, must live in fear of a serious illness, because it can wipe out those savings in a hurry. Only after they are gone can he apply for assistance in meeting his medical bills. But under a social security program, this same person would have no fear of financial disaster stemming from such an illness.

These are the people—retired people without medical insurance—who are not adequately provided for under present programs. And no referral service can answer their needs.

But beyond these considerations, we wonder about other effects of Congressman FINDLEY'S referral service. Congressmen traditionally help constituents with personal business matters in the Nation's capital. This type of activity frequently takes as much or more of a legislator's time than does actual lawmaking. Adding to those duties the obligation to see that everyone in his district is getting adequate medical care could prove rather burdensome.

Furthermore, where does this type of thing stop. Might the logical next step be that the Congressman set up a referral service for persons who think their education is inadequate or those who consider their jobs inadequate.

Mr. Chairman, the editorial suggests that one reason for the referral service is to gather ammunition for the battle against medical care for the elderly financed under the social security program.

The primary purpose of the referral service is to serve my constituents. I freely confess that it is helpful as a means of gathering accurate information on the health needs of my district.

As a result of the referral service, for example, I drafted proposed improvements in the Kerr-Mills program proposals which were later embodied in the eldercare bill, which I introduced. In Illinois, at least, Kerr-Mills needs to be simplified, particularly as it relates to family responsibility. Eligibility standards are too complicated.

But this experience buttressed my confidence in the private system of medical care as it has developed in this country, and it has provided me with strong evidence that, by and large, the health needs of my constituents are being met adequately.

This fact should not obscure the opportunities and responsibilities to make still further improvements, in our system of private enterprise medical care.

Unquestionably the United States has the best medical system in all the world, but it can be still better.

An effective nationwide referral service—operated through congressional offices—is one possible avenue for improving this great system. To be effective, it must be more than just an information service—important as information is. It must utilize the willingness—indeed the desire—of doctors and hospitals to render medical services without charge in those rare, exceptional, uninsured cases which do not fit any public assistance program.

Mr. HANSEN of Iowa. Mr. Chairman, history was made today. Few men have had the opportunity to participate in the performance of such a great and historic act as have those of us who are Members of the 89th Congress. I shall long remember having had this great privilege.

The Hospitalization and Medical Services Act passed today is a clear and positive answer on the part of our Great Society to the age-old biblical question put by Cain, "Am I my brother's keeper?"

This society—our society in these United States—is being fully responsive to the call for the provisions of this bill that have long been heard. The senior citizens of our country can now retain their dignity even though they may be required to undergo major hospitalization.

At long last the primary objections are a reality. We are following the example and reinstating into practice a principle which was set by our pioneer ancestors of three generations ago. Then it was common for three generations to be assembled in one family unit—a custom which provided care for the aged and housing for the elderly on a pay-as-you-go basis.

In our more complex society, care of the senior citizen was being pushed into the background. Coming from a State where the percentage of persons over 65 is the highest in the Nation, I am extremely pleased that we have recognized their individual worth and have protected their dignity through this legislation.

The leadership of the President in this positive legislation must not be overlooked. With his tremendous ability to clarify and his abundant energy to pursue the aims of the Great Society, he has helped in putting before the American people the needs and benefits of this progressive program.

I am proud to have been a part of this historic event.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 6675, one of the truly great pieces of welfare legislation since social security was enacted 30 years ago.

I do not intend to expound today, in the manner in which so many users of the U.S. mails have seen fit to write me during the past several months, on the relative merits or demerits of this bill as compared with some alternative proposal.

Many of the authors of these communications show a regretful lack of accurate information on the medical programs being considered by this House. It appears that they were writing at the behest of another, and the views expressed did not represent the considered judgment of the writers.

Mr. Chairman, I should like to emphasize the need that is already well recognized, and to suggest that H.R. 6675 represents the best available plan, or the best combination of available plans, if you will, to fill that need.

We know, of course, that the problems our elderly citizens face in financing the cost of health care has become serious and widespread. We have repeatedly witnessed the tragic situation where older persons are reduced to a state of abject poverty after their modest life savings have been wiped out by serious illness. More damaging perhaps than the disappearing financial resources under such circumstances is the inevitable loss of self-reliance and self-respect.

If today's health cost is admitted to be a matter of serious consequence to the elderly, the question then comes to mind: Is it a problem of national concern?

Our Committee on Ways and Means has provided us with the answer. It estimates that approximately 19 million individuals would qualify on July 1, 1966, under the bill's basic plan which provides protection against the costs of hospital and related care. The problem is not localized in any one State or even any one region. It exists in my own State of Hawaii just as much as it is found in any area from Maine to Florida. Coupled with the national scope of this problem is the fact that the number of persons over 65 years of age is rapidly increasing and will reach an estimated 22 million by 1970. It is therefore a matter of great urgency that we provide suitable health care to Americans in this age group.

In selecting the medical program to fill this need, we should bear in mind a paramount consideration. And that is this, to extend to these citizens a medical program which is based on charity would, if I may use that well-known figure of speech, be pouring salt into an open wound.

There are of course many other factors to be considered. For example, the medical program which is adopted must be placed on a sound actuarial basis. Further, while flexibility from the standpoint of choice of medical coverage is to be desired, the plan must not be so loose in its application that it does little or nothing to meet the need for which it is intended. Finally, the selected plan must lend itself to universal application, that is, it must be administered with equal effectiveness irrespective of the size and geographical characteristics of a particular State. In short, it should do the work equally well in Hawaii as in California, New York, or any other State in the Union.

These admittedly are not easy criteria to meet. We know this. This august body has in this and prior years considered many proposed medical programs. Many contained objectionable features. Others were illusory in that they would have never filled the need. I submit that none has proposed to meet all of the requirements as well as H.R. 6675. The historic importance of this legislation has led us to study the bill at quite some length and in detail. I do not intend, therefore, to recapitulate its provisions. Our able chairman [Mr. MILLS] and members of his committee have accomplished that task beyond improvement.

Mr. Chairman, the opponents of this bill have alleged that its passage will have dire consequences upon members of the medical profession. After listening to the debate I am convinced that upon gaining an understanding of its provisions, the overwhelming majority of our doctors will approve this legislation.

Mr. Chairman, we are today writing an epic in American history. This piece of legislation will mark the boldest and most significant step the Congress has taken in insuring the health and happiness of ourselves and our posterity, for age we all must.

I urge a resounding defeat of the recommittal motion and an overwhelming vote to pass H.R. 6675.

Mr. GALLAGHER. Mr. Chairman, I am happy to give my full support to the medicare bill. Its passage by Congress will mean a happier and fuller life for millions of older Americans now and in the future. Approval of this bill was part of the great mandate which our people gave to President Johnson last November. And I do not need to remind you that passage of this bill was one of the great dreams of our late beloved President Kennedy. I have fought for such a measure for a number of years and was the sponsor of a similar bill to this one.

Someday in the future, Americans will look back on this moment as a great step, which can be compared to the adoption of the social security system itself. In this bill, we will establish a way that young people, in the prime of their working life, can set aside modest sums that will add up to better health and peace of mind in their older years. And so it should be. I do not know any American who wants a handout because he is old, unable to work and in poor health. This preserves his dignity and enables him to help pay his own way. As a result, the older man and woman in American society will be able to play a more respected and meaningful role. They are entitled to that respect and I am pleased that this bill helps to make it possible.

Mr. Chairman, this legislation is divided into four major parts. First, it provides a basic insurance program of hospital care. This will be financed in a manner similar to the regular social security system, by a tax on workers and employers. The program will provide up to 60 days of hospitalization and related nursing home service for all persons when they reach the age of 65.

The second part is voluntary. It covers doctor's fees in and out of the hospital. Aged persons who elect this coverage will pay a $3 monthly premium which can be deducted from their social security cash benefits and this will be matched by a similar contribution from the Government. Hospital and medical benefits under these programs will be available beginning July 1, 1966.

The third major section of the bill calls for a 7-percent increase in social security monthly cash benefits. Under this provision, no primary beneficiary will get less than a $4-a-month increase so all of the aged may purchase the optional medical program with no loss of income.

Finally, the bill makes many substantial improvements in the Kerr-Mills program for the poor and includes more liberal financing of health care services to needy children, the blind, and the disabled. It also strengthens and expands the maternal, child health, and crippled children's programs.

Mr. Speaker, the Nation will not be able to measure the effects of this bill in cold dollars and cents. How can you set a value on a happy, healthy life? During my lifetime, I have known many older citizens who have remained sick rather than ask for charity in the way of hospital care. Thank God, this will change that. It will remove most of the fears and dread of growing old alone with no one to care. It allows one to well meet the gathering years with dignity, with comfort, and confidence. Let us speed this bill to the President as fast as we can, so the Great Society can begin to take shape.

Mr. ROBISON. Mr. Chairman, I shall not take the time of the Committee to detail my position on this measure because its pros and cons have been fully and ably presented and discussed here on this floor both today and on yesterday.

Beyond that, all of us other than the newcomers to Congress this year have, for several years now, had to wrestle with the serious and complex policy questions inherent in the action it now appears we are about to take. I am sure those policy questions—which in many ways are vastly more important than the mechanical details contained in the bill now finally before us—are well understood by all of us and by the general public to whom we bear the ultimate responsibility.

This measure contains much of which I wholly approve—much which, in the past, I have wholeheartedly endorsed—and, in severeal respects, encompasses certain legislative proposals I, myself, have made, either in this or in a prior Congress, in an effort to improve and to update our vastly important social security system which, by now, has developed into a keystone of our whole economic structure.

It is not necessary for me to detail that portion of the bill of which I approve, and which has my full support; I believe my position on these matters has been fully made known to my constituents and is understood by them.

In the same fashion, I am equally sure that my constituents have been made fully aware of and understand my opposition—expressed so many times in the past—to the financing of any system of medicare or hospicare or any program involving service benefits as contrasted to cash benefits through resort to the payroll tax device which is, and has been, and should remain, in my judgment at least, free of any possible erosion as the future financial foundation on which the soundness of that basic social security system must continue to rest.

However, what seems about to happen here later on this afternoon will illustrate what all of us have surely known; that is, that any real consideration of such a viewpoint became as politically impossible as that position of opposition on my part became academic once the electorate had made their decisions in the presidential and congressional elections of last fall.

Those of us who have so been opposed to the adoption of the unfair and regressive payroll tax as the means for financing the broadened hospital care program now presented us—who have tried to point out to all who would listen the dimension of the future burden on the younger employees, particularly those just entering the labor force, and also on the self-employed person whose net earnings put him in the lower economic categories, that will thus be imposed—have done what we could to resist this decision.

We will make our last effort to prevent the seemingly inevitable conclusion to this longstanding debate, when the Republican recomittal motion is offered. I intend to support that motion and, even though the hour for decision is nearly upon us, I still urge all of you to give it your most serious and objective consideration, because I deeply believe it offers us the soundest and, as time will tell, the wisest method of financing "medicare" or whatever the program now proposed may properly be called. That Republican alternative also offers you a better—or perhaps I should say it offers the intended beneficiaries—a better and more comprehensive answer to the health needs of our senior citizens; I am confident that if you have given it the study this proposal deserves you will be inclined to agree that what I have said is so. The Republican proposal is particularly designed, as you will note, to meet that continuing problem—unsolved by the committee bill—of costly catastrophic illness, a problem which, if we do not meet it now, will come back to haunt us.

Let us talk figures for a minute. Under the committee bill an estimated burden of somewhere in excess of $133 billion will be placed on that payroll taxing mechanism—a direct tax on the job-creating segment of our economy at a time when more and more businessmen and industrialists have had, in part as a result of foreign competition, to reluctantly consider automation as the an-

swer to ever-increasing production costs. Surely there is a limit to what our economy can carry in the way of such a tax—and I must caution that we may be about to exceed that limit.

Surely, also, there is a limit to what we can ask a young worker, just entering the labor force, at, say age 21, to pay, not toward whatever future benefits he may hope to receive under the "medicare" part of this bill, but to finance similar benefits for those already retired or soon to retire; and, again, I must caution that we may be about to exceed that limit.

We have to ask ourselves about this, because the "prepayment" principle that we hear, time and time again, with respect to the committee bill's approach is an utter myth, since not only the basic social security trust fund but also the new, separate medical-care fund, will be operated on what amounts to an annual pay-as-you-go basis.

The net result of this is, then, that we are probably about to place a ceiling on the cash benefits now being paid or, in the future, to be paid to retirees and dependents under the basic social security system. I do not think we can, by recourse to this means of financing, go in both directions at once and, while this may indeed exert some sort of restraining influence on future improvements for medicare, it may well also have the effect of preventing our keeping that basic cash-benefit system in step with the inevitable toll of an inflationary economy until some alternative system for financing medicare is agreed upon—as some day I predict it will have to be.

In the meantime, however, I am today faced with a near intolerable decision. Under the closed or "gag" rule imposed upon us, those of us who are still flashing the red light of caution and concern for the dangers we see inherent in the decision about to be made, are required to weigh what we know is good in this bill—much of which, incidentally, has been put there by persistent Republican efforts to improve the bill before us—against that which we believe to be bad, and then to vote the bill "up" or "down."

As I have said, I endorse and support and will vote for the Republican recommital motion. I hope that motion will carry and, as of this moment, I believe it has a chance.

However, fully recognizing that there is a very real, unsolved problem with respect to the health-care needs of our senior citizens—which problem has not yet been solved—and fully recognizing the need for action, now, on those other portions of this bill, the benefits of which could have been made available to those in need thereof last year except for the political decisions that were made, I will, with reluctance and with considerable reservations, nevertheless vote for this bill even if the Republican alternative is refused.

I shall do this with and in the hope that this Congress—or perhaps the next Congress, as seems more likely—will continue to give this matter the continuing study it urgently requires, and will correct the fundamental mistake I believe we are making by enacting a compulsory health-insurance program financed by a regressive and discriminatory payroll tax.

Mr. DOLE. Mr. Chairman, as debate on H.R. 6675 draws to a close it is apparent that the real opposition to the bill stems from the fact hospitalization benefits are to be financed by a compulsory payroll tax administered by the Social Security Administration.

It is obvious the great majority of Members, Republican and Democrat, would support H.R. 6675 if it were not for this feature. To support this statement I remind my colleagues of the action taken by this body July 29, 1964, on H.R. 11865.

The principal provisions of that bill—H.R. 11865—as taken verbatim from the committee report were as follows:

A. FIVE PERCENT ACROSS-THE-BOARD INCREASE IN INSURANCE BENEFIT PAYMENTS

The bill would increase the insurance benefit payments under present law by 5 percent for all persons now on the benefit rolls and for all future beneficiaries.

1. Workers', dependents', and survivors' benefits

For workers retiring at age 65 with average monthly earnings of $400 or less, monthly payments would range from $42 to $133.40 for primary beneficiaries as compared with $40 to $127 under present law. Primary benefits ranging up to $143.40 would be payable to people who retire and come on the benefit rolls in the future as the increase in the earnings base that the committee is recommending makes possible the counting of up to $5,400 of annual earnings toward benefits along with the 5-percent increase in payments. Survivors' and dependents' benefits would also be proportionately increased.

2. Family benefits

Under present law, the ceiling on the total amount of family benefits payable on a worker's earnings record ranges from $60 to $254 a month, depending on the worker's average monthly earnings. Under the bill the minimum amount of monthly benefits for a family would be raised to $63 and the maximum would be $281.20 at the $400 average monthly earnings level, which is the highest possible under the present $4,800 earnings base. In the future, maximum family benefit amounts up to $300 would be payable as the $5,400 earnings base that the bill would provide becomes effective and average monthly earnings rise above $400.

3. Number of beneficiaries and effective date

The 5-percent across-the-board increase would be effective for the 20 million beneficiaries on the rolls in their benefit payments which are due for the second calendar month following the date of enactment.

For the first full year, 1965, it is estimated that $925 million in additional benefit amounts would be paid as a result of this 5-percent increase.

B. PAYMENT OF BENEFITS TO CERTAIN AGED PERSONS

The bill would provide limited benefits for certain aged individuals who have some social security coverage but not enough to meet the minimum required by existing law.

A special provision would liberalize the eligibility requirements so that certain aged people who do not meet the work requirements in present law could qualify for benefits on the basis of as few as three quarters of coverage. Upon attaining age 72, a worker or widow who qualifies under these provisions would get a monthly benefit of $35; a wife who qualifies would get a benefit of $17.50.

C. PAYMENT OF CHILD'S INSURANCE BENEFITS TO CHILDREN ATTENDING SCHOOL OR COLLEGE AFTER ATTAINMENT OF AGE 18 AND UP TO AGE 22

The bill would provide for the payment of child's insurance benefits until the child reaches age 22, provided the child is attending school, including a vocational school, or college as a full-time student after he reaches age 18.

This provision would become effective for the month following the month of enactment, or September 1964—whichever is later. It is estimated that 275,000 children will benefit in the total amount of $175 million under this provision in 1965.

D. BENEFITS FOR WIDOWS AT AGE 60

The bill would provide for the payment of benefits to widows beginning at age 60 at their election, with the benefits payable to those who claim them before age 62 actuarially reduced to take account of the longer period over which they will be paid. (Under present law widow's benefits are payable at age 62.)

This provision would be effective for months after the month of enactment. In the first full year, 1965, it is estimated that 180,000 widows will take advantage of this provision and receive $150 million in benefits.

Mr. Chairman, the vote on final passage in favor of the measure was an overwhelming 388 to 8. This bill could have been enacted last year if the administration had not insisted on additional provisions financed by a regressive payroll tax. The point is that nearly everyone supports the concept that adequate medical protection should be made available to the aged but it should be voluntary and should reflect ability to pay.

In conclusion let me restate my support for those provisions embodied in H.R. 11865 last year and now contained in H.R. 6675. Let me also state that it is unfortunate that the provisions in H.R. 6675 relating to compulsory hospitalization under social security will compel many of us to vote against the measure. This one provision poses an enormous threat to the cash benefit programs under the social security system by imposing upon that system a liability to finance undetermined future service benefits. Therefore, in my opinion, this bad feature necessarily outweighs the beneficial provisions.

Mr. HATHAWAY. Mr. Chairman, the bill before the House today marks a historic milestone, as many have noted, on America's journey to fulfill the pledge in the Preamble to our Constitution to "promote the general welfare."

As the wealth of our Nation increases, we have established the humanitarian principle of using some of that great wealth for the betterment of all our citizens. The medicare bill which we will soon enact into law enables all American citizens to hold their heads higher, to speak proudly of our commitment to our senior citizens.

I have the privilege of representing part of the State of Maine here in Washington. This legislation is particularly

important to my State because of the nature of our population.

Whereas only 9 percent of this country's population is 65 years of age or older, we in Maine have 11 percent of our citizens enjoying those golden years. And while 13 percent of the Nation is 60 years of age or older, Maine boasts 15 percent of her population in that group.

The medicare bill will mean added peace of mind and a more secure life to all of the almost 110,000 people in Maine who are 65 years of age or older. Whether or not these people are now receiving social security, this bill will let them participate in the basic hospital program. And each of these people will also have the option of enrolling in the additional, supplementary voluntary insurance program, covering doctors' bills and other items.

I believe special commendations are in order to the members of the House Ways and Means Committee. Their study of the bill was one of the most thorough ever undertaken in the House. The broader bill which emerged from that committee reflects the deep concern of the members for all the medical and economic problems which have plagued the senior members of our country.

I am pleased to be a Member of the Congress which is today making history. I am happy to help fulfill one of the President's pledges. I believe the confidence expressed by the people of Maine in their overwhelming support for the President last November has been justified.

Mr. ANDERSON of Illinois. Mr. Chairman, I firmly believe that it is most unfortunate that we are being called upon to vote up or down with one vote and to be denied the parliamentary opportunity to make the social security bill before us into a better bill. Indeed, I do sincerely believe it is most unfortunate that while this bill contains features which are essentially good and recommendations that I have made myself over the years, that each member of this body is being asked to decide with a single vote either to accept provisions in this bill which he finds objectionable or to reject those provisions which are highly meritorious and which he favors.

I voted for all the benefits that passed the House last year such as the provisions to increase monthly benefit payments to our social security retirees by 7 percent across the board with a $4 minimum increase for each retiree, providing tax exemption for certain religious groups, to continue benefits for certain children in school to age 22, provide actuarily reduced benefits for widows at age 60, provide benefits on a transitional basis to certain persons currently 72 or over who are now ineligible, liberalize the definition for disability insurance which in many instances the Social Security Administration presently interprets in a manner that is contrary to the intent of the original enactment of this provision in the law, as well as modifying the earnings limitation to increase the amount an individual can earn without suffering full deductions from his monthly social security benefits.

These social security amendments were agreed upon by the confidence committee in the 88th Congress. They should have been enacted into law last year. They would have been had it not been for the fact that the administration wanted to withhold those advantages of this bill purely and simply as a bargaining device like the frosting on a cake in order to force the membership of this body into accepting the ill-advised concept of using a regressive payroll tax for a hospital room and board program which many of our 18 million senior citizens over 65 were led to believe at that time was the answer to all of the medical care problems.

However, largely because of Republican efforts in the House, who were concerned about the more than 25 percent of the medical health care costs that the administration's compulsory program would only pay by way of room and board in a hospital, I am pleased to see in the bill the Republican recommendations for a voluntary supplementary health insurance plan providing for physicians' and other medical and health services that would be financed through small monthly premiums by individual participants. These individual payments would be matched equally by a Federal contribution from the general revenues in the Treasury.

I am also glad to see Kerr-Mills Act improvements in the bill which will enable our State of Illinois to improve its already extensive Kerr-Mills program.

However, I am terribly disappointed that the committee bill falls far short of the Republican bill in far too many important respects. While the Republican bill would provide far more benefits than the committee bill, it would do so with joint contributions from individual participants who would pay only a nominal fee with the balance paid for out of general revenues in the Treasury. The Republican bill would not use a regressive payroll tax. It would not jeopardize future increases in cash benefits, which the committee threatens to do. The hospitalization program in the committee bill imposes a $133 billion liability on the social security tax structure.

Amazingly enough, the committee bill fails to provide for catastrophic illness, the largest single factor which might be used to justify a program of subsidized medical care for those over 65 and which concern has been reflected in some of the letters that I have received on the subject. The Republican bill on the other hand would provide for catastrophic illness to the extent of a lifetime maximum of $40,000.

The committee bill excludes prescribed drugs while the Republican bill would pay for them.

Duplication of coverage envisioned by the committee bill will not provide the best protection for the least dollars. It will needlessly force duplication of coverage for those over 65 who are already adequately covered at no cost to themselves under adequate programs of group health insurance, provided by their employers, their unions or by other organizations. These people have no need for a government program.

There is no deterrent in the committee bill to excessive utilization of benefits on the part of those enrolled.

Further, the committee bill gives false rise to the concept of entitlement by creating the erroneous impression that a wage earner is prepaying for his hospital benefits. A participating individual will pay for 44 years in advance for benefits afforded to those already 65 and those reaching 65 before him.

When you consider what the committee bill is going to impose on every wage earner in the way of a tax and project this from age 21 to the time such an individual reaches age 65, it is shocking to find that the total social security tax on wage earners is going to rise to the unbelievable height of 11.2 percent. If this same wage earner were to keep these funds and invest them at an interest rate of 4 percent, compounded semiannually, which incidentially is today's prevailing interest rate, this employee's contribution forcibly taken from him by the provisions of the committee bill will amount to the fantastic sum of $81,000.

Indeed, Mr. Chairman, there are many inherent advantages in the Republican proposal that make it far superior and less costly than the committee bill. By eliminating duplication of coverage and combining all medical benefits in a single comprehensive insurance program, the Republican program will provide more protection for less dollars.

The Republican proposal would eliminate need as a basis for qualification without extending benefits to those who are able to pay the full cost of their own insurance. It would do this by providing for premium contributions related to cash benefits under social security, coupled with a tax recoupment of the subsidy to individuals with incomes over $5,000.

When you take note of the foregoing observations that I have made, I am confident that one would have to conclude that the Republican program of voluntary medical health insurance is vastly superior to the one envisioned by the committee bill.

In my remarks, I must in all justice commend the committee for the other amendments that it saw fit to incorporate into this bill. With the exception of the shortcomings some of which I have enunciated beforehand, I think the committee has done an admirable job. In other words, I would commend the committee for coming up with a bill with the exception of the compulsory payroll deduction portion, and perfectly frankly admit that with the exception that I have noted, the bill has broad support among Democrats and Republicans alike.

Mr. Chairman, it is obvious I think from what I have already said that many Members of this body will face a difficult decision with respect to what they should do if the motion to recommit does not prevail. I sincerely hope that the motion to recommit will receive the support of a majority of this House. For as I have already indicated it would

bring to the American people a vastly superior bill, free of all of the inherent dangers which lie beneath the surface of the administration bill like so many submerged icebergs.

Mr. Chairman, if the motion to recommit does not prevail, I cannot in good conscience vote for the final passage of the administration bill. I cannot thereby put my stamp of approval on what is essentially a blackmailing tactic to literally force Members of this House to swallow unsound and dangerous provisions along with those which are not controversial. The administration bill reminds me of a line from the popular song: "A Spoonful of Sugar Makes the Medicine Go Down."

Mr. Chairman, this is precisely why I voted in the Committee on Rules for an open rule. I did not want to see this House driven to make the kind of decision it is being forced to make today. I have always supported our social security system insofar as its cash benefit provisions are concerned. Indeed, as I have already pointed out, last year I voted to extend and improve the cash benefits paid under that system. I would so vote today if that were the sole issue before us. However, with the transmutation of our social security system from one which pays cash benefits to one which is now going to provide medical services we are witnessing merely the first step not only toward the ultimate socialization of the medical profession but the first step toward what may be the eventual wrecking of an otherwise soundly conceived social security system. I certainly cannot in good conscience, with so much at stake, give my vote of approval to any such ruinous course of conduct.

Mr. CLEVENGER. Mr. Chairman, the 89th Congress will be remembered, I am sure, for many fine accomplishments. It is gratifying to me individually and as a Representative from the 11th District of Michigan to have been able to cast my vote along with my colleagues for the bold and new programs being put together here to insure that all of our people have an opportunity to participate in the growth and vitality of this Nation. I look on our action on medicare as one of the most significant of this Congress.

The passage of medicare will climax a long struggle on behalf of our senior citizens for a program which will help them provide for themselves adequate health care in their declining years.

Under this measure, we have moved to ease the burdens of retirement, to end the fear of a life's savings vanishing overnight as a result of serious or prolonged illness. This program is equally important to our younger families who often have had to make heavy sacrifices in order to carry the burden of health care for aged parents.

This program is going to mean a great deal, not only to the more than 45,000 of our senior citizens in the 11th District of Michigan, but to all our citizens in the 11th District, in the State of Michigan, and in the United States.

We have many serious economic problems in the 11th District of Michigan, not the least of which is adequate health care for our older citizens. The right of our older citizens to dignity in their declining years under the assurance that they will have shelter over their heads and adequate food and clothing was established firmly with the adoption of the social security system.

At that time, many of the arguments we have heard in the last few years about medicare were used to raise the fear that social security would not work; that it would be too expensive; that it would turn us into a nation of sheep dependent on an all-powerful master in the form of the Federal Government. This was not the case as the history of the social security program has demonstrated.

The medicare program, in my opinion, adds a new dimension to the principle involved in our social security program. It is the dimension of insuring during our working years that we will have protection against devastating onslaughts of illness in our retirement years. It has been made clear in the debate—and I want to emphasize it again—that this medicare program is a pay-as-you-go program; it is not charity. It is an insurance program under which all of us will contribute from our earnings to make sure that we can meet the health problems of our old age.

I am pleased to note at the same time the proposed increase of 7 percent in social security benefits which accompanies this bill. This increase in benefits is certainly in tune with the needs of our retirees and the economic reality of the times.

I am sure this increase will make it possible for many of our older citizens to take advantage of the optional part of the medicare program which will provide insurance coverage for up to 80 percent of doctors' bills for a small monthly premium.

Mr. GROVER. Mr. Chairman, we have taken up in 2 days of intensive debate one of the most controversial legislative programs of recent years in H.R. 6675, the so-called medicare bill.

There can be no question about the needs of many of our senior citizens. Inflation, high taxes, competitive employment markets, and a variety of factors have caused severe economic hardship to settle on many. I have seen the severe financial impact of catastrophic illness on these people.

I have in the past and still do find the Kerr-Mills approach an excellent one, although I am realistic enough to know and admit that Kerr-Mills has not been used in many of our States where many aged indigents reside and suffer without proper medical and hospital care.

I believe the eldercare and the Byrnes approach, with their noncompulsory features, their broader coverage and means test are preferable to the social security vehicle, which is a regressive approach, one which burdens the low- and middle-income wage earners.

Thus, in supporting this revised omnibus bill, I am looking affirmatively to the noncompulsory medical coverage and to a much-needed increase in benefits and earnings limitation, but with cautious reservation on the social security approach.

And so, Mr. Chairman, I caution the Congress and urge the Ways and Means Committee and other appropriate committees to screen and study the application and progress of this legislation to the end that its shortcomings can be corrected and the program improved to protect hospital and medical care recipients and to protect the medical profession from the deterioration which the profession has experienced in other countries where government interference and control was excessive.

We must constantly review from the actuarial point of view the vague and gray areas which some have referred to in the funding of our social security system.

We have come a long way since the 1930's, when the social security system in this country was conceived and implemented. It has had its critics over the years, but few are heard who would abolish it. It has become a part of the American scene. But something must come from something. I feel this new program goes as far—and we hope not too far—as a sound funded system could possibly go.

I am sure that all of my colleagues who express this reservation hope with me that our fears of instability will never be realized.

Mr. SCHEUER. Mr. Chairman, today we are finally within sight of an achievement so important, that if the 89th Congress did nothing more than enact the medicare program, it would be remembered in American history as one of the greatest Congresses ever to convene in Washington.

Exactly 30 years ago the monumental social security program became law. Its highly organized and vocal opponents accused President Roosevelt of fascism and communism, freely predicted the end of private enterprise, individual initiative, and the American way of life, and promised its repeal.

Social security has, of course, proved to be one of the most enduring and popular laws ever passed in this Nation. Today no candidate anywhere on the political spectrum would seriously urge its abandonment. Social security, far from ending the American way of life, has become the American way of life itself—a way of life which says to the world that ours is a generous and humane society which values and respects human dignity.

The 89th Congress is now on the point of dramatically reaffirming these values by enacting a program of medical insurance for the aged which will rival social security itself as an example of the greatness and compassion of the American society.

THE SOARING SPIRAL OF MEDICAL COSTS

The cost of medical care is the fastest rising cost of any component of the Consumer Price Index. Hospital care has

been, by far, the most rapidly advancing element of medical care costs. In the 14-year period, 1950–1964, medical care costs increased 63 percent; hospital daily service charges over the period increased 150 percent. In contrast, the total Consumer Price Index rose during this period by less than 30 percent.

The average daily cost of hospital care is nearly $40, and according to the American Hospital Association, we can expect an annual increase of about 5 percent during the next 5 years.

The spiraling movement in medical costs is only partially due to inflation. It also reflects the improved quality of medical care—the myriad new lifesaving drugs, techniques, and procedures. These developments do not, and cannot, come cheaply.

THE PLIGHT OF THE AGED

More than any other segment of our society, the aged have borne the brunt and burden of skyrocketing costs of medical care. A few simple statistics make this clear beyond doubt:

Half of aged couples have total incomes of less than $2,600 annually.

Half of aged persons living alone have incomes of less than $1,100 annually.

About half of aged family units have liquid assets of less than $1,000: Many have none.

One in six of the aged is hospitalized each year.

Nine out of ten older persons are hospitalized at least once after age 65.

About half the aged have no hospital insurance. Available coverage is either woefully inadequate or costs more than the older person can afford to pay.

One-third of families considered poor are headed by a person above the age of 65. Nine out of ten couples, with at least one member 65 years or more and receiving no public welfare nor help from private voluntary agencies, had medical costs that averaged $442 in 1962. One out of four of the couples had at least one member hospitalized in 1962 and the average medical cost of these one out of four couples was $1,200. Couples with no hospitalized member during the year had medical costs of $233, on the average. Unmarried aged persons had a median income of $1,180, and spent $1,000 for an average hospital stay.

In short, millions of our elderly citizens have been paying the equivalent of 50 to almost 100 percent of their annual incomes on medical expenses. These figures clearly tell the inhuman story of staggering debt and physical deprivation on the part of our senior citizens that has increasingly been a dark blot on America's conscience.

Furthermore, there is no way of being certain how many of our aged have died because they were simply unable to avail themselves of the excellent American medical care which is available to more fortunate Americans. One study in Michigan found that 45 percent of the people with incomes of less than $1,000 had one or more untreated symptoms. Only 10 percent of people with family incomes of $5,000 and over, had untreated symptoms. A Boston study showed that twice as many of the poor over 65 had untreated symptoms as the well-to-do over 65.

A VICTORY IN THE WAR AGAINST POVERTY

Probably the strongest evidence of the need to help the aged meet their medical requirements was given by Secretary of Health, Education, and Welfare Celebrezze in his testimony at the executive hearings of the Ways and Means Committee on Medicare:

> Some three-fifths of the aged going on public assistance—old age (OAA) and medical assistance for the aged (MAA) together—do so because of health costs. Today over one-third of all public assistance expenditures for the aged are for health costs.

What Secretary Celebrezze's statement means is that most of our aged citizens would be able to support themselves in dignity, independence, self-respect, and security, if it were not for the single devastating factor of serious illness, and the unbudgetable cost of medical care.

Thus, the medicare program, in the broadest sense, can be considered a great victory in the war against poverty. For it is clear that it will prevent poverty for millions of Americans, and relieve them of the indignities of asking for public assistance after a lifetime of productive labor and independence.

OPPOSITION DIES HARD

Mr. Chairman, in spite of these undisputed facts, the opposition to medicare over the past several years has been highly organized, unremitting, and until this moment, all too successful.

The American Medical Association has been almost universally criticized for its continuing scare campaign against health insurance under social security. It is an old story, and I will not once more detail the AMA's sorry record of irresponsible opposition.

It is important, however, to see this opposition in historical perspective. For the truth is that the American Medical Association has opposed virtually every hard-earned inch of progress in social welfare for the past three decades. Its opposition to medicare is as bankrupt as its opposition to social security 30 years ago, when it called that program "the first step in the breakdown of American democracy."

This powerful organization has done untold damage to the prospects of the medicare program in past years. Today, as we are near victory, we can perhaps afford a measure of magnanimity in our view of the AMA. But surely in the eyes of the vast majority of Americans its long record of unrealistic nay-saying has lost it any legitimate claim to determine the means and techniques of disturbing medical services in this country.

OVERWHELMING APPROVAL HOPED FOR

Mr. Chairman, it is my hope that this body will speedily give H.R. 6675—the medicare program—its overwhelming approval. After years of hope deferred, the aged citizens of this country have a right to feel that the Congress is finally heeding their needs.

I firmly support this program, and it is overwhelmingly supported by my constituency. I am particularly gratified that the bill finally covers those whose incomes include cash tips. This corrects the gross injustice suffered by retired persons who in their working years relied heavily on tips for their income—income on which they paid Federal taxes. Covering tips in social security would benefit a million employees and their dependents. These employees are estimated to receive over $1 billion in tips each year.

ONE UNFORTUNATE EXCEPTION

The bill as it stands, with its combination of basic compulsory coverage of the costs of hospital and home care, and additional voluntary coverage to cover physicians' fees—a combination which is a stroke of genius—is a better and stronger piece of legislation than its proponents could have dared hope for even a year ago.

It has one important deficiency, however, which the Congress would do well to correct. H.R. 6675 would exclude from payment under the basic hospital program, the services of radiologists, pathologists, psychiatrists, and anesthesiologists even if they are employees of the hospital or, by arrangement, have the hospital collect their fees for them.

The services of these specialists are often included as a routine hospital expense, a practice which H.R. 6675 as it now stands will surely kill.

The American Hospital Association does not want a change in present practices. It has been estimated that the services of these specialists account for a fifth or more of the hospital bill.

It is very likely that these specialists' fees will rise considerably once they are no longer collected by the hospitals with which they are associated. If H.R. 6675 is not amended to remove the exclusion, the aged who do not participate in the voluntary medical plan will have to bear these charges themselves. And to the extent that the voluntary insurance is subscribed to, the Federal Government will be made to bear the burden of increased fees.

I therefore urge the Congress to amend H.R. 6675 to cover the services of these hospital specialists under the basic hospital insurance plan as outlined in the bill.

In a historic test case, the Supreme Court of the United States upheld the Social Security Act of 1935 with these stirring words, written by Justice Cardoza. The hope behind the act, he wrote, was "to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near."

Mr. Chairman, the same simple human hope inspires the medicare program of 1965. That hope must be fulfilled.

Mr. HUOT. Mr. Chairman, I rise in support of H.R. 6675, which I consider one of the most important and needed bills to come before the Congress in this decade.

I would also like to take this opportunity to commend all the members of the House Ways and Means Committee for their recommendations that a basic plan and a voluntary supplementary plan be established. I believe this bill meets

the objections of some who say that the hospitalization plan was insufficient to meet the needs of our senior citizens.

This bill is needed, and in testimony I would like to submit a brief argument regarding the State of New Hampshire and what I consider its urgent need for this legislation.

New Hampshire has a population of a little over 600,000. By 1970 it is projected that those over the age of 65 will number over 85,000. As can be seen by these figures there is a high population of elderly in New Hampshire.

There are no adequate statistics developed concerning the average income of persons over 65 in my State. A national study completed in 1963 on the basis of a sampling revealed the following median annual income for persons over 65: married couples, $2,875; nonmarried men, $1,365; nonmarried women, $1,015. It was found that almost 3 in every 10 couples had less than $2,000 yearly income.

Everywhere in this country the costs of hospital care and nursing home care are rapidly rising. Without this legislation, Mr. Chairman, the earnings and savings of a large percentage of our population may be wiped out with just a month of illness requiring a stay in a hospital and convalescence in a nursing home.

The basic plan under H.R. 6675 will meet these problems which so many of our senior citizens face today. The average premium of about $19 a year which will be paid during their working years is indeed cheap enough for the sweeping benefits they will receive when they attain the age of 65 when these benefits are really needed.

The voluntary supplementary plan enables the person 65 or over to add to these benefits if he feels his income is sufficient to pay the $3 monthly premiums.

The other sections of this bill, I believe, strengthen the existing Federal and State obligations to the welfare of the American people.

After careful consideration it is my opinion that this legislation does not affect the doctor-patient relationship necessary to maintain high quality medical care for our senior citizens.

The society in which we live has offered much in the way of a better life for all. We are a prosperous Nation and a country which is fulfilling its obligation to provide for the common welfare.

With a high percentage of elderly whose median annual income is less than $2,000, New Hampshire's senior citizens have gone on record in favor of this legislation.

Mr. Chairman, I urge the Members of the House to join me in voting for H.R. 6675.

Mr. DERWINSKI. Mr. Chairman, it is often said that "a politician is a man who thinks of the next election while a statesman is one who thinks of the next generation." In voting against final passage of this measure, I am taking what I believe to be a statesmanlike position, with the long-term interests of the public in mind, rather than the politically motivated position of the administration which is propelling the bill through the House with a minimum of debate and review.

The increases in the social security tax found in this bill will impose a constant drain on all American wage earners. We witness in this bill the fantastic development by which a person supporting an average-size family and drawing an average national wage will be paying a larger social security tax than personal income tax.

As we look into the future, we see clear signs of rigid governmental control of our medical system which can only be detrimental to all our citizens. At the risk of oversimplification, may I state that this bill is a sugar-coated pill that is being swallowed in an easy fashion, but its ill effects will be felt in the ultimate crippling of our medical services and unwarranted, regressive tax burden on our citizens.

It is especially tragic that alternative proposals which would have used free enterprise insurance coverage and would have provided legitimate coverage for older citizens truly in need have been arbitrarily rejected by this politically motivated administration.

Mr. Chairman, as part of my remarks I include a letter from a constituent which very effectively states the citizen's point of view on this subject:

CHICAGO HEIGHTS, ILL.,
April 5, 1965.

Hon. EDWARD J. DERWINSKI,
House of Representatives,
Washington, D.C.

DEAR MR. DERWINSKI: As my Representative in Congress, I urge you, sir, to vote against the King-Anderson bill (H.R. 1) currently before the 89th Congress, commonly referred to as medicare, for the following reasons:

1. Social security benefits and the corresponding taxes are already reaching the saturation point, as far as the middle-income taxpayer is concerned. With tax increases already scheduled for social security under present law of 8.25 percent on $4,800 of income as of January 1, 1966, or $198 per year on each employee and employer, and with additional taxes (9.6 percent on $5,400 of income) and increased benefits contemplated under the existing social security system, I for one, Mr. DERWINSKI, do not want to pay another $16.80 per year for medicare. If all these increased welfare taxes go through, social security taxes will be pushed above 10 percent, but will this be the end of it? More importantly, can the existing social security system stand the additional load of medicare benefits? As you know only too well, this is only the beginning of an insatiable drain on the Federal Treasury, if the recent experiences of France, Italy, and other Western European countries with health care for the aged are any reliable indication.

2. Medicare does not permit; it compels every wage earner to participate in the plan. The wage earner is taxed; he does not contribute.

3. Medicare would call for higher payroll taxes on all wage earners to pay for benefits for everyone over age 65, the rich and well to do as well as the needy. Contrary to the current Democratic administration's pronouncements, the elderly of this country are quite well off. I'm sure that you are aware that on the average the net worth of the family whose head is at least age 65 is $30,718, considerably higher than the average net worth for most younger family age groups. Moreover, current statistics tell us that 80 percent of 65-plus families own their own home free of any mortgage, and 82 percent of elderly families owe no installment debt. Only one-third of the total income of Americans over age 65 ($35 billion) comes from social security and other Government retirement programs.

In view of the above, Mr. DERWINSKI, is it morally right or fiscally sound to tax the younger wage earner to pay for the hospital bills for older people who, in the main, can afford to pay their own bills? I for one am trying to create or accumulate moneys for my later years, to buy a home, and to send my children to college, and I do not think it is morally right to have young workers pay medicare taxes during their wage earning years to pay the heavy medical costs of today's beneficiaries. Of course, tomorrow's benefits would have to be paid by tomorrow's taxpayers—my children. My children are already going to have to pay for my social security pension out of their taxes, why add my medical bills?

4. Current surveys show that 96 percent of the elderly people over age 65 do not owe any money to a doctor, a dentist, or a hospital, and 60 percent of the elderly already have protected themselves against the cost of illness through health insurance and other prepayment plans.

5. Medicare hits those least able to pay—people like myself, for example. The $5,600-a-year worker would be forced to pay as much tax as the $56,000-a-year executive.

6. Medicare in its present form, although I understand Mr. WILBUR MILLS' House Ways and Means Committee has recently rectified this to some extent, does not provide anything for the following: doctors' bills, surgeons' fees, bills for drugs, medicine, medical appliances, dentures, eyeglasses, and hearing aids. Medicare would provide only for hospitalization care on an inpatient basis and some nursing home care for 60 days maximum after discharge from the hospital.

7. Medicare if passed would permit the Federal Government to exercise an undesirable degree of direct control over hospitals and doctors. Free choice of hospital, nursing home, and physician would be impossible under medicare in most cases. If a hospital chosen by the patient was not participating under the medicare plan, the patient would have to go elsewhere. If the patient's personal physician was not on the staff of a participating hospital, the elderly patient would have to accept another doctor.

8. Finally, and perhaps most important of all, I don't think that the majority of the people in this country fully understand this vital issue. According to a recent Gallup poll published in the Nation's newspapers on January 4, 1965, 77 percent of the American people do not fully understand the provisions and limitations of the medicare tax plan. Does this indicate a mandate to the current administration to pass this bill, when 150 million people don't know what they are getting? Is this democracy in action?

What am I for? I am for, and I urge you to support, either the Herlong-Curtis eldercare bill (H.R. 3727) or the proposal introduced by Representative JOHN W. BYRNES, Republican, of Wisconsin. I say either bill because I think either of these bills would go a long way toward rectifying the many ills of the King-Anderson medicare bill listed above, and in addition both the eldercare bill and the Byrnes proposal would utilize Blue Cross, Blue Shield, and other private health insurance companies, who are experienced administrators and operators in this field.

I thank you, Mr. DERWINSKI, for giving this letter whatever attention you could, and I urge you, again, to vote against medicare.

I am,

Very truly yours,

JOHN R. GLENDINNING.

Mr. HARVEY of Indiana. Mr. Chairman, although I stand opposed to H.R. 6675, the administration's medicare bill, I would like to point out that this does not mean that I am unmindful of the problems that prompted this legislation in the first place. Rather, my concern is with how best these problems can be solved. Through compulsory payroll tax deductions for everybody under social security, the authors of "medicare" say that the public interest will best be served. I cannot agree with this. The Republican alternative actually offers a more comprehensive program of medical insurance, financed partly by premium contributions, and by the general revenue tax system based on ability to pay.

Under the provisions of King-Anderson all people 65 and over would be eligible for benefits. The Republican program is voluntary, thereby reducing appreciably the costly duplication of coverage. The King-Anderson measure takes everyone 65 and over and makes them "wards of the state" insofar as hospital benefits are concerned. To me this is not only an insult to the American people, but lacking in understanding. The senior citizens of this country want to be independent and, above all else, they do not want to be a burden on the working men and women of this Nation. The proposal offered by the Republican leadership will enable these people to make small contributions, which they themselves are willing to do to keep their independent status.

Pollsters have stated that over three-fourths of the total civilian population and 60 percent of the aged population, had some form of private health insurance as of December 31, 1962; and that there is reason to predict that senior citizen's participation in private health insurance programs will increase appreciably in the years ahead. It would seem to me that King-Anderson goes too far. Actuarial experts have projected that a young man entering the work force will have paid into the social security fund a staggering amount of money by the time he reaches 65. Had this money been invested privately and interest accrued the total figure is slightly over $38,000—hardly an insignificant sum. Insurance companies in the United States have stated a willingness to offer more comprehensive coverage for less cost. While it is true that the administration's bill does have a voluntary enrollment provision whereby for a small monthly premium doctor's and related services will be paid, the Republican proposal, at no extra charge, covers cases of a catastrophic nature as well as doctor's fees and drugs. Last but certainly not least, among my objections are the cost estimates of the program under social security.

I do not believe that even the experts actually know just how much this program is going to cost the American taxpayers. Having recognized the importance and need for constructive legislation in this field, in January of this year I reintroduced a bill to provide a completely voluntary medical care insurance program. I introduced similar proposals in the 87th and 88th Congresses. It does not require action by State legislatures. It contains no "means test." It is based upon a completely confidential relationship between each individual and the Treasury Department, the health insurance carrier of choice, the doctor, and the hospital. It does not discriminate. It is a true free-enterprise plan to help Americans take care of themselves.

Under the provisions of the Harvey bill every American who is 65 or over would file a Federal income tax return whether or not he owed any tax. A simple, easy-to-file return is recommended. If an individual or a married couple owed no tax, the Treasury Department would give a medical care insurance certificate. The certificate could be used to obtain the kind of medical care insurance the citizen desired. The insurance carrier, in turn, would receive payment of the premium cost, up to $150 per person, by presenting the certificate to the Treasury.

Also in this regard I think it is noteworthy to mention that there is a growing trend in the United States toward the purchase of health insurance for retired employees by former employers. The Harvey bill encourages this practice by offering the same $150 credit to the employer who provides health insurance for retired employees. As of March 1965, 40 States and 4 territories have initiated the legislative authority for implementation of the Kerr-Mills program of medical assistance for the aged who are recipients of old-age assistance. My proposal is intended as a supplement to the Kerr-Mills law and other programs which assist in medical care for senior citizens. To a great degree, the provisions in the Harvey measure would replace the other programs. There would be approximately 14.5 million Americans over 65 who would be eligible for benefits. Maximum possible cost of the program would be 14.5 million multiplied by $150. This figure would be reduced somewhat by several factors, including: (1) the amount spent by the Government under other programs would be reduced appreciably, and (2) there would be a displacement of most income tax deductions now claimed for illnesses. First full-year cost estimates under King-Anderson are $2.3 billion. Under the Harvey bill, first full-year cost estimates predict $1¼ billion. This amount, however, would not appear as an additional appropriation but rather as a reduction in the general revenue. By comparison of the two programs and the effect the King-Anderson bill will have on the economy and the social security programs, I invite my colleagues to join me in opposing this ill-conceived legislation.

Mr. FRASER. Mr. Chairman, the bill we are considering today, H.R. 6675, is the most significant legislation to improve the quality of living for retired Americans since the enactment of the social security law.

I have supported the principle of providing hospital insurance for the elderly under social security since I was first elected to Congress. In both of my election campaigns I stressed the importance of enacting the King-Anderson medicare bill. I believe that the people of my district strongly support medicare.

In its consideration of the proposals on health care for the aged, the Ways and Means Committee wisely rejected proposals which would have us rely solely on welfare programs. Welfare programs are very necessary, but they should be for those who have come to the bottom of the economic ladder. The Kerr-Mills program in my own State requires an applicant to pass a rather rigid means test, even though this test is more liberal than under our old-age assistance program. Thus, in the words of our Commissioner of Welfare, "even Kerr-Mills is still a program only for the very poor."

In the United States we have not been satisfied with only welfare programs. Early in this century we established workmen's compensation—our first venture into social insurance. Then came unemployment insurance, followed by social security. This is the American way. We ask Government to provide social insurance where such insurance will do the job better than by leaving each individual to his own resources. We do not tell the injured workman, or the man without a job, or the retired worker, to first exhaust his assets and then go down to the welfare office. We have provided social insurance benefits as the second line of defense, so that a person need not exhaust—or nearly exhaust—his personal assets.

This is why I favor the King-Anderson bill. It provides a second line of defense against the catastrophic effects of medical expenses. It is earned as a matter of right, and can be taken into account by people as they plan for their retired years, just as people now plan their retirement around social security.

H.R. 6675 is an even better bill than the original King-Anderson proposal. Besides the basic hospital and related care for the elderly, it provides for a voluntary supplementary plan covering physicians' and surgical fees and related services. In addition, it makes a number of liberalizing changes in the Kerr-Mills law, thus improving our basic welfare program.

This bill is a sensible approach to a very serious problem. It meets the needs of all Americans in the ways best suited to the individual. It is also a fiscally sound bill and will help immeasurably the financial situation of the elderly. For this reason I urge its adoption.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 6675. In my initial campaign for election to the House of Representatives in 1960, I pledged my support of legislation to provide a program of medical care for the aged plus

needed liberalizations in the regular social security program. I believe that I have lived up to that pledge. I have been a cosponsor of the King-Anderson bill, and I have sponsored many other bills to bring needed benefits to the people.

The Committee on Ways and Means is to be commended for its dedicated work this Congress to get this measure before the House. In my opinion they have given us an excellent and comprehensive bill and one that will really meet many of the needs of our senior citizens. Through answers to my questionnaires and through direct mail to me, I know that a large majority of the citizens of my congressional district enthusiastically support this progam.

In addition to the increase in monthly benefits, optional benefits to widows at age 60, liberalized eligibility requirements for disability and for persons 72 years of age or older, I was particularly pleased that benefits for children will be continued to age 22 so long as the child is attending an accredited school or college as a full-time student, legislation which I have introduced in every Congress I have been here.

Mr. Chairman, I could speak at length on the merits of this bill, the peace of mind it will bring to our senior citizens, but it has all been said so well by our distinguished chairman of the Committee on Ways and Means that I will only say that I support H.R. 6675 wholeheartedly and I urge my colleagues to do the same.

Mr. CULVER. Mr. Chairman, the passage of the medical care insurance bill by the House of Representatives today represents a historic pledge by a nation to uphold the honor and dignity of its elderly citizens. This is particularly significant in Iowa where our 343,000 persons of retirement age represent the largest percentage of elderly found in any State.

The bill provides a wide range of insurance programs to assist in meeting the medical and hospitalization requirements of our older citizens. In this respect it combines many of the best features of the medicare, eldercare, and Byrnes proposals and represents a reasonable legislative compromise in the finest sense of the word. Of equal importance, it is financed in a manner which will enable an individual to contribute substantially to the cost of his own protection; yet at the same time, the bill maintains the fiscal soundness of our social security program.

I feel that this bill successfully combines the abilities and resources of the Federal and State Governments, the medical profession, and private insurance organizations in a most desirable manner, to insure the independence of our medical profession and the personal dignity of our senior citizens.

Mr. RUMSFELD. Mr. Chairman, I have repeatedly voiced my support of the social security system, and during the 88th Congress, supported the Social Security Act Amendments of 1964 which regrettably never became law. According to the chairman of the House Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], the provisions of that bill are now encompassed by the bill we consider today, H.R. 6675, with but one minor exception.

Further, I have repeatedly voiced my deep desire to see that individuals in need of health care assistance receive that aid. Certainly, at this point in time, few in our country would suggest that those of our fellow citizens in need of medical attention should be denied that aid for lack of funds.

The real issue before the House today is not whether or not we should pass the social security benefit increases and amendments. Certainly, the vast majority of Members agree on these. The issue is not whether or not the Kerr-Mills Act should be strengthened and improved as proposed by the eldercare bill proposals. Most Members are in agreement on this. The issue is not whether the Byrnes proposal as adopted by the committee should pass and thereby provide a voluntary insurance program covering doctors' bills and related charges for all citizens over 65 years of age. Most Members are in agreement on this. Finally, the issue is not whether or not we should pass a measure to provide some assistance to help defray evermounting hospital expenses for the elderly. Most Members have demonstrated agreement on this. So, there is no real debate on roughly three-quarters of this bill.

The only real issue before the House today in the minds of the vast majority of the Members, and certainly in my mind, is which approach to this problem of hospitalization costs for elder citizens is better—that which is contained in title I of the committee bill, commonly called "medicare," or that which has been proposed in the Byrnes bill and which will be offered in the motion to recommit with instructions.

This bill is being considered under a closed rule, with no opportunity for amendment. The motion to recommit with instructions is the minority party's only opportunity to gain a record vote on any alternative proposal other than the whole omnibus bill which is voted on at final passage.

In brief, the Byrnes' motion to recommit encompasses the following provisions which are also in the committee bill:

First. The Social Security Act amendments and benefit increases as provided by the bill which passed the House during the 88th Congress, and which I supported, to strengthen, improve, and expand this program;

Second. Certain Curtis-Herlong "eldercare" proposals to amend, expand, and strengthen the existing Kerr-Mills program which I support;

Third. Some concepts of the Bow bill providing tax deductions for the cost of certain health care insurance, which I support; and

Fourth. The Byrnes proposal for a voluntary enrollment program covering supplemental medical services—doctors' and related charges—financed partly by a monthly premium and partly by general revenues which I also support.

Thus, each of these sections of the committee bill, which I support and which, I believe, a majority of the Members of both parties support, are contained in the Byrnes motion to recommit with instructions.

The only major difference in the Byrnes bill versus the committee bill is title I, relating to the method of financing hospital care for the aged.

The committee bill provides for a compulsory program of hospital and related benefits, financed under the social security system by the regressive payroll tax.

The Byrnes proposal, to be offered by Representative JOHN BYRNES, the ranking minority member on the House Ways and Means Committee, is for a voluntary comprehensive program of medical insurance financed partly by premium contributions and partly by general revenues and which would in fact provide broader benefits than the related section in the committee bill.

Following is a summary description of the relative advantages of the Byrnes proposal for health insurance for the aged prepared by the minority staff of the House Ways and Means Committee:

1. Voluntary: The basic hospitalization program in the committee bill is extended automatically and compulsorily to all eligible persons over age 65. The Byrnes program would be wholly voluntary. When coupled with the payment of a premium contribution, this reduces the duplication of coverage for those already covered under private programs. It preserves the insurance concept.

2. Contributory: In the committee bill, the hospital program is extended to all persons presently over age 65 (except certain Federal employees) at no cost. The Byrnes program requires the participants, including those presently over age 65, to make a contribution toward the cost of their insurance. This reduces the cost which under the committee bill must be borne by taxpayers under age 65. It also acts as a deterrent to excessive utilization of benefits on the part of those enrolled.

3. Not payroll financed: The hospitalization program in the committee bill is, in fact, a part of the social security tax system. An additional liability of upwards of $100 billion is imposed on the social security tax structure by the adoption of that program. The Byrnes program is financed out of the general revenues, wholly apart from the social security system. This reliance on general revenues utilizes the general tax system, based on ability to pay. It avoids the regressive payroll tax and does not jeopardize future increases in cash benefits.

4. Flexibility: In financing the hospitalization program through the payroll tax, as a part of the social security system, the committee bill gives rise to the concept of "entitlement." It creates the erroneous impression that the wage earner is "prepaying" for a specific hospital benefit. This precludes revision of benefits in the future, except to increase the scope of the program. The Byrnes program preserves the ability to revise the programs as conditions dictate. When the insured is required to pay a premium for the benefits, both premiums and benefits can be modified as the need arises.

5. More comprehensive: Benefits of the combined hospitalization program and medical services program in the committee bill

fall short of the benefits provided for in the Byrnes program. The committee bill does not meet the problem of the catastrophic illness. The Byrnes program covers the catastrophic illness up to a lifetime maximum of $40,000 in benefits. The Byrnes bill also covers prescribed drugs while the committee bill excludes this item.

6. Lower cost: The Byrnes program provides these more extensive benefits at a lesser cost. By eliminating duplication of coverage and combining all medical benefits in a single comprehensive insurance program, it will provide more protection for less dollars.

7. Needs test recognized: The committee bill offers hospital and medical service benefits to the aged without regard to need. The Byrnes proposal provides for premium contributions related to cash benefits under social security, coupled with a tax recoupment of the subsidy attributable to individuals with incomes over $5,000. This eliminates "need" as a basis for qualification without extending benefits to those who are, in fact, able to pay the full cost of their insurance.

8. Recognition of eldercare: The Byrnes proposal also incorporates the underlying principles proposed in the eldercare bills. It makes specific the right of the States to enter into private contracts of health insurance for those eligible under the State-administered old-age assistance and medical assistance for the aged programs.

Mr. Chairman, it is my intention to support the Byrnes alternative proposal as encompassed in the motion to recommit with instructions. In addition to the above comments, it should be emphasized that—

First. The alternative proposal offers broader benefits for those in need. For example, the committee bill does not provide for one of the worst disasters that can strike a family today, namely, catastrophic illness, whereas the alternative proposal does.

Second. I believe that the dignity of the individual citizen requires that those who can afford to pay should pay for these expenses. However, under this compulsory system, there is no choice. Even those fortunate citizens now adequately covered by personal wealth or business, union, or private health programs will be covered.

Third. The committee bill's regressive payroll tax will hit hardest at those least able to pay whereas the general fund financing of the alternative proposal would not.

Further, if the motion to recommit fails, it is my intention to oppose the bill on final passage. Admittedly, the committee bill is neither all bad nor all good. In fact, it is considerably better now than when the administration introduced it, in that, as mentioned above, a variety of improvements have been added to it in committee such as those sponsored by Mr. BYRNES, Mr. CURTIS, Mr. HERLONG, and Mr. BOW.

I would suspect that, because of the many fine, necessary provisions in this bill, many Members after supporting the alternative proposal, and if it is defeated, will vote for the bill. Just as the now popular song from "Mary Poppins" says, "a spoonful of sugar helps the medicine go down." Indeed, there is a good deal of "sugar" in the bill.

The problem in this age is one of communications. To support the alternative and then vote yes could be interpreted as being for the undesirable aspects of the bill even though the real intent was simply that the individual was for three-fourths of the bill and against one-fourth.

Conversely, to support the alternative and then oppose the committee bill on final passage could be interpreted as being against all aspects of the bill. To avoid any such misinterpretation, I am stating categorically that this is not the case.

Mr. Chairman, I am strongly in favor of most of this bill. I am equally strongly opposed to the parts of title I which provide for a compulsory program of hospitalization benefits under the regressive payroll tax of the social security system. This method of financing will prove, I believe, to be a bad mistake for the following reasons, as has been stated in the minority views and by the ranking minority member of the committee, Mr. BYRNES of Wisconsin:

1. This approach threatens social security. For the first time, a service benefit rather than a cash benefit would be tied to payroll tax under social security. The future costs of service benefits are impossible to estimate; we do know they are constantly rising in the medical field. There is a limit to the money which can be extracted from workers through a payroll tax. If mounting hospital costs raise the tax to that limit, adequate cash benefits under social security could well be jeopardized in the future.

2. This approach is unfair to workers. The cost of the hospitalization program will be paid for by those now working. Benefits for those now over 65, who will not pay for any of the cost, will eventually total $35 billion. A worker earning $3,600 annually, with a wife and children to support, will pay $250 in income and social security taxes in 1966, including $18 hospitalization tax. A retired couple with $3,600 income will receive the protection paid for by the young worker, yet, with lower living costs, will pay no income tax, no social security tax, no hospitalization tax.

3. A regressive tax hits those least able to pay the hardest and the payroll tax is one of the most regressive taxes known. It applies to the first dollar of earnings. There are no exemptions for dependents, no deductions for unusual expenses, no exclusions and no tax credits. There is no consideration of ability to pay. The president of a corporation pays the same amount as his worker. A man with good health and no family pays the same as a man with a large family and heavy doctor bills.

Mr. Chairman, some of the elder citizens of this Nation need assistance with the costs of health care. It is my hope that the Byrnes proposal will pass, thereby providing those individuals a more comprehensive series of benefits, on a voluntary rather than compulsory basis, at less total taxpayer cost, and financed not by the regressive payroll tax but by general revenues.

Mr. SKUBITZ. Mr. Chairman, the technique which the majority intends to follow in promoting its Great Society program is now apparent. It now appears that henceforth, the majority will draft legislation, and when the wheels have been properly greased, measures will be presented to us on a "take it or leave it" basis.

On three different occasions, I have heard President Johnson, in addressing this body, quote from verse 18 of chapter I of the Book of Isaiah, "Come now and let us reason together." I presume that I have been somewhat naive in assuming that what the President intended was that this the greatest deliberative body on earth would, after free and frank discussion, attempt to resolve its differences.

But what are the facts? This bill has come before us under a closed rule. It permits 10 hours of discussion but denies to any Member the right to amendment. I ask, what good can come from 10 hours of discussion if the right to remove objectional provisions, clarify ambiguities, or add amendments which the majority feel might improve the bill, is denied?

Yesterday, while chatting with one of my good friends on the other side of the aisle, I suggested that perhaps we should all heed President Johnson's favorite Biblical quotation, "Come now and let us reason together." He laughed and replied, "You're right, we should reason together on our terms." He suggested that I read verse 18 which I did. Now I understand the majority position thoroughly, for I found these words:

If ye be willing and obedient, ye shall eat the good of the land. But if ye refuse and rebel, ye shall be devoured with the sword.

The bill that is before us contains 296 pages and the report that accompanies it has 264 pages. It is one of the most comprehensive bills that has ever been presented to this body since I came to Congress. Yet open hearings were not held upon it. Interested parties were not privileged to come before the committee and express their views.

Mr. Chairman, what is wrong with open hearings on a measure of this nature which affects the lives of every person—young or old? What is wrong with letting the people know the ramifications of this bill so that they may notify their representatives of their views? Why the big rush? Congress is not adjourning. The major provisions of this bill do not become effective until July 1966 and we are talking about a bill that is going to cost over $6 billion.

Mr. Chairman, I know of the mental anguish that our aged endure when they find themselves living on a fixed income while the cost of living continues to go up and up. I know of the fear that tortures their minds when illness strikes and they wonder whether they will be able to meet their medical bills and still be able to survive without asking for relief or becoming a drudge upon their children. Every Member of this body recognized the problem facing our aged people with respect to proper medical care. The real issue before us, therefore, is, how do we take care of those over 65? What is the best method of financing? How do we protect ourselves from going down the road toward socialized medicine?

Mr. Chairman, as the chairman of the Ways and Means Committee has stated, this bill can be broken down into four parts. First, the part dealing with medical care for our aged; second, programs for child health, crippled chil-

dren, and the mentally retarded; third, improvement and revisions in benefit coverage for the aged; fourth, expenses of the public assistance programs.

Last year this body passed a bill which included most of the provisions of this bill with the exception of medical care for the aged. H.R. 11865 provided for an increase in social security payments; continuing benefits for children up to 22 years of age; liberalized benefits for widows at age 60 and assistance to those over 72 years of age not previously covered. I supported this bill. It would have been law now if the Senate had not attached its version of a medicare bill to it.

The bill before us and the alternative proposal by Mr. BYRNES are quite similar in every respect. The major differences in the two proposals are their treatment of hospital care and medical services. The administration proposals provide for 60 days hospitalization and 20 days extended care in an approved facility during any one "spell of sickness." The overall maximum can be extended to 100 days if fewer days are spent in the hospital. Following each "spell of sickness" there must be a 60-day lapse before one again becomes eligible for hospitalization. The administration bill provides that the costs shall be borne by a payroll tax. Eligibility begins at age 65 but the tax becomes applicable to those who pay social security. The second part of the administration medical package provides for physicians' care and additional home health visits.

The alternative proposal, by Mr. BYRNES, is by far broader and more comprehensive than that proposed by the administration. The benefits are patterned after the high-option plan which we have provided for ourselves and all Federal employees. It provides for long, catastrophic illnesses. Not so with the administration bill. And how is it financed? In the first place, it is a voluntary plan. Those who care to receive it make the decision at age 65. There is no means test. Those who want it pay an average of $6.50 per month and the remainder of the cost is paid by the Federal Government out of the general fund. Thus, the social security fund is not endangered.

Yesterday, the distinguished Congressman from Wisconsin [Mr. BYRNES] called to our attention that last year when the committee discussed the 7-percent increase, for social security, to meet the increased cost of living, the administration advised that it had to be held to a 5-percent increase so that medicare could be added to social security. Let us keep in mind that as living costs go up we are going to be asked to increase cash benefits under social security. I agree wholeheartedly with Mr. BYRNES that if we tie medicare to social security then we will not have sufficient funds with which to make increases in cash benefits.

It is unfortunate that the administration has encompassed the provisions of H.R. 11865 which we passed last year into H.R. 6675 and thus place many of us in a position where we must, in good conscience, vote against the bill unless, of course, the Byrnes alternative is adopted. For many of us feel that social security must be maintained on a sound basis at any cost; that medical care must not be socialized; that our young people between the age of 21 and 65 are also entitled to some considerations.

Mr. KEITH. Mr. Chairman, in listening to the debate by members of the Democratic Party, one might conclude that we on this side of the aisle are opposed to medical care for the aged. As a matter of fact, some of my colleagues have tried to imply that we Republicans have been opposed to social security since its inception, and particularly opposed to any innovations.

I am one of many who resent these charges—and the implication that we, as a party, are opposed to the inclusion of medical care in the social security system.

I would like to remind my colleagues on both sides of the aisle that the Republicans have played a positive and, in fact, a leading role in the improvement and the expansion of the whole social security system. It was a Republican Congress and a Republican President who are to be credited with the incorporation of disability benefits into the social security system. And may I also point out that the agency which now administers this program and the other programs of a social nature that are so necessary in this industrial society in which we live, namely the Department of Health, Education, and Welfare, is the product of a Congress and an executive branch in which the Republican Party was in the position of leadership. And certainly, many Republicans in prominent places such as the Congress, the Cabinet, industry, and the State legislatures have consistently sponsored a sound and reasonable expansion of social security. They have been vitally interested in the proposition that the system be expanded to take care of the unpredictable and extraordinarily costly expenses of medical care that threaten those who are retired under the benefits of the Social Security Act.

I know, of course, that individuals on both sides of the aisle have historically opposed development of this social security system—and that they have had the right and the responsibility to express their sentiments on this subject. But certainly the public recognizes that both parties have, on balance, shared this concern and supported the development of this program.

In recent years, while medical science has helped add considerably to our lifespan, the costs of hospital care have increased from $4 a day to, in some parts of the country, $40 a day. And sociologists, both within and without the Government, have been seeking some way to help shoulder this prospective burden of hospital expenses—a burden which could not have been foreseen during the working years of those who should now be able to enjoy in retirement the fruits of their labors.

More than 3 years ago, in a newsletter to my constituents, I discussed this entire question. And, Mr. Chairman, for the record, I would like to include in my remarks excerpts from that newsletter of March 1962, I said:

> My studied conviction [is] that social security is the logical vehicle to finance hospital and nursing home care for the elderly.

Both political parties are agreed that a substantial number of those over 65 have inadequate income, insurance, or savings to pay for the extensive hospitalization or nursing home care which old age often requires. Recognizing Federal responsibility to meet this need, Congress acted under the general "welfare" clause of the Constitution in 1960. Under Kerr-Mills, Federal funds were provided to match State and local contributions for paying the medical bills of those aged persons who cannot afford the care they need.

This approach has serious weaknesses. Social security financing, however, makes it possible to save during working years for the expense of hospital and nursing home care during retirement years. It enables the costs of the program to be borne by those who will receive the benefits. It is a "user's tax." It does not affect the relationship of doctor and patient, nor provide for the payment of doctor bills, so it avoids the dangers of socialized medicine—most importantly, it would preserve individual responsibility and personal dignity, because recipients would have made contributions to their own future.

I went on to say, in conclusion, in this newsletter that:

> The issue then is a very simple one; what is the proper way to provide for the payment of our hospital bills when we are no longer working and earning a salary?

In the years that have intervened since I first became involved in this subject, I have publicly suggested that the Government, the insurance industry and the medical profession should get together and come up with an adequate proposal. They have failed to do so.

In my most recent newsletter I had this to say about medical care for the aged:

> The administration wants a medicare program and, controlling Congress as it does by a 2-to-1 majority, it will have its way. It seems settled now that financing will be on a pay-as-you-go basis, with contributions coming from both the employer and employee.
>
> It's quite possible the final plan will not be as elaborate as the administration proposal—and will provide only for hospital care. This protection will be paid for during the employee's working years.
>
> To supplement this basic program, if the plan is enacted as I have projected, the individual could buy (hopefully for a very modest premium) coverage from an insurance company or through Blue Shield. (Such coverage would pay doctors' and surgeons' fees, as well as extra hospital expenses.) Those unable to pay these premiums, or unable to pay medical costs out of pocket, could still obtain help from medical assistance for the aged under currently existing State-Federal programs.

But the Ways and Means Committee did not stay with the original and basic proposal. Largely under the stimulus of the American Medical Association they added two layers of frosting to a cake that was, in my opinion, adequate to do

the job in the first instance. And, in so doing, they have made the plan much more extensive than is necessary.

My objections to the committee's bill concern the second and third layers of the medical care "cake." Like the Byrnes plan, they involve a very significant departure from the principle of social insurance. This optional plan should be opposed because the Government is, in effect, subsidizing the insurance industry. This could lead to Government intrusion on a large scale—ending possibly in a Federal insurance plan whereby a person could choose to buy insurance from either the Government or a private company. This has happened in other parts of the world.

In addition, this portion of the bill presents the possible threat of eventual socialization of the medical profession—although this program is the outgrowth of the proposals advanced by the AMA under their eldercare bill.

In my view, it would have been much better had we adopted the original medicare proposal and built on that with private insurance plans.

However, in conclusion, Mr. Chairman, the basic proposal of the original bill—that hospital costs be financed through the social security system—is still a major part of the legislation being debated. It gives the American people the opportunity to finance hospital care for the aged in accordance with sound fiscal principles. On balance, therefore, taking the bad with the good, I shall support the Ways and Means Committee's proposal.

I must say, however, Mr. Chairman, that it is my hope that the Senate will review this legislation and the debate which has taken place in the House. With the more open rules of that body, it is hoped that a bill will be perfected that will solve the basic problem of providing for the hospital costs of our aged citizens. At the same time, this legislation should assure that necessary supplemental protection be achieved in a way that will allow more flexibility and freedom of choice than that contained in the proposal which will be passed by the House today.

Mrs. MINK. Mr. Chairman, it is with sincere enthusiasm that I rise to support this most progressive piece of legislation, which goes far toward meeting the needs of our elderly citizens.

For many years now, the country has debated its national responsibility for providing our senior citizens that kind of hospital care which is both dignified and adequate. At first, its opponents challenged the need; later they admitted the need but argued that a means test was necessary and, further, that the program should be voluntary.

We have tried to solve this serious problem by permitting the means test to be set by the States, but this provided help for only a small percentage of the elderly. As this crisis worsened, private voluntary plans groped and yet failed to meet the growing needs on a realistic basis.

This bill, which I am confident will become law, meets this challenge of providing the elderly adequate medical care in sound and fiscally responsible manner.

First, virtually all of the 19 million persons now over age 65 can be assured of reasonable hospital care under this basic plan of protection. It provides benefits including 60 days of hospital inpatient services for each spell of illness, of which $40 is payable by the beneficiary; from 20 to 100 days of posthospital extended care in a facility having an agreement with a hospital to provide such services; outpatient diagnostic services as required, with a $20 deductible provision which is credited against the hospitalization deduction if the patient is hospitalized within 20 days after undergoing a diagnostic study; and up to 100 posthospital home health service visits after discharge from a hospital or extended-care facility.

This program would be financed the first year by a separate insurance payroll tax of 0.35 percent, with the maximum earnings base set at $5,600 through 1970. The same rate would be paid by employers, employees, and the self-employed.

Two million persons not covered now by the social security or railroad retirement systems will be covered by this program.

As the program matures, virtually 100 percent of the elderly will come under its provisions, and the trust fund will be self-supporting.

Second, a voluntary supplementary health insurance plan will enable the aged to cover the greater part of their doctors' and other medical and health bills by payment of a small monthly premium of $3. It is estimated that 80 to 95 percent of those eligible, or 15.2 to 18 million individuals, will avail themselves of this provision.

Benefits, after a $50 annual deductible provision, will include 80 percent of a patient's bill for the following services: Physicians' and surgeons' fees in hospital, home, or office; up to 60 days' mental hospital care per mental illness, up to a lifetime maximum of 180 days; up to 100 days of home health services, whether or not the patient is hospitalized; such medical services as X-rays and lab tests, dressings, splints, and certain ambulance and medical equipment costs, and up to $250 worth of mental, psychoneurotic, and personality disorder treatment outside hospitals.

To finance this plan, initial enrollees would pay a premium of $3 a month, to be matched by Government contributions. Premium costs would be fully met by an increase in social security benefits.

To encourage the purchase of hospital insurance by all taxpayers, a new tax deduction will be permitted of half the cost of hospital insurance premiums, whether or not these are in excess of the 3 percent floor on medical expenses, if the taxpayer itemizes deductions.

Additionally the bill provides that the States will receive additional Federal aid, not only for the aged but for the blind, the disabled, and dependent children programs.

It is estimated that the new program will increase the Federal Government's contributions by about $200 million over existing programs in the first full year of operation. This increase could rise to an estimated $238 million if all States take full advantage of the program.

The bill also includes several extensions and improvements of basic social security provisions. It is estimated that 20 million persons will benefit from the 7-percent—$4 minimum—increase in cash benefits. The maximum payable benefit for a family would rise from the present $254 to $286.80. It is estimated the 7-percent increase will result in $1.2 billion in additional benefits in 1965 and $1.4 billion in 1966.

Another provision increases the duration of dependent children's benefits up to 22 years of age if they are enrolled in full-time educational programs. Currently these dependent children's benefits are cut off at age 18. For most children, this will mean the continuation of these benefits for the time it takes to complete a 4-year college course.

Still another provision of the bill will allow widows to qualify for benefits at age 60. At present, widows are eligible for survivors' benefits at age 62. Under this provision, they can elect to take reduced benefits at age 60.

The bill also has several other liberalizing provisions, among them one allowing payment of a wife's or widow's benefits for certain divorced women who had been married at least 20 years before the divorce.

The bill also includes a noteworthy child health program, including a new provision establishing a 5-year program of comprehensive health care for children of preschool and school age, with emphasis on those from low-income families.

A total of $185 million would be authorized for this new and forward looking diagnosis and treatment program. In addition, the bill would: Boost authorizations for existing maternal and child services by $5 million in each of the next 3 years and $10 million annually thereafter; boost authorizations for existing crippled children's services by the same amounts; authorize appropriations of $15 million in the first 2 years and $17.5 million annually thereafter to pay for training of professional persons to work with crippled children including the mentally retarded, and authorize payment for hospital expenses of beneficiaries under the maternal, child health and crippled children's programs. Also authorized is a $5.5 million, 2-year program of mental retardation planning.

Surely, there can be no greater goal than that of a healthy mind in a healthy body. I am particularly happy to point out that the role of the physician as our chief and guiding light is recognized and upheld in the provisions of the bill. Not only is the Federal Government specifically prohibited from exercising control over the practice of medicine and operation of medical facilities, but the physician is acknowledged as the determinant of treatment needs.

Mr. Chairman, this bill can go far to supplement the efforts already started to provide all of our Nation, young and old

alike, with the fullest measure of the benefits of the advances of medical science.

Mr. Chairman, this bill is a landmark of enlightened legislation. It provides, on a sound financial basis, a comprehensive and farseeing approach to solving one of the most vexing problems of our society, to wit, adequate medical care. I strongly urge my colleagues to support it.

Mr. TUNNEY. Mr. Chairman, today, I am giving my full support to a bill which will give our 18 million senior citizens protection against the high costs of medical care.

No issue facing our country at this time shows more clearly the work that must be done before we can truly fulfill the dream of a great society. The fact that we are presently voting on this matter shows that we are progressing toward a society which adequately meets the medical needs of its citizens.

Not since the days of Franklin D. Roosevelt have so many people fought so hard and displayed such great support for a single piece of legislation. At that earlier time a social security insurance program was enacted to enable a person during his productive years to set aside a small amount of his wages so that he would have a guaranteed income upon disability or retirement. The Social Security Act is one of the great landmarks of American history.

Today we are entering the second stage in this long fight by expanding social security to insure care for the medical needs of our senior citizens.

How can we stand idly by while serious illness wipes out retirement savings of many of the aged.

The war on poverty will reach a new level of intensity with the passage of this medical care bill.

I am sure that we all want a society which protects its citizens against poverty and gives them the best opportunities for advancement.

The medical care bill we are considering today will be amongst this generation's greatest contributions to the well-being of Americans and I am proud and humble to stand beside those who will cast their votes in its favor.

Mr. CLEVELAND. Mr. Chairman, the Republican medical care proposal to be offered as the Byrnes amendment, is far superior and much fairer than the administration's medical care plan, which is included as part of H.R. 6675, the Social Security Amendments Act of 1965.

I shall vote for the Republican amendment and I urge the House to accept it in place of the administration's bill. If the Republican amendment is not adopted then I shall vote for H.R. 6675 but with some reluctance.

While I am glad that Congress is about to enact an improved program of medical care for the aged, I am sorry that it has chosen what I consider a less satisfactory plan than some of these which have been proposed. It is regrettable that the issue of medical care for the aged is not presented to the House as a separate bill rather than as part of a massive program of social security reforms which includes many areas not related to medical care problems. This method of mixing a variety of major issues in one bill may be clever politics but it is a bad way to legislate. It is indeed regrettable that a bill 296 pages in length has not been scrutinized at public hearings.

MANY IMPROVEMENTS IN BILL

The bill contains many improvements which I have urged since I came to Congress. I am in accord with amendments in the bill which would increase benefits by 7 percent across the board with a $4 minimum increase for a worker although I do not consider these increases enough for those in greatest need. I am also in accord with amendments to continue benefits to age 22 for certain children while they are in school, provide tax-exemption for certain religious groups, such as the Amish, liberalize and clarify the definition for disability insurance benefits, and increase the amount an individual is permitted to earn without suffering full deductions from benefits. I voted for all of these improvements that were offered in last year's bill, and have urged adoption of the others. The monthly increase in benefits to the very needy, however, are far too low as I have indicated.

The minimum benefit that a person can now receive under social security is $40 a month. This bill would raise that to the "munificent" sum of $44. This does not begin to touch the amount needed to make up for the increasing cost of living caused by the lowered buying power of the dollar—in other words inflation.

GOP PLAN BROADER AND SOUNDER

If the Republican medical care program were adopted instead of the plan that is in this bill, additional funds would be available to bring these monthly benefits to a realistic level. That is because the Republican program would cost less at the start and would not become the great burden on the social security system which the administration program will be.

It is unsound to lock the medical care program into the social security program. This means the imposition of a heavy payroll tax that is scheduled to be increased over the years and which may well have to be raised far beyond present expectations.

A payroll tax is the harshest kind of tax. It is paid by rich and poor in equal amounts. It falls lightly on the rich but presses heavily upon those of modest means, and is bad for small business. The president of a corporation pays the same as the employee and both will usually receive the same benefits.

ONLY LIMITED FUNDS AVAILABLE

There is only so much money available for medical care. Every drain on the total pool for unnecessary purposes lowers the amount available for vital purposes—that is, helping those that are in real need. Yet, under the administration's bill, large sums will be allocated to those who can pay their own bills. Other basic Federal programs recognize this and are geared to place their benefits where they are most needed. Federal housing, veterans pensions, student loans, old-age assistance, aid to dependent children, and others help those in need but cannot be used to enrich those who are not.

Furthermore, the new schedule of payroll taxes imposed by the bill threatens to wipe out the benefits of the income tax reductions for many.

OTHER GOOD AMENDMENTS IN BILL

There are other amendments in this bill which I have supported in the past; providing for medical aid to dependent children, the blind, and the disabled; services for maternal and child health, crippled children, and the mentally retarded; and a 5-year program of special grants for health services for children. I fully support these amendments.

I also support the system of voluntary insurance that will supplement the basic medical care provisions. We Republicans have consistently pointed out the inadequacies of that basic program and I wish only that Republican principles had been adopted for the entire plan.

The Republican program would be financed wholly apart from the social security system and would never threaten the ability of the system to meet future increases in cash payments. Under the Republican program, a participating individual would pay only when he reached the age of 65, not for up to 44 years in advance. It would be voluntary and would reduce or eliminate the duplication of coverage for those who already have private programs.

The administration bill does not meet the problem of catastrophic illness. The Republican bill covers catastrophic illness up to a lifetime maximum of $40,000. Drugs and physicians' costs also are included in our bill but the administration bill omits these.

The Republican bill is flexible and could be opened up or changed with relative ease in the future. The administration's bill is rigid and will not be easy to alter.

It is well to enact a medical care program, Mr. Speaker, but let us do it wisely. We are building something permanent for all the foreseeable future. Let us do it right at the outset.

Mr. PUCINSKI. Mr. Chairman, I rise in support of this historic legislation which will give our Nation's senior citizens a new lease on hope and confidence during their major illnesses in old age.

This undoubtedly is the most significant piece of legislation to come before the Congress of the United States in this decade.

The provisions of this historic bill are sweeping in scope, but they have been carefully designed to provide the highest degree of protection for the complete freedom of the American medical profession, while at the same time giving our senior citizens full access to their hospital and surgical needs in old age.

I have never been more proud to cast my vote for any legislation than I am today in support of this medicare bill.

This bill also provides for our senior citizens a 7-percent across-the-board increase in their monthly benefits, with a

$4 a month minimum for those who have retired at age 65 or older.

It provides continuing benefits to age 22 for children attending school. It also provides actuarially reduced benefits for widows at age 60.

This bill also liberalizes the definition and waiting period of disability insurance benefits, thus providing a new source of assistance to those heretofore denied disability benefits under social security.

It also provides for the payment of benefits on a transitional basis to persons currently 72 years of age or older who are now ineligible.

This bill also increases the amount an individual is permitted to earn without losing social security benefits.

This bill also, for the first time, brings under its coverage self-employed physicians, waiters and waitresses, and other people whose main source of income comes from cash tips.

The medicare amendments and other amendments being proposed here today constitute the most sweeping overhauling of the Social Security Act since its adoption some 30 years ago.

Every one of these amendments has been carefully considered in the light of the good it will do for the people of America.

Mr. Chairman, I think it is significant to see how many people will benefit from each of the categories provided in this bill.

More than 17 million senior citizens who are now drawing social security benefits, and 2 million additional old people who are not under social security will qualify for extended hospital coverage beginning July 1, 1966.

These senior citizens will be able to select their own doctor and the hospital of their choice for their hospital care under this bill.

A similar number of Americans will be able to purchase additional coverage to include all surgical care through the doctor of their own personal choice for the modest sum of $3 a month.

Also, Mr. Chairman, 20 million Americans now receiving social security benefits will receive the 7-percent increase in monthly benefits. In the case of a husband and wife who are on social security, the 7-percent increase will apply to each individual.

More than 295,000 children will continue to draw social security benefits up to the age of 22 if they are in school.

More than 185,000 widows will come under social security coverage through the reduced age for widows in this bill.

An additional 355,000 persons will be able to benefit from social security payments under the reduction in eligibility requirements for certain persons age 72 or over under the bill before us today.

Finally, Mr. Chairman, an additional 155,000 workers and dependents will be able to qualify for social security benefits under the liberalized requirements for disability.

Throughout my district, Mr. Chairman, tens of thousands of my constituents will find increased benefits under the bill we are about to approve today.

Mr. Chairman, I think it is important to note the additional cost of these benefits to all wage earners effective January 1, 1966.

Under the provisions of this bill the average American worker will contribute an additional $20 in 1966 for the extended hospital benefits to senior citizens. In 1967 the figure will go up to $28 a year. In 1971 it will go up to $33 a year. By 1975 it will go up to $36 a year.

This additional money will be placed into a special health benefits fund and will not be commingled with the rest of the social security funds from which senior citizens draw their monthly retirement benefits.

I am confident that when those who oppose medicare become fully familiarized with the provisions of this legislation and especially the unequivocal guarantees against any socialization of the American medical profession, they will be satisfied that this is very worthy legislation.

Mr. DUNCAN of Oregon. Mr. Chairman, one of the great rewards of legislative service is to watch the growth of a great legislative concept from its birth as an idea of the mind, perhaps, of a single citizen, through the long years of tempering, in the forge of public opinion and legislative debate, to its maturity, as the law of the land.

The course is frequently a stormy and tortuous one, it is seldom a straight one, it is often a long one. And on this voyage the child gets stronger and stronger, sometimes appearing to go under but always reappearing.

With respect to these major concepts one knows, or one senses, that time is on their side. They will, ultimately, prevail. And there inevitably comes a time when they must prevail, because they have grown in the great democratic marketplace of ideas into adulthood.

Along this tempestuous course many contributions are made to the vitality of this idea. Some contributions come from friends, some from foes; each adds to its strength.

So with medical care to the aged. The time is ripe. The idea whose time has come and, than which there is no stronger force, is upon us. It has thrived on praise and, even more, on criticism, for from its severest critics have come its most vigorous attributes.

I have been criticized for saying that I hoped ultimately out of this crucible would come a bill which would enjoy the support of all. There were those who wrote and said that anything the doctors were for they were against, for the doctors had been the most vigorous of medicare's enemies. With these people I disagreed, for upon the medical profession depends so much the success or failure of this great innovation in American life—for these people are the practitioners of the healing arts who have made in our time progress far exceeding our fondest dreams. Without their cooperation, tacitly or otherwise, this bill cannot succeed. I am confident it will have their support for the will of the majority will today speak. And the Nation will enjoy, as always, their wholehearted cooperation.

And while this bill does not today yet enjoy the vocal support of the medical profession, it will tomorrow. Today this great legislative concept is ripening into maturity and no group has made a greater contribution toward its ultimate shape than has the medical profession albeit unwillingly and perhaps unwittingly.

The doctors' greatest fear has been not that King-Anderson included them within its bounds for it did not. They feared, rather, their eventual inclusion in proposals still to come which they feared would destroy their freedom and their historic patient-doctor relationship. I have consistently advocated that provisions for the handling of doctors' bills be frozen at the outset into the private sector of our economy—handled through private insurers—so as to obviate that fear and so as to broaden the coverage. Today we have accomplished this. Tomorrow the medical profession will laud our wisdom.

We have further insisted upon a deductible provision, to guarantee, as near we can, against abuses, though we have still another guarantee; namely, the integrity of the medical profession who will, I know, require hospitalization for none who do not need it, but who will be able to prescribe solely for medical reasons, rather than having their judgment contaminated by economical considerations unrelated to the requirements of the infirmity.

In effect, today we free the medical profession in the treatment of the aged from shackles forged from dollar signs.

The integrity of the old-age and survivors insurance fund and the disability fund is preserved. Traditional social security benefits and an improved Kerr-Mills is made more workable. In short, many of the valid criticisms leveled at the King-Anderson proposal have been silenced.

Costs, we were told, are high. There is no change in the costs. The need exists as everyone now admits. We will either fail to meet that need—which no one advocates—or we will pay it one way or the other—by private charity, by service rendered free of charge by the doctors themselves, or by an insurance program paid for by those who use it, making contributions during the productive years of their lives, that they may have security and care during their nonproductive years. There is no cheap way—neither the way we are now inadequately meeting the need, nor the alternate Byrnes proposal, nor what we will this day do. We choose today only between methods and are choosing one which will render service with dignity, and which will permit the medical profession, to which we owe so much, to continue to practice with freedom and with dignity. I would, as would all of us, prefer that this problem would have been handled by the private insurers. But they have not and, I am convinced, cannot.

Today our elder citizens will thank us; tomorrow the medical profession and the entire country will thank us.

Mr. RANDALL. Mr. Chairman, in just a few moments we are going to be asked to vote on the substitute proposal of

the gentleman from Wisconsin [Mr. BYRNES]. As we deliberate whether to accept the substitute, it is important to keep firmly in mind the general provisions of the main bill as reported by the committee. Therefore, let me recapitulate briefly a few salient points about the basic structure of the committee proposal.

In addition to the health care package contained in H.R. 6675, the committee bill provides for improvement and expansion of benefits in the social security system and for certain other improvements in child care and public assistance programs. These provisions do not seem to be contested on either side of the center aisle, but they are nevertheless important.

The old-age, survivors, and disability insurance program will be improved in several important respects. First, the beneficiaries of the social security program will receive an across-the-board increase in benefits of 7 percent, with a minimum increase of $4 per month. Second, payment eligibility requirements will be liberalized to permit assistance to some 990,000 new beneficiaries—295,000 dependent children will benefit by receiving benefits when they continue in school up to age 22; 185,000 widows will be able to participate in the program at age 60 by receiving actuarially reduced benefits; 355,000 persons 72 years and older will be able to receive transitional social security benefits for the first time. Finally, 155,000 workers and dependents will receive eligibility as a result of much needed changes in definitions under the disability benefit program.

The medical package contained in the Social Security Amendments of 1965 is divided into three separate, but complementary, packages. They are first, a basic plan of hospitalization and nursing care insurance; second, an optional program to pay for doctors' fees and other specialized health care; and third, improvements of existing medical programs under the social security and Kerr-Mills programs. It is here that the controversy centers, for these are the provisions which would be changed under the Byrnes substitute.

The first part of the medical package is establishment of a separate social security trust fund, financed through a separate payroll tax, to provide protection against the cost of hospital and nursing care. With certain revisions to protect further the independence of specialized medical personnel, this part of the package is similar to the so-called King-Anderson proposal. Persons entitled to benefits under the plan would be eligible to have payments made for inpatient hospital care and for important additional benefits covering posthospital extended care, posthospital home health services, and certain outpatient hospital diagnostic studies. Over the long run, virtually all citizens who have attained the age of 65 will earn entitlement for this program.

The second part of the medical package is a supplementary and voluntary program providing money for the payment of physicians' fees and other medical and health services over and above those contained in the first part. This program of voluntary insurance would cover physicians' services, additional home health visits, care in psychiatric hospitals and a variety of medical and other services not covered in the basic hospital insurance plan. The plan will pay for 80 percent of the cost of such services above an initial $50 deductible.

This optional program will be financed through $3 monthly contributions from individual participants, matched by $3 per participant paid from general Federal revenues. Since the minimum increase in social security payments will be $4, most older citizens will have additional income available to make payments. However, changes have been made in the Kerr-Mills program to permit the States to make a $3 payment on behalf of any individuals who for financial reasons would be unable to enroll in the plan.

Mr. Chairman, inclusion of this supplementary option in the committee bill has met one of the major criteria on which I have previously conditioned my support for medical care to the aged. I have always believed that once the most basic and most expensive medical needs have been guaranteed, the Congress should permit the individual to decide for himself the extent to which he further desires to receive federally supported medical care. Now, under this bill, the citizen will not only have an option respecting payment of physicians' services, but he will also get an additional tax break on any private health insurance program in which he might wish to enroll.

I might also point out that provisions relating to payment of doctors' fees under this section of the bill are almost identical to provisions governing payment of doctor bills in the Republican substitute motion. Physicians are given identical treatment in both proposals. As Chairman MILLS so eloquently pointed out in yesterday's debate, there is not one solitary thing in this committee bill that carries any threat to the medical profession of this country that could not also be said of the bill offered in the form of a substitute by the gentleman from Wisconsin.

Both bills deal only indirectly with physicians. Both bills permit the physician to make his own payment arrangements with patients if so desired. And both bills leave the choice of physician up to the individual enrollee. Moreover, both bills have strong provisions giving physicians, through their professional associations, a large role in establishing standards for quality medical care.

A third part of the medical package in the committee bill is a group of revisions which improve existing provisions of the Kerr-Mills program, by which generous Federal matching grants enable the States to provide medical care on behalf of aged persons having enough income for their basic maintenance, but not enough income for medical care costs. These changes will have at least three beneficial effects.

First, they guarantee that if State medical care is given to the needy, it will at least provide for payment of deductibles under basic hospital insurance provisions of the main bill. Such deductibles amount to the first $40 of inpatient hospital care, for each spell of illness, and $20 for outpatient diagnostic services.

Second, all needy persons receiving medical benefits under current provisions of the Social Security Act will receive equal treatment from the States under the new law. No State plan will be permitted to discriminate in eligibility requirements or in amount, scope, or duration of medical assistance among different groups of the needy recognized by State or Federal laws. Thus the most needy in a State having a Kerr-Mills type program will receive no less comprehensive care than those who are not as needy. The blind, the permanently disabled, the dependent children, and the elderly who now receive medical aid under existing social security provisions would be made an integral and equal part of any Kerr-Mills program of aid to the needy.

Third, the Kerr-Mills changes include certain minimum program standards designed to eliminate inequities in some State programs, as revealed in recent House and Senate testimony. The most important of these standards relate to eligibility requirements for participation in State programs. Under existing law, several States have been permitted to establish so-called means tests, setting a hard and arbitrary cutoff point for medical assistance related solely to personal income. Henceforth under the changed committee bill, any financial eligibility tests will have to take into account the financial burden caused by the illness itself, in addition to the regular income of the recipient. Thus in no instance may a State require the use of income or resources which would bring the individual below the test of eligibility under the State plan. For instance, if the test of eligibility should be $2,000 a year, an individual with income in excess of that amount shall not be required to use his income to the extent he has remaining less than $2,000. This simple change makes the Kerr-Mills program far more workable and equitable than it was as originally written.

What does the gentleman from Wisconsin propose to substitute for the program I have just outlined? The gentleman would preserve intact all provisions relating to social security revisions and public welfare. He and his colleagues would even accept as beneficial the Kerr-Mills' changes, despite traditional Republican dissent from previous Democratic critiques of its inadequacies. But in place of the two separate programs to provide adequately and conservatively financed medical care to the aged, he would substitute a single voluntary insurance program financed by recipient payments and from general Federal revenues.

Mr. Chairman, I am opposed to this substitute proposal. I am not only opposed to the false claims that it would treat the doctor-patient relationship differently than the administration bill, but I also reject the absurd claim that

somehow the Republican substitute can provide more care for less money. There are only two ways that the substitute plan could cost less, and provide more benefits. One would be to use different and less conservative assumptions about the expected cost of medical services. The other would be to pass the costs on to the elderly themselves. The first would be fraudulent, and the second would be cruel.

But Mr. Chairman, we can take the gentleman's cost estimates at face value. The big argument still remains that the Republican proposal will be paid for out of tax funds, whereas the committee bill will be based on a payroll deduction which would be an element of cost and absorbed as a part of production. Those who are really sincere about deficit financing and those who are honestly concerned about the size of our national debt should be genuinely concerned about the Byrnes proposal to increase our national debt by $3 billion. Not only will the proposal lead to an initial debt increase, but it will also be more likely to expand rapidly than a program based on payroll taxes.

I hazarded a prediction in debate earlier today that when the present opponents find out what the real content of this measure is, they would change and become its strongest proponents.

I am going to be brave enough to make a second prediction. It is that this bill will become increasingly acceptable to the medical profession. Over the years ahead physicians will look upon the plan with enthusiasm along with all the recipients as they see the plan in operation.

Today is a historic day in this House. The scene here is quite dramatic because within the past 10 days this House of Representatives will have passed two historic measures—the bill to provide for Federal assistance to elementary and secondary education, and this great health bill. If there was ever an instance of democracy at work in a constructive manner and in a cycle of dynamic action, it has been in the last 2 weeks in this House of Representatives.

Mr. QUIE. Mr. Chairman, I have just had to make the most difficult decision of my political career.

There are many portions of this bill to provide medical care for the aged which I support. Many of these portions I have long advocated and I must admit that it is with great regret that they are united in the same bill with such an unwise, unsound, and regressive method of taxation to finance one portion of this bill as is the payroll tax. It is unreasonable in the threat which it poses to the entire social security system, which is the basic retirement system on which millions of our elderly people depend. It is unsound in that it is unfair to those who are now working. It is regressive because it puts the heaviest burden on those who are least able to pay.

Mr. Chairman, it is my duty as a Congressman to think not of political benefits, not of just one segment of our population, but of every citizen. I believe that a bill which discriminates against one portion of the population in order to give vast compulsory benefits to another segment is unjust and unfair. I think that any bill which threatens the future well-being of any segment of the population by threatening the retirement benefits for which they have paid throughout their working lives is unjust and unfair.

If I were to stand alone in my opposition, I would have to do so, for this is a matter of principle and this bill is wrong in principle.

And I regret it, because it applies only to one portion of the bill. That is the "hospicare" portion which was originally sold to the American people under the false label of "medicare." It took the energy and devotion to fairness and duty of the Republican side of the aisle to bring this bill as far along the road to equity as it has gotten. Unfortunately, the last milestone toward reason will have been missed if this afternoon's motion to recommit does not prevail. If it does, I can wholeheartedly support this measure when it comes back in revised form.

And what, you ask, do I find wrong with the "hospicare" portion of this measure?

First. It is a threat to the entire social security system. There are over 20 million Americans drawing social security benefits right now. Are we to risk their futures for the sake of what started out, at best, as a hastily concocted political pipedream of the 1962 elections?

It would risk the entire social security system because the future costs of service benefits are impossible to accurately estimate. We do know that the costs of hospital services are constantly rising. There is a limit to the money that can be extracted from the workers through a payroll tax. And we do know that both of the existing funds—both the disability trust fund and the old-age assistance trust fund—have been constantly shrinking. If mounting hospital costs raise the amount of benefits, the entire social security system could well be in jeopardy.

Second. It is unfair to workers because, in its regressive nature, it is begun on the first dollar earned and continues up to $5,600 of earnings, where it stops. In other words, the worker on the assembly line or in the office or on the farm pays just as much as does the president of the corporation.

As my colleague, the gentleman from Wisconsin [Mr. BYRNES], who has sponsored such an outstanding alternative to this bill has pointed out, a worker earning $3,600 annually, with a wife and two children to support, will pay $250 a year in income and social security taxes in 1966 if this bill passes. A retired couple with $3,600 income will receive the protection paid for by the young worker, yet, with lower living costs, will pay no income tax, no social security tax, and no hospitalization tax.

Mr. Chairman, I submit that when the elderly people of this Nation find out what this program is doing to their children they will find no justification in it. But they will not be able to drop it—for it is compulsory.

As can be seen from the illustrations this regressive tax hits those least able to pay the hardest. And I note that there are no exemptions for dependents, no deductions for unusual expenses, no exclusions, and no tax credits. There is no consideration of ability to pay. A man with good health and no family pays the same as a man with a large family and heavy doctor bills.

Back home in Minnesota, they are now debating the merits of a State sales tax. The argument is often used by the Democratic administration of my State that a sales tax is "regressive." Mr. Chairman, a sales tax pales in comparison to the insidious regressiveness of this tax which the national Democratic administration now offers.

Mr. Chairman, in good conscience can I—can any of us—threaten the retirement benefits of 20 million Americans, place our children and our children's children under the grinding yoke of taxation which this bill promises and, to complete the calumny of the situation, take heaviest by comparison from the "have-nots" rather than the "haves"?

Mr. Chairman, my conscience does not allow it. If this payroll tax is not removed from this bill, I will vote "no." I would hope that a majority of my colleagues would do likewise. There is nothing sacrosanct about H.R. 1—the King-Anderson bill—which heads this bill. There is nothing sacrosanct about the idea of this being "our No. 1 item of business."

As far as I am concerned, it is still a No. 1 item of business—if we can only start over and have a reasonable bill.

In this regard, I would like to commend the gentleman from Wisconsin [Mr. BYRNES] who has sponsored the Republican alternative of which I spoke earlier. It is a fine piece of legislation. Some portions of it have been incorporated into this bill now before us.

I should also like to commend the American Medical Association for giving us the benefit of the eldercare proposal. I note that portions of it have also been included in the final version.

If either one of these two pieces of legislation stood before us alone, I could support them. Chopped up, tacked together, and imprisoned side by side with the regressive features of hospicare they are robbed of much of their potency. But I predict that if this unwise measure gains passage that these two portions of the bill are the ones which we shall remember as having truly been in the interests of the American people.

I should also like to commend the committee and all those responsible for including a liberalization of basic social security benefits in this bill, although I believe they should have been considered separately so that all of us could have voted in favor of them. I have long advocated them. After all, there has been no increase in these benefits and no liberalization of requirements since 1958 and the cost of living and many other economic factors have changed drastically since that time.

Mr. Chairman, I believe that a comparison of the Republican substitute with the committee bill now before us will clearly show why I support this substitute which will be offered by the gentleman from Wisconsin [Mr. BYRNES].

Comparison of programs of health insurance for the aged

	Committee bill (H.R. 6675)		Republican substitute (H.R. 7057)—Comprehensive insurance program
	Hospitalization program	Medical services program	
Eligibility	Persons over age 65 (excluding Federal employees retired after 1959) without regard to social security status, and persons reaching age 65 after the year 1967 with required social security coverage.	All persons over age 65 without regard to social security coverage.	All persons over age 65 without regard to social security coverage.
Enrollment	No enrollment required	Enrollment and payment of premium required. Premium may be paid by social security allotment.	Enrollment and payment of premium required. Premium may be paid by social security allotment.
Cost to the insured.	Benefits extended to eligible persons without cost to the insured.	Premium contribution of $3 per month required of the insured.	Premium contribution required of insured based on cash benefits under social security. Average premium about $6.50 per month.
Benefits	1. Hospital charges for up to 60 days of hospitalization followed by 20 days of nursing home care subject to a $40 deductible. Hospital period may be exchanged for nursing home care on a 1-to-2 ratio up to a total of 100 days of nursing home care. Benefit limitations apply to a "spell of illness," which continues until lapse of 60 consecutive days during which no benefits are received. 2. Home health services up to 100 visits following a period of hospitalization. 3. Hospital outpatient diagnostic services subject to a $20 deductible for each 20 days.	Physicians' and doctors' services, home health services, limited psychiatric hospitalization, and miscellaneous medical services in and out of medical institutions, subject to a deductible of $50, with 20 percent of the charges to be paid by patient.	1. Hospital charges for room and board up to $1,000 without a deductible. 2. All additional hospital charges, including room and board subject to a deductible of $25 with 20 percent to be paid by patient. 3. Any and all other recognizable medical expense, in or out of the hospital, including physicians, surgeons, private nurses, and prescribed drugs. Subject to a deductible of $25 to $50 overall, with the patient paying 20 percent of the charges. 4. Benefits are subject to a lifetime maximum of $40,000, with restoration of maximum where annual benefits do not exceed $1,000.
Financing	Payroll tax beginning with a rate of 0.70 percent on $5,600 and increasing to a maximum of 1.60 percent on $6,600, applicable to employers, employees, and self-employed alike.	Premium contributions by the insured (½) and general revenues (½).	Premium contributions by the insured (⅓) and general revenues (⅔).
Benefits financed by tax revenues, 1st full year.	$2,300,000,000 [1]	$560,000,000 based upon 80-percent participation.[1]	$2,000,000,000 based upon 90-percent participation.[1]

[1] Benefit cost will also be offset by savings in other Federal programs and by increased Federal tax revenues. Total offset under combined programs in committee bill and under Republican program would be approximately the same—about $300,000,000 to $500,000,000.

In conclusion, Mr. Chairman, I shall vote to recommit this measure so that it can be improved by inclusion of the Republican substitute provisions for hospital care so that we can have a truly equitable and reasonable system in the United States, providing medical-surgical and hospital care for our elderly citizens. But if the motion to recommit fails, I must follow my conscience and vote "no."

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. KEITH].

Mr. KEITH. I wanted to ask the gentleman a question. As I attended the Rules Committee hearings on this bill, the question of participation of State employees came up. As I understand it, retired State employees can be covered in their current status but there is only a reopening for a limited period of years for currently employed State employees. My question is: Can the currently employed State employees join in just the health portion of this program or must they join both?

Mr. MILLS. They would have to join the cash benefit program as well as the basic health benefit program.

Mr. KEITH. Thank you, Mr. Chairman.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Chairman, I take the floor at this time to place into the RECORD some of the reasons why I oppose the bill. I have no idea that I am going to influence anybody's vote, but I do believe the RECORD should be complete on some of the areas which I believe have been misrepresented.

I do not happen to be one of those who is dazzled by the great majority President Johnson obtained last November. It seems that when every bill comes up now it is referred to as a mandate of last November's election—the school bill, the medicare bill, the Appalachia bill, and I assume the voting bill.

I wish someone were wise enough to allocate the number of votes that belongs to each one of those programs. The President did carry about one-third of my district, I would say, and he carried it mainly because he was not going to put troops in South Vietnam. I should like to know the number of votes one might assign to the President for saying that Mr. Goldwater was "trigger happy" and might bring on a war, and therefore, "if you don't want war, vote for me."

I remember that back in 1916, the slogan was to elect Mr. Wilson, "He kept us out of war."

I remember that 16 years later, someone said, "I hate war, and Eleanor hates war," so we elected another President, and almost before he was inaugurated again, we were in the middle of a big war.

Let us not attach all of the majority the President won in the last election to a mandate to pass social security amendments, medicare, school aid, and these other programs.

I believe we are advancing on three false assumptions.

First, in my estimation, we are saying here that everyone over 65 is a pauper and everyone under 65 is rolling in wealth. The young man on a payroll, working and putting his children through school, it is said, can take care of his medical expenses. He can dress his children, clothe them, and also make a great contribution toward paying medical costs of older people. That simply is not so.

A great number of people over 65 have their homes paid for. They have incomes. They are able to take care of their own medical expenses. We now have a program to take care of the indigent.

So do not believe that all we are doing here is passing out benefits, because for every benefit we give, there is a tax. Do not forget that we will pass today a $6 billion tax bill. Somebody will have to pay it. The man who has an income will pay and the man on a payroll will pay on a payroll tax. It is not all for free.

I can recall when we talked about a tax reduction and what a stimulant that was going to be to the country, to plow $11 or $12 billion back into the economy. Today, we are taking $6 billion out of the economy again, and we will take it from one to give it to another. That does not create prosperity. It is class legislation. It is like taking water out of one bucket and putting it in another bucket and saying, "We have more water." We cannot do it. We do not create wealth and do not create prosperity by so doing.

This same committee will be before us next month seeking a reduction in excise taxes. I support it.

I have not voted in 12 years to continue the Korean excise taxes. I am for a reduction in them. But the great argument is that a $2 billion cut in excise taxes will immediately help the economy. If a $2 billion tax cut will help the economy, what will taking $6 billion out of the economy do, except to cause a drag on the economy?

We are going on the assumption that this is not socialized medicine. Let me tell you here and now it is socialized medicine. Others are going to tell you that there will be intermediaries determining the costs and benefits to be given, and in no way is it socialized. The speaker just before me said that we are taking our first step today into the Great Society, which is the welfare state.

As we move on into the area of socialized medicine to the extent that Great Britain has today, the price tag will be in excess of $22 billion for socialized

medicine alone. That would mean a doubling of the tax rate which we have at the present time. Today that is so high that we are hearing rumblings and recommendations coming out of the White House to the effect that there should be a graduated social security tax and not a flat tax. Otherwise, give us a $1,000 or $2,000 deduction for the man in the low bracket or a man who has a family, give him exemptions for that, and immediately it would cause a skyrocketing of the base so that it would be paid for by those in the high income brackets.

I am supporting a motion to recommit on one ground and on that one ground only, namely, it leaves the practice of medicine in the private segment of our economy. The committee bill, with its hospitalization and supplemental insurance, puts it exactly into the public sector of our economy. There will be people who argue that that is not so, but let me tell you the difference between them. Under the committee bill they will go to your hospital and will say, "We are going to put our patients in there at cost." The profit system is eliminated. It was the profit system which built America. They will go to hospital A and say, "What are your costs?" They will answer that they are so much per day. Then they will say, "Well, you have to eliminate your bad debt as part of cost. You have to eliminate your charity cases and shift the cost of taking care of older people onto the younger people." As a result there will be no profit and there will be a denial of the use of the best hospitals in America to these people. They will be forced to go to a nonprofit hospital. Let me tell you something about that now. The daily cost in a nonprofit hospital is oftentimes higher than it is in an efficiently operated hospital run for profit. So I think we should not eliminate profit. The Byrnes bill provides that you shall pay the reasonable going cost in the area.

Therefore you are allowed to make a profit. Profit is the only motivation for excellence. We are going to have a decline in the quality and the quantity of medicine in America. That is the thing which I oppose. I am not worried about the doctors. They are pretty smart boys and are able to take care of themselves. But when I have a child or a grandchild who needs some attention, I want him to have it now and not have to go on a long waiting list, just as they do in England where 200,000 or 300,000 people will be waiting 2 or 3 years before they can go to the hospital.

Since World War II under the system of socialized medicine in Great Britain there has been one hospital built. At the same time in America, with our private system of medicine, we have built 802 new hospitals. So, make your choice as to whether you want good quality medicine and good quantity of medicine or whether you are going to think you will get something for nothing, because if you think you are going to get something for nothing, you are not going to get anything which is very good. Let us not go on the assumption here that we are not destroying the quality and the quantity of medicine and that we are not socializing medicine, because that is exactly what we are doing.

Mr. Chairman, for those reasons I urge the support of the recommittal motion and the adoption of the Byrnes proposal and a final no vote if the Byrnes recommittal motion is not passed.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. ROUDEBUSH].

Mr. ROUDEBUSH. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE LATE HON. MELVIN D. EDDY

Mr. ROUDEBUSH. Mr. Chairman, it is my sad duty today to report to the Members of this body that a very distinguished American has passed away.

I refer to Mr. Melvin D. Eddy, of Belmont, Mass., who was serving as National Commander of the Veterans of World War I, at the time of his death today in his home community.

I am sure that many Members of this body were well acquainted with Mr. Eddy, and are aware of the fine job he performed as national commander of the Veterans of World War I.

Mr. Eddy also was a member of the American Legion and the Veterans of Foreign Wars, two memberships he cherished very dearly.

I wish to express my sincerest condolences to Mr. Eddy's widow, Gertrude, and his 4 children, 1 stepchild, 19 grandchildren, and 2 great grandchildren.

Mr. Eddy, who would have been 68 years old this fall, was born on October 22, 1897, in North Harpersfield, N.Y.

He enlisted on May 17, 1917, in the U.S. Navy, at Albany, N.Y., and served aboard the U.S.S. *Pennsylvania*, and the U.S.S. *Canandaigua*.

His duty carried him overseas to Scotland, and he was engaged in minelaying activities from the North Sea to the English Channel, as our naval forces tried and succeeded in stemming the great German U-boat threat to our English allies, and our own shores.

Mr. Eddy was honorably discharged on January 22, 1918, as a yeoman, second class.

His present duties as National Commander of the Veterans of World War I, date back to his election on September 16, 1964.

Mr. Eddy, who became ill last December, had been a salesman for 15 years, and for the past 22 years before his recent retirement he was associated with the Raytheon Co., of Newton and Waltham, Mass., as a machinist, toolmaker, and diemaker.

For the past 11 years he also was a precision inspector of machine parts.

Mr. Eddy's long service to his country and veteran's organizations dates back to 1919 when he became a member of the North Sea Mine Force Association.

Since 1956, Mr. Eddy had held elective and appointive office in the Veterans of World War I.

He had served this organization as barracks senior vice commander of his own barracks, up through the ranks to the position of top national leadership he held at the time of his death.

He also was a charter member and helped to organize the Belmont, Mass., Barracks No. 457, and served as his barracks commander in 1957.

He subsequently served as national-aide-de-camp in 1957–58; senior vice commander of the department of Massachusetts, 1958; department commander, 1958–59; national legislative commission member, 1958–59; national legislative director, 1961–62; national junior vice commander, 1962–63, and national senior vice commander, 1963–64.

Mr. Chairman, we have lost a truly great American and a distinguished veteran. The loss of Commander Eddy will be felt.

Commander Eddy will be sorely missed. Thank you.

Mr. MORSE. Mr. Chairman, will the gentleman yield?

Mr. ROUDEBUSH. I am delighted to yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Chairman, I share the shock and grief of other Members of the House at the passing of Melvin D. Eddy, National Commander of the Veterans of World War I.

As Deputy Administrator of Veterans Affairs and as a Member of Congress, I had frequent contacts with Mr. Eddy and found him always a gentleman, always concerned with the welfare of veterans of all wars. Although his primary activities were on behalf of the Veterans of World War I, Mr. Eddy was an active member of the American Legion and the Veterans of Foreign Wars.

Long active in Massachusetts veterans affairs, Mr. Eddy was a well-known figure and his untiring effort on behalf of veterans was known all over the Commonwealth.

I was proud to call Melvin Eddy my friend and I share the grief of his wife and family on this sad day. He leaves a noble legacy of public service that will not be forgotten.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentlewoman from Michigan, [Mrs. GRIFFITHS].

Mrs. GRIFFITHS. Mr. Chairman, on behalf of the Michigan delegation I would like to thank the Speaker for inviting the distinguished gentleman from Michigan [Mr. DINGELL] to preside over the Committee of the Whole during the consideration of this social security bill which includes medicare. The gentleman from Michigan is an ardent supporter of medicare as was his distinguished father before him. It is fitting that the son preside over the materialization of the father's dream.

On my own I would like to thank the gentleman from Arkansas [Mr. MILLS], the chairman of this committee, for his patient and painstaking effort to produce this excellent bill which far exceeds in benefits at this time the wildest hopes of the most devoted supporter of medicare.

This bill is no rubber stamp to the administration. It is a better bill than any administration ever supported. And yet, in my opinion, the benefit program is conservatively estimated. It has already

been mentioned, but as a Member of the majority, I should like to express my gratitude also to the gentleman from Wisconsin, the ranking minority Member for this great assistance in the drafting of this bill.

It has been suggested that when this bill goes into effect hospital costs will rise. The answer is, Mr. Chairman, that whether this bill goes into effect or not hospital costs will rise and the tax levied in this bill anticipates that rise and provides for it.

At the present time hospital wages are less than 70 percent of the mean average of industrial wages. Hospitals, as you are aware, employ an unusually high percentage of women. Many of these, the nurses, the technicians, the dietitians, are some of the most highly skilled of all women. And now I want to make it absolutely clear that when I vote for this bill I hope these women do get a raise in their wages.

The average nurse today, working as a nurse, draws $4,000 per year. She is not even drawing the social security base pay. A factory worker, a sweeper on his first day at work in the city of Detroit, makes more money than a trained nurse.

In addition, the factory sweeper in most plants is furnished with clean uniforms at the expense of the factory. In a hospital, insofar as I know, all doctors are furnished with clean uniforms. Most male orderlies are furnished with clean uniforms. However, few hospitals furnish clean uniforms to nurses.

Mr. Chairman, perhaps, this is why one-half of the trained nurses no longer practice their profession. As this bill goes into effect, it is time that the administrators of hospitals take cognizance of what industry has known for a long time; the better trained the work force, the lower the unit cost. That is, three ward orderlies do not really replace one trained nurse. They are merely more expensive.

Mr. Chairman, if this bill is effective it must employ the skilled services of women. In my judgment they should be paid in accordance with their skill.

Mr. Chairman, there is one other thing which I would like to mention in regard to women hospital employees. In this bill the Secretary of the Department of Health, Education, and Welfare is authorized to set up several advisory committees. I suggest that since women are going to have to do the work that the Secretary put some women on these committees and seek their advice at the policymaking level.

Mr. Chairman, I am for this bill. The increased cash benefit payment programs and the medical benefits, will in my opinion have a stimulating effect upon the economy. It is not necessary to reiterate that those people 65 and over seriously need the medical benefit part of this program. But, even if I were opposed on any grounds to the medical benefit program—and I assure you I am not—as a woman I would still consider supporting it.

Mr. Chairman, the medical benefit program is the second social security program that pays exactly the same benefits whether you are a man or a woman; that is, the woman does not receive one-half the benefits of her husband while he lives and 82 percent of his benefits when he dies. If you are a working wife, you are not permitted to choose between your rights as a worker or your rights as a wife or widow and select the greater benefit.

In this program, Mr. Chairman, you may be treated for different diseases, but whether you are a man or a woman worker, or a wife, a widow or a widower, the benefit period is exactly the same. It is unlike all other benefit programs but one. In all other programs the first question asked of a beneficiary is this: Is the claimant a man or a woman?

Mr. Chairman, I commend the chairman of the Committee on Ways and Means for his enlightened approach to this program and I heartily recommend that all other social security programs be hastily amended to provide benefits in the same manner.

The obstacle, of course, to the uniformity of the benefit payment has been created by time, the mores of our society and circumstance.

When the social security bill was first passed, approximately 21 percent of the labor force was female. Today it is 34.8 percent. Every young girl can now anticipate that she will work 25 years outside of her home. She will earn her own social security rights, but those rights are not as good as the rights earned by a man. Except for this medical program and one other program, the payment required to obtain her smaller benefit is the same payment that her male contemporary makes to secure a larger benefit.

Mr. Chairman, let me show the members of the committee how it works. Support Mr. X who is married to a nonworking wife pays in on a $4,800 base. At retirement he will draw $127 and his wife will draw $63.50, for a total of $190.50.

Suppose Mr. Y has a working wife and each of them pays in on a $2,400 base? Mrs. Y, because she works and pays into the program, can draw as a wife or a worker but not as both.

At retirement, although Mr. and Mrs. Y have paid in exactly the same amount of tax as Mr. X paid alone—both Mr. and Mrs. Y will draw $84 each for a total of $168 as opposed to a total of $190.50 by Mr. and Mrs. X. And if Mr. X and Mr. Y die, Mrs. X, the nonworking wife, will draw $105 and Mrs. Y, $84.

It is worse if Mrs. X and Mrs. Y die. Mr. X will draw $127 and Mr. Y, $84. Obviously Mrs. Y is helping to subsidize Mrs. X. It is also obvious that the social security paid by the Y's should be added together, and they should be permitted to draw on that basis—this would cost the social security system $1.8 billion annually.

For all of those lovers of means tests, I would like to show you now the meanest means test in the whole social-security program.

Supposing Mr. Y dies and Mrs. Y, after a period of mourning, and a quick look at that $84 per month, decides to marry again. She marries a retired man drawing $60 a month in veteran's pension. Naturally she assumes that since she is supplying one-half of the monthly income, her new husband will surely draw one-half of her social security. But she would be wrong. Social security will inquire into the whole circumstances and if by chance the new husband owned a house they could count the rent of that house at $25 a month and deny him the social security; but if Mrs. Y dies and Mr. Y marries again, they will ask the new Mrs. Y one question: "Are you drawing social security as a worker?" If her answer is "No," she gets one-half the amount Mr. Y receives, even if she is as rich as Doris Duke.

The original theory of social security, of course, was that men work and support wives and families, but this is not true any more. Women comprise more than one-third of the working force. They support 10 percent of all families. The medical benefits program for the second time in social security history has treated women as equals and pays exactly the same benefits to all, for which I am most grateful to the gentleman from Arkansas.

Wives have no vested right in social security, that is, originally in the social security setup, when a man died his widow was entitled to social security as long as she remained his widow. The moment she remarried she became somebody else's responsibility, and if he drew social security, after an appropriate time she drew as his wife. If he died and she did not have an established claim, she was out. This was corrected some time ago to permit her to return to her first husband's rights.

But a wife, married for 30 years to a man who paid into social security, and then divorced by him at a time too late to establish her own rights under social security, could not claim under the divorced husband. This bill to some extent corrects that situation—if they were married 20 years, and there is a decision of support, she can draw, or she can return to a dead first husband's rights.

There remain those people drawing social security and living in sin in racy Miami, who have discovered that the social security payment for a widow is greater than that for a wife—or that second marriages are penalized by reduced payments. The answer to this situation, it seems to me, is that payments should be on the total amount a couple pays into social security, and that the right of a wife should be as great as that of a widow.

These are problems that I feel will be solved by reexamination of the social security program in the light of the work experience and the need of beneficiaries of the last half of the 20th century, just as the medical benefits program has met that need in that reality.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. HALL].

Mr. HALL. Mr. Chairman, there are sweeteners in this bill and there are sweeteners in the hills of my home, the Ozarks. In logcabin days they used to keep a sweetening barrel by the door. One time a young man fell headfirst into the barrel and he came up licking his

chops and said, "Oh, Lord, give me the tongue for this occasion."

I make the same prayer, today.

I come before you today as a physician—a member of the profession which is deeply and inextricably involved in the great issue before us.

Since coming to Congress, I have stood in the well of this House many times. Always, I have stood here in pride, and in appreciation for the honor bestowed on me by my fellow citizens who sent me here to represent them.

Whatever the matter before us on those occasions, I have searched with you for the answer to the one overriding question:

"What is best for the United States of America?"

That is the question we are striving to answer today. It is the spirit in which I am speaking to you now. Our opinions may differ, it is true, but our aim is the same. It must always be so if the noble heritage of which we are the trustees, is to endure.

Today, perhaps more than any other, I am honored to be standing here. For I am speaking not only for my constituents but for my profession. I am speaking for a system of health care which is universally recognized as the finest in the world. As a physician, I could not have a greater opportunity or responsibility. As a Representative in Congress, one must be delving, perceptive, informed, and decide judiciously.

The members of the medical profession, of which I am one, believe we have a responsibility to call to the attention of the public—our patients—any projected development which threatens the quality of medicine in this country.

On us falls the ultimate responsibility for treating the sick, overcoming disease, and assuring that medicine's achievements of the last 25 years will continue and multiply to the benefit of all mankind. That has been our task through our professional lives; it will still be our task when the tumult and the shouting on this issue dies and Congress turns to other questions of the hour, expressed in the vast store of bills awaiting its consideration.

The question is not, as stated by one who preceded me in this so-called debate, the care of senior citizens, but how best to assure them needed quality care. I shall vote for the motion to recommit, and against final passage regardless of the sweetening.

We are the ones who will be expected to go on providing "only the best" of medical care, care tailored to fit individual needs, to which Americans are accustomed, and which they properly demand. In the last analysis, we are the ones who must contend directly with this program and try to make it work.

PHYSICIANS' ACTIVITIES UNDER H.R. 6675

Page 15, line 20: "(2) a physician certifies (and recertifies)."

Page 16, line 3: "(A) in the case of inpatient hospital services."

Page 16, line 10: "(B) in the case of inpatient tuberculosis."

Page 16, line 18: "(C) in the case of posthospital extended care."

Page 17, line 8: "(D) in the case of posthospital home health services."

Page 17, line 24: "(E) in the case of outpatient hospital diagnostic services."

Utilization Review Plan

Page 74, line 16: "For such review to be made by either (A) a staff committee composed of two or more physicians."

Page 75, line 10: "For notification to the attending physician of any finding by the physician members of (the committee) that any further stay in the institution is not medically necessary."

Consequently, we cannot stand idly by now, as the Nation is urged to embark on an ill-conceived adventure in Government medicine, the end of which no one can see, and from which the patient is certain to be the ultimate sufferer.

For make no mistake about it: The medical profession will never deprive the people of high-quality medical care and the fruits of progress of medical science. That will come when the Government begins meddling and interfering with medical freedom.

What are some of the factors which, added together, clearly point to a deterioration of health care under a program of Government controlled medicine for any segment of the population? Let me list a few:

First. The basis for quality medical care is the voluntary relationship between the doctor and his patient. This would begin to disappear as the Government supplants the individual as the purchaser of health services.

An obvious attempt has been made in this legislation to conceal the grant of power which would be extended to the Secretary of Health, Education, and Welfare to interfere with administration and medical practice in participating hospitals. But the power is in the bill and its use by Government employees in carrying out their responsibilities toward the expenditure of Government funds cannot be doubted.

The result would inescapably be third-party intrusion in the practice of medicine. The physician's judgment would be open to question by others not responsible for the patient's well-being. His diagnostic and therapeutic decisions would be subject to disapproval by those controlling the expenditure of tax money. Paradoxically, his cooperation is required for proper function and certainly to avoid the abuse factor.

Second. As the Government fixed prices for service rendered—as indeed it must to protect the public purse—financial incentive would begin to melt away.

Third. The incentive of competition with one's peers, invariably the spark which ignites the flame of creative progress, would also fade since rivalry would be eliminated by virtue of centralized direction, be it practice or all-important bedside research.

Fourth. As physicians and health facilities became more and more subject to intervention in their work by Government employees, a decline of professionalism would be certain.

Fifth. The overutilization and abuse of a "free" service to which everyone had a "right" would result in increasing physician harassment which could not fail to lead to a form of medicine abuse factor and had occupancy alien to these shores—medicine on an assembly-line basis.

Sixth. Quality medicine would be dealt a further blow by the loss of able entrants in the health field because young men, viewing a profession under partial or total Government domination, could be expected to seek careers in other fields.

These things will not happen tomorrow, or the day after, or next week, or next month. But as surely as the tides move tonight in Chesapeake Bay, they will come if this measure is enacted into law.

America today has the finest physicians and scientists in the world—a fact frequently demonstrated over the last decade when the Nobel Prizes have been handed out, or by your life expectancy, or by those seeking postgraduate training. These intelligent, highly trained, superbly skilled men and women will continue to serve the health needs of the Nation, and because they are professionals, who have devoted their lives to this system of ours, they will continue to do the best they can, no matter what adverse conditions they are suddenly confronted with.

But what happens when this seed crop is gone? I suggest you look across the Atlantic for an answer. The other night I heard this sentence in a Chet Huntley broadcast discussing the current struggle between physicians and the Government in the British National Health Service:

> Britain has been losing doctors at the rate of almost 500 a year. The number of medical students is declining, and already below the level of 1938. Meanwhile, the population grows.

You see, there are some things which cannot be handled by a law. Men bred in freedom learn to like the taste of it. Few engineers would want a government employee telling them how to draw a line. Most bookkeepers, I suspect, have little desire for advice from Washington on how to add a column of figures. I have yet to meet a lawyer who has spoken of his desire to have the legal profession brought under the surveillance of the Department of Justice.

It is as simple as that, gentlemen. This is not merely a controversy over whether Government should tax one group of citizens to provide health care benefits indiscriminately, regardless of need, to another group. This is not merely a disagreement over the best means of providing health care for our older citizens. Rather, this conflict is testing again whether the art and science of medicine will be permitted to grow and flourish in freedom, or whether progress in medicine will be stunted and shriveled by an excess of Government control, third-party interference.

Here let me nail down one of the most patent falsehoods that has been uttered by do-gooder proponents of H.R. 6675 in their campaign of abuse and vilification against the whipping-boy medical profession. This is the whispered charge that doctors are "really against the program because it would affect their income; that their fees would somehow be reduced by the Government."

Nothing could be further from reality. Doctors' incomes would probably be more assured, not less, if this bill is enacted. Anyone knows there is more money in mass production. It is principle, freedom, research, and insurors who will suffer.

Seventeen and a half million older citizens would become eligible for hospitalization, nursing home and home nursing care, financed from the Federal Treasury. Those lured to take advantage of the program by the prospect of a "free" benefit would need a physician's certificate to enter a hospital. Physicians would be expected to care for them while they were in hospitals or nursing homes. Who can say how many new patients physicians would acquire as a by-product of this legislation? It is safe to say the number would be sizable.

But that is really beside the point, or at least only a tangent. The American system of medicine is a system of quality medicine, not mass production or assembly-line medicine. It is a system of private medicine, practiced by private doctors treating private patients, free to make decisions based on the patient's specific medical needs and nothing else, except a confidential relation—privileged, if you please.

Forget for a moment the cost of staggering, though uncertain, proportions of the program before us. Ignore the administrative problems that it would create, and the burden it means for wage earners at the low end of the income scale. Neglect the new bureaus we are entailing.

Look only at the intrusion of Government in the field of medicine, which cannot be avoided, which goes hand in hand with this plan—the regimentation of hospital admission and discharges, arbitrary limitations on nursing homes available to care for aged patients, and the implicit responsibility placed on hospitals and physicians to keep the cost of this program under control.

Bureaucratic regulation cannot be mixed with medicine without diluting the quality of medical care anymore than gasoline and sugar in the modern combustion engine. In this case, furthermore, the availability of medical services to the aged would be governed by the availability of tax money, not by the medical needs of these citizens. If quantity is thus restricted, quality would inevitably suffer.

Under our system as we have always known it, treatment of the individual comes first, and financing second. It is the patient, in the role of the customer, that exacts the utmost from the doctor-patient relationship through his ability to choose freely.

The physician, in turn, responds to this show of confidence by the exercise of his knowledge and skill to his greatest capacity, guided solely by what is best for his patient.

This is not a public works project of stone and steel that we are dealing with, or the purchase of overcoats for the army. This is a fragile, perishable relationship, perhaps the most delicate in all human ties, and founded on American tradition and principle. It cannot withstand third-party tampering without serious harm. Are we to callously overthrow it by legislative process?

Standing here, I wish with all my heart I could get this point across to you. It is fundamental. Someday it will come back to haunt our memory.

Should the Govenrment become the customer—the outside party striving to reconcile the demands of the patient for high quality care and the demands of the taxpayers for efficient use of tax funds—the emphasis must shift from quality to cost. The Government can resolve these conflicting demands in only one way. It must tighten the reins on services to keep them within budgetary limitations; either that, or the Department of Health, Education, and Welfare must be repeatedly pleading with Congress to bail out the program with higher payroll taxes.

We doctors want to continue to be free to give our patients the best advice and the best treatment we are capable of giving, without the pressure of outside considerations that have nothing to do with the quality of health care. We oppose any course of action which threatens the professional independence of the physician and imperils the wholly voluntary relationship which now exists between doctor and patient, thereby striking at the heart of our magnificent health care system which has accomplished so much for mankind in an atmosphere of freedom.

If this legislation is enacted, the aged would be the first to feel its effects on the quality of health care. But is it possible for health care to operate in one way for one segment of the population and in a different way for everyone else? The question answers itself. This is our first venture into providing service in lieu of cash benefits on a payroll deduction tax basis. What of the further effect of devalued dollars and inflation on these senior savers who secured their own future?

INFLATION ARGUMENTS

Mr. Chairman, for every action there is a reaction. This fundamental principle in Newton's law of motion is no less true today.

The action we are about to take allegedly will provide Federal aid for persons over age 65. But at the same time this help is being offered, have we truly considered the ways in which we will be undercutting their ability to secure their own future?

The financing provisions of the administration bill involve a substantial increase in both the tax base and the tax rate, reaching 11.2 percent of payroll in a few years.

Every cent of this tax increase will come from employee and employer. As such, every cent will be an increase in the cost of production of all goods and services in the United States. One does not have to be an economist to understand that every time you increase the cost of production you also increase the cost of the product.

The employer's contribution under this program is not going to come out of the pocket of the employer. It will come out of the pockets of those who buy his goods and services.

The employee's contribution under this program will come out of his own pocket, thus reducing his take-home pay, and correspondingly reducing his purchasing power and further detracting from the value of his dollar.

It surely does not take an economist to know that the senior citizen and the younger citizen as well will, in 1966, when this bill becomes law, have to pay a little more for everything he buys including the very necessities of food, clothing, and shelter. How else could it be? The additional contributions from employers will be added to the cost of everything they produce.

The millions of older citizens who manage to live solely on their social security earnings, pensions or savings, are already in the poverty class if we go by the strict administration definition of poverty as being those who earn less than $3,000. But the cost of everything they buy will go up when the cost of this bill becomes reflected in the rising price index.

Inflation is the cruelest tax of all, because it affects most drastically those living on fixed incomes, be it social security, or pensions, or private retirement programs.

Make no mistake. This bill, with its tremendous cost factors, will be inflationary.

Would that we were honest enough with ourselves to admit it.

This is no great humanitarian program, for it will not take a penny from the pockets of those who will take credit for it. None of our senior citizens in this body will contribute toward the program, at least insofar as their congressional salaries are concerned.

I wish, as this House acts on the bill before it, we were honest enough with ourselves to recognize that, as these new taxes take effect, it will raise the cost of every other vital need. And it will do it, not only to our senior citizens, but to our younger ones as well, including those just beginning to make their way in life.

Inflation and devaluation of savedmoneys are cruel and treacherous ways of dealing with an unsuspecting people.

If the quality of care for older citizens is lowered—under the pressure of overuse of facilities, of limitations on available funds, of physician harassment by outside intervention—it will be lowered for all.

Further, I believe it can be reasonably stated that consideration of this proposal cannot be limited to its merits or demerits as it would apply to a single group of citizens at the outset. We are aware that a former distinguished member of the House, Mr. Forand, has termed it a foot-in-the-door program.

The legislation, as now written, applies to all Americans aged 65 or older. But the minimum age for retirement is now 62. Does anyone seriously suggest that one of the first proposals after enactment of the bill would not be to reduce the age to 62 as a starter?

All the cost estimates and tax rates we are now trying to untangle would

thereupon go out the window. Approximately 2 million more Americans between the ages of 62 and 65 would become eligible for benefits from the Federal treasury toward which they had paid little or nothing in taxes. Costs of the program would go up; the potential burden on our hospitals and other health care facilities would be measurably increased; controls would necessarily have to be tightened to guard against the added danger of saturation of these facilities by millions of persons seeking a "free" Government service to which they had a "right."

What is true of the legislation immediately, would be equally true as it expanded to include the rest of the population. What would begin as "socialized medicine for the elderly," would become "socialized medicine" for every man, woman, and child in the country.

At a time when American medicine leads the world, we are being asked to adopt a system under which one nation after another has lost its former leadership in medical science. We are urged to start down the same road that has been traveled by other countries whose health care today is marked by turmoil, bureaucratic controls, overburdened facilities, precarious financing, and distracted, frustrated doctors.

It would be impossible to believe if I were not here to see it.

One serious shortcoming in the bill approved in committee is that the abuse factor has not even been considered, much less, compensated for. Yet, we know now that this factor of abuse is what accounts for the severe crisis now confronting both the British and French systems of government medicine. Many more patients will be admitted to hospitals for diagnostic services under this bill, far more than ever before.

The bill apparently will depend on doctors to maintain hospital turnover, even though they will have less practical authority to carry out this responsibility, under the bill.

We all realize that the average length of hospital stay under this bill is certain to increase and the sum total will be that proportionately fewer and fewer private patients are going to be admitted as more hospital beds are occupied by persons eligible for free care under this bill.

Most certainly after this bill becomes effective, it will require a crash program of hospital construction under Hill-Burton, as well as another crash program of nursing and convalescent homes.

The $64 question in most people's minds is bound to be, "will doctors participate?" Of course, it will take time to implement, and the answer will be partly determined by how this is done. A new fee schedule and signup of doctors who will participate will be a first order of business.

I predict that American physicians will sign up and participate because they are first of all humanitarians, imbued with the mission of serving people.

Perhaps the most incredible part of this whole operation, has been the utter disregard of the doctor's viewpoint by the social engineers who drafted this four-layer cake. This in spite of the fact that the program cannot possibly work without the cooperation of the doctors—13th amendment, neglected or voided in consideration.

It might be compared to building a space satellite without engineers, or developing a battle plan without consulting the Joint Chiefs of Staff. I cannot help but wonder what Walter Reuther might say if the doctors should recommend that collective bargaining agreements be made up by business alone without consulting labor.

That is exactly what we have under this bill. Without the doctor, this bill is nothing more than 300 pages full of words signifying nothing. Yet, at no time during the week this bill was drafted, were the Nation's doctors asked to contribute to the deliberations or to comment upon the feasibility of the bill insofar as they, their professional skill, and their ability and willingness to serve is concerned. This decision to ignore and even belittle the practicing physician whether it was made by President Lyndon Johnson, or Wilbur Cohen, or Mr. Celebrezze, or by the majority members of the Ways and Means Committee, will stand in the record as the most brazen act of ommission ever committed on a piece of major legislation. It will have its reverberations for as long as anyone of us is privileged to look into the future.

As one voice in this Chamber, as a physician whose lifetime of service in his profession has meant a very great deal to him, I can only ask you to pause and reflect and weigh this issue with prayerful consideration. It is not a simple matter. Of this, we are all aware.

But on balance, when you cast your vote, I hope you will be thinking of the next generation of Americans and all those who will come afterwards—and not so much about the next election.

I hope and pray, you will vote at least to recommit, on the least of two evils.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. HALL. I am delighted to yield.

Mr. CAHILL. This may not be precisely apropos of what the gentleman is discussing, but I know the gentleman is extremely qualified to answer this question. I, for one, and I am sure many of our colleagues in the House, are deeply concerned about the number of qualified young men and women of this country who are anxious to become physicians and who, having scholastically qualified, find themselves unable to pursue their medical education because of the insufficient number of medical schools and the inadequacy of seats in those medical schools. At the very same time all of us recognize that there is in America today a great need for more doctors.

I am wondering if the gentleman can say to me what the medical profession is doing, or what the AMA is doing, what we are doing, to provide more medical facilities to get more medical doctors to take care of more Americans?

Mr. HALL. Yes, I think I can; and I appreciate the gentleman's asking the question. If the gentleman heard the first part of my remarks he knows about how we have maintained the doctor-patient ratio of approximately 1:750—1 physician to 750 patients—and certainly the gentleman knows that in this day of better communications and transportation you can get a patient to an adequate workshop—hospital, and so forth—under the care of a specialist more quickly than we used to be able to do it, in the days when we hitched up the shay and brought them into town where perhaps there were 5 doctors in some small community; and he can receive much better care.

As to the second part of the gentleman's question, I pointed out that the medical schools have been increasing in number, from 64 at the end of World War II to 85 at this time, and there are 9 more in process of building. They are all class A. There are no longer any substandard schools. And specifically the AMA's Council on Medical Education is urging continued building.

Let me put the lie immediately to the bandied-about phrase that these schools are inadequate, or that the AMA is a strong organization that is preventing the erection of adequate numbers of new medical schools. The gentleman will recall that only last week I reported on a poll all over the country with reference to the preference that young people had for certain professions. They were: Supreme Court No. 1; physicians No. 2; politicians No. 11; and so on down the line. We are doing pretty well.

The fact is, in answer to the gentleman's question that a great number of fine young people at this time would like to become physicians, and under our private competitive system of medicine are applying at a ratio of about 15 for every vacancy in medical schools. But I deny that the output is inadequate for the projected need. General elementary and secondary educational classroom availability for 1960, for instance, was once estimated as being inadequate, but local school boards built adequately and so will local medical schools and universities. We do not legislate on "projected needs," they often care for themselves through local initiative.

Mr. CAHILL. Mr. Chairman, my point is that where there are 15 applicants who are qualified and only 1 of those 15 can be accepted in a field where admittedly there is an inadequacy of practitioners, does the gentleman feel we are doing enough?

Mr. HALL. I do not admit that there is an inadequacy of practitioners.

Mr. CAHILL. The gentleman does not admit that?

Mr. HALL. Not if we still have a ratio of one doctor to 750 patients that we had in 1950, with improved transportation and communications and the enhancement of facilities that we have developed, to say nothing of the ancillary aids such as better nursing.

Mr. CAHILL. Does the gentleman concede that some of our physicians today work less hours than some of our physicians used to?

Mr. HALL. I am sure a lot of them do, just as some Congressmen like to go home on Thursday night and not return until the following Tuesday. But this is not the whole medical profession.

Mr. CAHILL. Mr. Chairman, I think the gentleman is being not only completely irrelevant, but completely illogical, he is not answering my question.

But, the gentleman is being completely illogical when he refers to the Congress. The gentleman is not answering my question. I wish the gentleman would answer my question that I have asked.

Mr. HALL. I certainly do not concede that there are not enough physicians, and I do not believe that simply because there are 15 applicants for each vacancy that it necessarily follows that this constitutes inadequacy. Actually, the point to be learned is that we will kill such initiative and selectivity—yes, even desire to serve people—if we legislate away our freedoms and competitive enterprise.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. CAHILL].

Mr. CAHILL. Mr. Chairman, the gentleman from Missouri [Dr. HALL], has indicated in his remarks that the number of physicians in relation to the population has remained more or less constant. While this is a correct statement, the gentleman neglected to point out that the number of physicians in private practice per 1,000 has declined from 109 in 1950 to 97 in 1963. Expressed in another way—the relationship of family physicians to the potential patient load has changed from 1,300 patients per physician in 1950 to 1,700 patients per physician in 1960, and an estimated 2,000 patients per physician in 1970. Is this in actual practice constancy in the relationship of physicians to population?

I am sure that every Member of this House recognizes the need for medical care for the elderly and all of our citizens even though there may be some divergency in opinion as to the road to travel to obtain the objective. I would also say that with very few exceptions, every Member of this House would recognize the insufficiency of medical schools in the United States. I have been informed by accredited authorities that in the past 10 years, the output of medical schools has lagged behind the population growth and that in many areas it has only been because of the foreign-trained doctors that we have been able to maintain the performance in any degree in some of our larger hospitals.

Many of these foreign-trained doctors who are so desirable in many of our areas because of the acute shortage are graduates of schools which would not be accredited by the American Medical Association here in the United States.

For the gentleman from Missouri or any other Member of this House to say that we have sufficient medical schools and sufficient doctors is in my judgment a denial of the realities of everyday life. I am told that if we are to keep our present physician-patient ratio over the next 10 years, it is estimated that we must increase our medical school capacity by at least 50 percent.

In the year 1963, for example, approximately 55 percent of all qualified applicants to medical schools were enrolled. In other words, out of approximately 16,000 applicants, about 9,000 were accepted. This means that 7,000 young men and women of America who had a real desire and apparently were qualified were denied admission into medical schools. What is the reason?

Obviously there was no room for them in the medical schools. What does this point out? Clearly that we need 50 percent more medical schools than we have in the United States.

Why do we not have these medical schools? Why are we not training all of the young men and young women of America who want to be doctors? Why must we rely upon foreign-trained physicians to fill the needs of our communities? Why must we accept men to administer to our ill who attend foreign medical schools which would not meet the requirements here in the United States as imposed on our medical schools by the medical societies?

I know from my personal experience a number of qualified and outstanding young men in my district who have been unable to get into a medical school. I have interviewed a score or more of these young men and can attest to their personal qualifications and their dedicated desire to join the medical profession in treating the illnesses of our society. It has been disheartening for me throughout my years in public life to point out repeatedly to qualified young men that there was, in fact, no real reason for their nonacceptance except the insufficiency of classrooms in our medical schools.

It is clear to me and I am sure it is clear to all Members of this House that with the population growth not only will the need be greater, but there will be an increase in the number of qualified applicants each year. My research indicates that in 1959 it was estimated that about 3,500 more medical school graduates would be needed by the year 1975. This would necessitate additional facilities equal in size to 35 medical schools of average size.

I would certainly express the hope today that the American Medical Society, instead of restricting the number of enrollees and the number of medical schools, would liberalize their programs and would take the leadership in America to bring new facilities into being and to provide new opportunities in the field of medicine for the youth of America.

It is difficult for me to understand why we in the Congress and why the men of medicine are expending so much money on medicine in space when some mothers are giving birth in this country unattended by qualified doctors, when some families are being subjected to pioneer medicine because of the unavailability of a physician in their community, when families in the dark of the night are unable because of the demands upon existing practitioners to obtain the services of a qualified physician.

I do not criticize nor condemn the doctors. I know that all of them are seriously and genuinely interested in caring for the physical needs of their communities. There is only so much, however, that one man can do. Doctors, like all other men, need time to spend with their families; need recreation and change; and require a certain amount of sleep.

The problem is not that the doctors are not doing their best. The problem is that their best is not enough with the demands upon them by the ever-increasing patient loads.

We do not need criticism for the doctors. We need more medical schools, more hospitals, and more doctors.

I find it difficult to understand why some plan is not conceived utilizing the existing collegiate educational facilities which abound in the United States. Why cannot young men and women start their medical career in the colleges of our country? Why is it necessary that they attend, at least for the theory part of their education, qualified medical schools in existence? It seems to me that many of the subjects which constitute a medical curriculum can be taught just as effectively in an institution not associated with a hospital. Why cannot the theory be separated from the practice? Thus, if we were to train our medical students in institutions not associated with existing medical schools, we probably could, in a reasonable period of time, increase appreciably the number of physicians in the United States.

In my State, I am informed that we have 143 physicians for each 100,000 population; but that only 109 of these physicians are in private practice.

How many of us know personally men who have devoted a lifetime to medicine but who now, because of advanced age, personal illness, financial security, or some other personal reason, have found it possible, desirable, or necessary to devote only a part of their day and their week to the practice of medicine? How many of us know men of specialized skills in the field of medicine who take off an entire summer because their income is so high that our tax laws make it not worth their while financially on a year-round basis? How many of us know good doctors in their sixty's who, because of some personal physical reason, have restricted their practice to 3 or 4 days a week? How many of us know surgeons who operate only on a very limited basis? In other words while some statistics that have been asserted here today spell out a sufficiency in doctors, the fact remains that in actual practice we have a complete scarcity of doctors in almost every area of this country.

Let us remember in passing this needed legislation helping the aged of our country, that we cannot provide them with the proper medical care until we have a sufficient number of medical practitioners. Let us not forget that we cannot have a sufficient number of qualified doctors until we increase the number of our medical schools. Let us, therefore, here in the Congress of the United States, recognize that if we are to properly and adequately implement the program we are discussing today, we must do something in the immediate future to provide more medical schools to train more young Americans to become future doctors so that the aged and all citizens of this country can enjoy the type of medical service which they deserve and to which they are entitled.

I urge all of the Members of this House to examine the situation as it exists in

their own congressional districts and then to take appropriate steps to urge the leaders of medicine of this country to join hands with the leaders of Government in this country to find a way to provide these much needed facilities at the earliest possible moment.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I speak today in strong support of H.R. 6675, the hospital insurance-social security amendment bill we are considering. This is a most significant piece of legislation, and I am proud to have been a member of the Committee on Ways and Means that developed its provisions.

I commend and congratulate my chairman, the Honorable WILBUR D. MILLS, for his leadership in drafting this bill in committee, and upon his excellent presentation to the House. Chairman MILLS has again demonstrated his ability and wisdom in working toward committee approval of legislation needed by the Nation and desired by the people. I associate myself with his remarks in every respect.

The year of 1965 will count some notable events in the history of social security in America. Last January we completed 25 years of monthly social security payments. This month—April—the old-age, survivors, and disability insurance system will reach the mark of 20 million men, women, and children receiving benefits each month—more than 1 out of every 10 of our total population. In August we will be celebrating the 30th anniversary of the original Social Security Act. Even before this 30th anniversary, a fourth historic event will undoubtedly be entered on the record—the enactment of this social security-hospital insurance bill that has now come to the House for discussion.

I certainly feel that H.R. 6675 is among the major bills that have been debated during my tenure here. I rank it among the most far reaching of the bills we have considered to meet the needs of our people. The President has called it a "tremendous step forward" for our senior citizens. His special message on health benefits earlier this year was the beginning of our new effort to provide legislation of this nature. He said:

> We can—and we must strive now to assure the availability of and accessibility to the best health care for all Americans, regardless of age or geography or economic status.

This legislation meets that goal. I would propose that my colleagues, who may question this bill in any respect, again read the President's message of last January. No more eloquent statement in support of the bill can be found.

Mr. Chairman, we can all visualize the need for this legislation on a national scale. The statistics are cited in our committee's report. However, I am certain that each of my colleagues daily receives letters from his constituents that more directly and dramatically reveal the need for approval of this bill and the hope with which it is viewed by millions of individuals.

I have not only had letters, but I have had dozens and dozens of conversations with my constituents—all outlining their needs and stating their only hope as being under social security.

These requests come from widows who can barely survive on their present benefits, and who deny themselves the hospital and medical care needed.

These requests from orphan children who await the ending of their benefits with fear and despair, and who would continue their educations if minimum funds could be provided.

These requests come from the retired and disabled who are caught in an economic situation where they cannot help themselves, and they find that help from other sources is too often not available.

We decided 30 years ago, as the President has said, that our citizens' later years of life should "not be years of despondency and drift."

We adopted our social security program, which has been shaped and modified both by longstanding traditions and by changing economic and social conditions. We are making further changes today. And, they are all for the good.

Details of H.R. 6675 have been clearly and adequately presented by Chairman MILLS. I shall not repeat these. I wish to comment, however, on certain sections.

We have presented a coordinated approach for health insurance and medical care for the aged. It reflects the wish of the majority on the Ways and Means Committee to provide a program that meets the needs. There were several proposals before the committee and none of them really provided all that was desired. H.R. 6675 has utilized the best features of each.

The "basic" hospital insurance plan—the first of the three layers in the proposed system—would be established for the aged and financed through the contributory social security system. Employees, employers, and the self-employed would pay the costs. It is estimated that more than 18 million persons would be eligible. This includes those receiving social security and railroad retirement benefits, and those persons not eligible for such benefits, but who would be covered under a special arrangement to pay costs from the Government's general revenues.

I have long stated that any program of hospital insurance under social security should be financed from a separate trust fund. This would provide the protection needed to maintain a sound system. We can see immediately where there were problems with financing. This has been provided in H.R. 6675. It is an excellent feature. An earmarked hospital tax would go into the separate hospital trust fund.

The second of the three layers in this program would provide a supplementary "voluntary" health insurance program for the aged to pay for physicians and related services not covered in the basic program. Again, it is soundly financed with the Government paying one-half and the persons electing to take this coverage paying one-half.

I am particularly pleased over the inclusion of coverage for hospital care in psychiatric and tuberculosis hospitals. I favored this provision and proposed it during the committee's actions. It meets a great need.

The third layer of the three-part health insurance program is the expanded and improved Kerr-Mills plan. This will assist the States in providing services for the medically indigent, aged, blind, and disabled persons, dependent children and their parents. I hope the States accept their responsibilities and fully implement the revised plan.

There is a major section in the bill relating to expanded services for maternal and child health, crippled children, and the mentally retarded, and to establish a 5-year program of special project grants to provide comprehensive health care and services for needy children of school or preschool age. Another section relates to the expansion of the programs of public assistance through increased Federal contributions and elimination of certain provisions in the law. Each of these features are excellent in their potential effects.

Mr. Chairman, I wish to turn now to the revisions that are proposed in the benefit and coverage provisions of the Federal old-age, survivors, and disability insurance system. These are comprehensive and will meet many of the requests that have been presented to me through letters and personal conversations with my constituents.

We are providing a 7-percent across-the-board increase for those now receiving social security benefits or who will qualify in future years. This would be—if the bill is passed as reported—retroactive to January 1, 1965. The minimum increase per month would be $4 for the individual and $6 for a couple. An estimated 20 million persons would benefit from the increase this year. It is needed. It is deserved. It will make the lives of many people more enjoyable, because they will be able to afford a few more necessities for themselves and their families.

The bill provides for the continued payment of benefits to children after they reach the age of 18—until 22, if they remain in school. Children of deceased, retired, or disabled workers would be included. I have long advocated such a change in the basic law. Only this week two of my young constituents, who will soon be 18 and who wish to become nurses, wrote to me about the ending of their social security benefits when they become 18. They were concerned over the lack of opportunity to further their education and to make a contribution to our society as nurses. With this new provision in the law, plus assistance they might secure from the institution they elect to attend, they can reach their goal. This is among the best changes we have ever made in the basic coverage of the Social Security Act, and it is a monument to this 30th anniversary of the system.

The eligibility age for widows would be reduced from 62 to 60. Benefit payments for those electing the lower age would be actuarially reduced to compensate for the costs of this change. I regret this necessity, but it was clear the financial

soundness of the whole program was involved. This will be helpful to an estimated 185,000 widows who are now in need of their benefits. Particularly, it will be helpful in areas of my district where coal mining has been the primary source of employment. Wives have become widows at lower ages due to the nature of their husbands' employment. There is not always employment for widows in this area and the resulting need for benefits at a lower age is greater. I had hoped that even a lower eligibility age might be established for widows.

Another important feature of this bill is to provide benefits for persons 72 and over who have a very few quarters of coverage. This is an excellent feature and will aid many of our senior citizens who otherwise would not be eligible.

These amendments to the social security program also provide important changes for the disabled. First, the present requirement that a worker's disability must be expected to result in death or to be of long-continued and indefinite duration is eliminated. We would provide that an insured worker would be eligible for disability benefits if he has been totally disabled throughout a continuous period of at least 6 calendar months. Second, the period during which an individual must be under a disability prior to entitlement to benefits is reduced by 1 month—from 6 to 5 months. These are important and helpful changes. There are several others in the bill which I shall not mention in these remarks.

This legislation makes two significant changes in coverage that have long been both advocated and opposed. Self-employed physicians would be covered. Employees who receive tips as a part of their income would be provided opportunity to have these tips counted for social security and tax purposes. This latter extension of coverage has created quite a controversy within the restaurant-hotel-motel industry. However, it is a needed change in the law and the procedures established would not work unjust hardship on the industry. The responsibility of repotring tips is placed upon the employee. If he does not act within a prescribed time, there is no obligation upon the employer. It is expected the employers affected can work these procedures into their normal payroll operations with a minimum of time and expense.

Mr. Chairman, we have a far-reaching bill before us today. It is soundly drafted and soundly financed. It meets the needs of our people in the best American traditions. It is not "unjust and dangerous" as described by the major national organization in opposition. It is modification of our social security system that has been warranted for several years.

We have spent months and weeks in consideration of all features of the program that is proposed. I urge its immediate passage.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DON H. CLAUSEN].

Mr. DON H. CLAUSEN. Mr. Chairman, yesterday and today, the Members of this House have once again been granted the privilege of enjoying what I consider to be the "greatest show on earth." I say this with an affectionate tone of respect for the chairman and all members of the Ways and Means Committee as they present their point of view on the legislation before us, H.R. 6675 by the gentleman from Arkansas [Mr. MILLS] and H.R. 7057, by the gentleman from Wisconsin [Mr. BYRNES], the alternative to be presented to the Committee in the motion to recommit.

It is interesting to note that H.R. 1, the original King-Anderson proposal of the administration, has for the greatest part been abolished by the Ways and Means Committee and we have before us now what most appropriately might be called the Mills-Byrnes bill, due to their lead roles in drafting this legislation.

Also, it is somewhat ironic that for all practical purposes the benefits under the two proposals are almost identically the same, leaving the major issue before us on just how the program of benefits are to be financed.

So it can rightfully be said, this is a great day for the old folks, particularly those in need of medical and hospital care, but it can also be said that it's a sad day for the young folks. Herein lies the major points that divide the Members on this issue. I believe it would be helpful to once again spell out the basic differences between the two bills.

H.R. 7057 contains all of the amendments to the social security laws that are contained in H.R. 6675 except for parts 1 and 2 of title I, which contain the hospitalization program financed under social security, the program for voluntary supplemental medical insurance, and the additional payroll tax to finance the hospital program.

For parts 1 and 2, H.R. 7057 substitutes a comprehensive program of health insurance for the aged that is financed partly by premium contributions and partly by the general revenues. In addition, H.R. 7057 makes even more specific the authority of the State to use and implement the eldercare approach. The States are specifically authorized to set up private health insurance programs for the aged.

At this point, I want to specifically go on record as being in support of the Byrnes proposal, H.R. 7057, and will cast my vote accordingly.

Further, I want to commend the committee and record my support in favor of the 7-percent increase in cash benefits for social security recipients, the extension of benefits for widows with children in college to age 22, and permission for some to increase their earning limitations. Incidentally, I believe this could have been broadened to permit those who do not qualify for maximum benefits to earn, in addition to the existing $1,200 annual income, an amount equal to the difference between their current social security payment and the maximum benefit paid to those who qualify as fully insured. Last year I introduced a bill to accomplish this and while I am pleased with the committee's inclusion of this approach in the bill, I do not believe they have gone far enough. Were it not for the restriction of the closed rule on this bill, I would have asked that the contents of my bill be amended into this act. This would permit those not receiving maximum benefits to supplement their earnings without jeopardizing or losing their social security payments.

With my position firmly recorded on what I am supporting today, I would now like to direct a few remarks on why I support the general revenue method of finance rather than the increase in payroll tax approach.

When I said it was a great day for the old folks and a sad day for the young folks, I really believe this to be the case, with one possible exception—if I know senior citizens, I think they are a very proud lot. I firmly believe they have a burning desire to maintain their dignity and self-respect in their twilight years. The Byrnes health care proposal gives these wonderful people the chance to retain their pride by participating in the premium payment to the best of their ability. The balance will be paid from general revenues collected from all the people of the United States. This concept, I might add, is very similar to the proposal made by Senator RIBICOFF, the former Secretary of Health, Education, and Welfare in the Kennedy administration.

There is no doubt in my mind that the upward spiraling costs of hospital and medical care plus the inflationary fiscal policies of the Federal Government have created a health and financial crisis for our elder citizens on fixed incomes and pensions. It is our obligation to help them out of this dilemma. The burden for a solution to this problem must be the responsibility of this entire Nation and its total tax base—not just be placed on the shoulders of our lower income wage earners. These people can least afford it because of the continuing increases projected for cost of living, education, and other personal family responsibilities.

Yes, it is a sad day when we legislate a program that takes away the dignity and self-respect of our revered senior citizens and heap an increasing burden on the young wage earner who has to struggle now to keep his head above water financially. It is a sad day because an alternate plan is available but this young man and woman will not have the chance to vote on it. He is forced to accept this whether he likes it or not. I wonder if he has been told what financial burdens are being voted on his shoulders this week. I wonder what his reaction would be if he were told the truth—the whole story.

What is the whole story? My able friend, the gentleman from Illinois [Mr. COLLIER], a member of the Ways and Means Committee, has advised the current annual cost to workers and employers of $174 each will increase in 5 years to $316 each under this new payroll tax. How much of a load can one carry? And this is compulsory—he has no choice—you have practically eliminated the freedom of choice under this system of compulsory health care. If one is not satisfied, where is his recourse?

The self-employed and the small businessman are really hit the hardest. This is just one more burden for the person doing his best to take care of himself or expand his business to create jobs.

The costs will continue to rise and the problems of administration will increase. Further, I will predict that each Congressman's mail over the next decade will increase tenfold as he finds himself in the position of claims adjuster for disillusioned and dissatisfied constituents.

There is a substantial difference between administering a program to provide cash benefits under social security and the administrative requirements for hospital service and medical care. In the case of cash benefits for social security recipients, you are dealing with known factors. The amount prescribed by the social security law is paid under clearly defined provisions when the insured either reaches the established retirement age—65 and 62, unless disabled—or he or she dies. It is comparatively simple for the actuary to be consistent in his cost estimates of this program because of existing mortality tables to compute the average life span beyond 65, both for the annuitant or his beneficiary. But yet under the best circumstances heretofore described, we all know the history of demands for increased benefits and costs as inflation has cut into the purchasing power of the dollar and the cost of living has gone up. And now in both of these proposals we quite properly have up for approval the 7-percent increase in cash benefits to further substantiate this point.

With some of the problems associated with comparatively stable factors, just imagine what we are going to have when we add the many variable factors if the administration of hospital service and medical care programs is placed with the Social Security Administration. Again, Mr. Congressman, do not complain as the mail from disenchanted constituents increases in your office.

Early in the year, I met with members of the Ways and Means Committee individually to discuss and present what I thought to be an adequate guideline of objectives and recommendations for a comprehensive health insurance plan for all persons 65 and older:

A plan designed to pool the financial resources of the public and private sectors and direct them toward the creation of a program providing the maximum range of benefits—a plan that could ultimately be integrated with existing private individual and group hospital service and insurance programs—a plan that would someday see all American citizens covered by a maximum of benefits at the lowest possible cost because of the mass market created by this integrated insurance concept—a plan that would guarantee the same freedom of choice in the selection of your doctor, your hospital, and your insurance carrier—a plan designed to minimize the duplications in our multiplicity of overlapping Government programs.

For the RECORD and the benefit of my colleagues, I would like to present a copy of my projection as presented and circularized on January 5, 1965. In particular, I would like to draw your attention to the comparability of this guideline to the proposals before us today:

Advances in medical care which extend life and increase the cost of health maintenance make it increasingly difficult for the elderly to finance their own medical care, in spite of a significant improvement in their general economic status. Although presently available plans have taken a great step in the proper direction, new methods are needed to assist this group.

I propose a legislative program whereby a comprehensive health insurance plan would be made available to all persons 65 or older, regardless of income.

(a) For those of restricted income, Government would reimburse all or part of the costs of the plan. The amount of reimbursement would be determined on a sliding scale according to the individual's ability to pay, based on income tax information supplied by the individual and verified by a Government body.

(b) Those of adequate income could purchase the same comprehensive plan at the lowest possible cost, because of the mass market created by Government participation and the efficiency of the existing private health industry.

The insurance plans would be written by private insurance carriers and other private purveyors of medical care. It is the intent that broad and comprehensive, though practical, definitions of total medical care be used and that acceptable plans cover a minimum of 80 percent of total expenses as defined in the "Components of an Adequate Health Insurance Program" of the State medical associations. Some element of coinsurance by the insuree, whenever he is financially able, would be desirable in order to avoid overutilization. Total medical coverage should be provided when necessary by the responsible agencies of Government by supplementing the basic insurance benefits with the use of existing health plans and facilities and/or by the purchase of additional insurance.

The moneys for this program would come from Federal, State, and county general tax funds. There would be Federal reimbursement to State governments on a matching ratio basis according to each State's ability to pay based on the per capita income of that State.

Local medical review committees would be established and charged with the responsibility for maintaining high-quality medical care. Such review committees would review claims and thus prevent abuse and overuse of services by both the purveyors of medical case and the insurees.

Regional boards with adequate representation from the health industry, Government and consumer, would be established and charged with the responsibility of determining the economic value of medical services. The regions would be as large as possible and as small as necessary to recognize the geographic variations that occur in the cost of medical care. In those areas where relative value scales are used the board would ascertain and utilize the prevailing conversion unit. In those areas where the relative value scale is not in use, usual, customary and reasonable fees would prevail. In such areas the board would be advisory to the insurance industry to insure that medical expenses are proper. There would be provision that at regular intervals the regional boards would review the remunerations for medical services and keep them current.

It is suggested that if the principles embodied herein are adopted this type of program might serve as a substitute for some existing health care programs and as a model for future Government participation should such need arise.

In closing, Mr. Chairman, I urge the Members to carefully weigh the factors presented—vote independently on the plans before us. Again, the prime issue before us is not the benefits proposed in the bill—we are in general agreement on this—but it is a question of whether we want to vote for what amounts to a gross income tax increase on those who can least afford it. To take more money out of the pockets of our working people, to pay for a problem they did not specifically create, is not only unfair but is counter to the basic concepts of sound financing under our private enterprise system.

One final thought—I personally advocate the implementation of a tax structure revision that would provide more incentives and tax credits for people, employees, employers, self-employed alike desirous of providing for their own hospital and medical needs or that of a friend or relative. This would motivate the volunteer participation of our people—it would strengthen our voluntary health programs instead of destroying them. This type of effort could conceivably "show the way" in establishing medical and hospital protection programs for the balance of the free world to follow—designed to provide the security and peace of mind as well as the feeling of satisfaction and pride that accompanies that well-known expression, "The ability to stand on your own two feet." This objective can only be accomplished by taking advantage of the choices offered through our private enterprise system—an objective designed to preserve the dignity and self-respect of our senior citizens—an objective designed to create incentives for future generations to become self-sufficient in their own right and less dependent upon a Federal bureaucracy. This is the American way.

With this in mind, I urge you to reject the payroll tax increase and adopt the general fund method of finance as recommended by the gentleman from Wisconsin [Mr. BYRNES], by adopting his motion to recommit. The committee has accepted most of our recommendations, now let us complete the job and make this a great day for all the American people.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, for more than 3 years I have insisted that the health needs of our retired citizens demand a program of hospitalization and medical services under Federal sponsorship to protect them against the mounting costs of prolonged or very severe illness. I have done everything in my power to convince the medical profession and my Republican colleagues that Kerr-Mills was not enough and something more must be done. I have believed it imperative to rescue large numbers of middle and lower income senior citizens from the threat of indigence caused by the expenses of modern medical care.

H.R. 21, my medical care insurance bill, was the first and for a long time the only House Republican proposal to solve this problem. I continue to believe it is the best, the most simple and the most certain solution. If I could have convinced my medical friends of the inevitability

of health care legislation and if I could have obtained their support for my proposal, I believe it could have been enacted into law.

The pending bill requires me to make a very difficult decision. Although I have long recognized and spoken out about the need for action, I have also been one of the most outspoken critics of a program financed by social security taxes and administered by that agency. I still believe this is a serious defect and that in the long run it will prove inefficient and cause much unhappiness.

The question I have had to decide is whether the inclusion of the social security basic hospital plan in this bill should outweigh all of the meritorious features of the bill for which the Republican members of the House Ways and Means Committee are largely responsible. I refer specifically to the voluntary major medical plan which is so similar in many respects to my own bill; the badly needed increase in social security retirement benefits, and the other adjustments in the Social Security Act that I have personally advocated, including the much-needed extension of a child's benefits.

My conclusion is that the good in the bill outweighs the bad. After years of talking about health care for the aged, the time has come to take action. To wait for a bill that is perfect would be an injustice to millions of our elderly citizens for whom the problem becomes more pressing every day. I cannot place myself in the position of opposing this solution to their problems simply because my own solution has not been adopted. I will vote for the bill.

Experience has shown that every new Federal program has its imperfections. We are assuming here today a heavy responsibility to follow the development of this medical care program very carefully and to make certain that it does solve the problem without bringing about Government-controlled medicine. If experience shows that it is either too costly a burden on wage earners and the self-employed or that it is too cumbersome and restrictive in its administration, I will again press for consideration of a comprehensive voluntary hospital insurance program based on the principles of H.R. 21—the Bow bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOW. I will be delighted to yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I think that the gentleman from Ohio [Mr. Bow] deserves a great deal of credit from all Members of the House for the interest and the work he has done and the concern that he has shown in the problem which our aged face as far as their medical needs are concerned. Certainly as one member of the committee and of the House, I want to voice my great appreciation for the work he has done and the interest he has shown.

Mr. BOW. I thank the gentleman from Wisconsin.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BOW. Yes. I am glad to yield to the chairman.

Mr. MILLS. Mr. Chairman, I would like to join my friend from Wisconsin in also calling attention to the contribution that the gentleman from Ohio [Mr. Bow] has made to a solution of the problem that we are facing and trying to solve here today. The gentleman from Ohio has talked to me on numerous occasions about his feeling that something additional ought to be done and that we had not up to this point adequately resolved this problem. He has taken the lead in the introduction of such legislation on his own. I want to commend the gentleman not only for this background of constructive effort on his part, but I want to congratulate him also for what he has said on the floor here today.

Mr. BOW. I thank the gentleman, the chairman of the committee.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 13 minutes to the gentleman from Montana [Mr. BATTIN], a member of the committee.

Mr. BATTIN. Mr. Chairman, certainly, as probably the newest member of the Committee on Ways and Means, I would be very remiss if I did not say a special thank you to the chairman of the committee, for whom I have high regard, and to our ranking member, the gentleman from Wisconsin [Mr. BYRNES]. Actually the programs that will be considered here today are more than complicated. As a matter of fact, there are several issues involved. Some have been discussed and some are completely new concepts, and from the dialog which has developed in the country thus far are not fully understood. It was a week or so ago in the local newspapers here in the District of Columbia that an editorial discussed the fact that the bill was so comprehensive that it should be fully debated and full hearings should be held.

As a new member of the Ways and Means Committee I have not had the opportunity to participate in hearings over a number of years as have some of my colleagues. I voted at the outset of hearings on H.R. 1, the forerunner of H.R. 6675, to hold open hearings so interested people both for and against the legislation could express themselves on the King-Anderson bill, the Byrnes bill and the Herlong-Curtis bill. The working press of the country could then have advised the people of all 50 States on what the proposals were, the arguments for and against, and then we as representatives of the people could have had an expression from our constituents on their thinking.

The reaction in committee was that no public hearings were necessary—full speed ahead. And ahead we went, running into one pitfall after another, changing section after section, rewriting the bill, adopting parts of eldercare and the Byrnes bill and keeping the compulsory features of social security.

By the end of some 7 weeks, if other Members felt as I did, they would have come to the conclusion that we perhaps had had a dose of our own medicine. A bill has been reported that can properly be described as a conglomeration of thought, ideas, and, of course, some compromise. It is part compulsory, part voluntary, part permissive. It covers, for the most part, the entire field of medical and hospital care. It puts the great insurance industry of the country into a "cocked hat" position. What is not covered by this bill probably will not be covered by private insurance because of the cost factors involved.

What I am trying to express is the confusion that prevails, at least in my mind, and I am sure in the minds of others. No one in this House, I am sure, wants to do harm or violence to our hospitals, doctors, or insurance companies. We have an obligation to meet a need that exists in the country.

The high cost of medical care both for hospital and doctor has its effects on the person over 65 and who because of retirement lives on a fixed income. We could better help the senior citizen by attacking the problem at its core. The passage of this bill, like the passage of pay increase bills for Federal employees and military personnel, the increase in cash benefits to those on social security and other measures only administer the medicine and are not designed to attack the disease. They in no way attack the problem at its core. For some reason we continue to overlook the basic problem.

Let me use an example. A married couple in 1939 were talking about retiring in 1954—some 15 years later. They were covered by social security and would have an annuity from the company the husband worked for payable on retirement. They would have the house they lived in paid in full, their children would be grown, educated and probably married. Who could ask for a brighter future?

The World War II intervened and the country went into an inflationary spiral. After the war and in 1954 the husband died and his widow, my mother, still lives. The money from social security and other income planned for in 1939 has been so eaten up by inflation that the wonderful feeling of security evaporates.

Those who have earned and paid their way now suffer the inflation caused by unbalanced budgets and are convinced of the fallacy of the economists who proudly proclaim we have no debt for we owe it to ourselves.

One of our colleagues yesterday on the floor read from history some of the positions the Republicans had taken in the past on social security, and I was intrigued, because if he believes so much of what was said in the past maybe we should read some more. On January 5, 1939, a budget message to Congress from Franklin Delano Roosevelt, read in part—I am sure you all know it and remember it well:

> The ordinary expenses of Government should continue to be met out of current revenues.
>
> But I also hope that these revenues in time of prosperity will provide a supply which can be applied against the public debt which the Government must incur in lean years because of the extraordinary demands upon it.

Mr. Chairman, I wonder if that is the approach that is going to be applied, or

maybe the approach of Harry Hopkins when he said that he believed in "tax, tax, spend, spend, elect, elect."

If we in Congress could sit down at the collective bargaining table and represent those on fixed retirement income, the senior citizen, we could win no better concession than to stabilize the purchasing power of the dollar, and this can only be done by following the procedures of a balanced budget, a reduction of our national debt, and a complete repudiation of those who think we can spend ourselves rich.

The hospitals raise prices because they are required to stay in the business of caring for the sick. Doctors compete in the same society and are entitled to raise their charges as cost pressures apply to them, and yes, we should never criticize our senior citizens for wanting protection, because they are caught in the mousetrap of Government spending and can do little to protect their investments.

We will continue to pass legislation to increase spending on all fronts so long as we keep on the merry-go-round of inflation.

The tax increase built into this bill will also have its effect on the present generation and future generations of workers, for they are going to pay heavily on their gross incomes to finance the cost of this and future programs. It is particularly bad, because they need the money now to raise a family. Yet we have the planners among us who sincerely believe that all real necessities can and should be provided by Government.

Now I do not want to be misunderstood. I labor under no delusions that my remarks today are going to sway anyone or change a vote. I am sure the press releases are already placing a great additional burden on the Post Office Department advising the people at home that their problems are now taken care of and no new worries can be foreseen. I wish we were right, but we are not.

We are not even close.

Taking conditions as they are, most features of the bill are good and very helpful. Certainly those on the Republican side have long advocated many of the changes incorporated in the bill. Unfortunately, we are not permitted to vote on the merit of each change in the law. We have a choice of voting the bill up or down, taking all or nothing. Some will say that anyone who votes against the bill is against the senior citizen. Yet if someone on the Republican side votes for the bill these same people will question their motives and intentions. I have no doubts that a bill will pass and I hope that all who are interested in the full medical needs of the senior citizen will follow the debate and pay particular attention to the gentleman from Wisconsin [Mr. BYRNES], when he further discusses the motion to recommit. It was the Honorable Wilbur Cohen, Assistant Secretary of HEW, who said the Byrnes proposal was as comprehensive a program of medical care as offered by any insurance company today. And it was Mr. Robert Myers, the chief actuary for the Social Security Administration who estimated that at least 90 percent of the people over 65 would subscribe to this voluntary comprehensive medical coverage.

The insurance approach used by Congressman BYRNES is patterned after the Government employees high option policy we make available to Government employees. We should do no less for our senior citizen. We should vote for the motion to recommit so we can pass a better bill. It might even be such a good bill that the other body can just accept it without a lot of extra work. It will not place upon today's worker the regressive payroll tax. It will be more comprehensive and, yes, even though it has been questioned it will give more services at less cost than H.R. 6675.

Mr. KEITH. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Massachusetts.

Mr. KEITH. I am very much interested in this program, and have been for some time. In particular have I been of the opinion that the social security approach was the best way to provide the platform for the hospital care in this legislation. I would like to ask, with reference to the supplemental services provided by the doctor or surgeon, would the gentleman not think it would be more advisable for insurance companies to do this independently of the Government by issuing a policy for $6, $8 or $10 a month covering the doctors' and surgeons' fees above the hospital?

Mr. BATTIN. And have that as a part of the program?

Mr. KEITH. No, just above the basic plan, the so-called King-Anderson plan, or the President's original plan, and leave the rest of it to the insurance industry to fill a gap at a cost of approximately $10 a month?

Mr. BATTIN. I am sure the gentleman knows my opinion. The insurance companies have done an excellent job. I wish the gentleman from Missouri [Mr. CURTIS], had gone into the number of people today that are covered, by private medical plans. Is the gentleman suggesting that the program he mentioned also be financed from the general fund?

Mr. KEITH. I am suggesting that the legislation would have been better had it had solely the social security package that was proposed historically by the King-Anderson and Forand bills.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I strongly support H.R. 6675 and urge my colleagues to do likewise.

This legislation will be of inestimable benefit to the citizens of our Nation and to our economy, both individually and collectively. As one of those who has been urging enactment of legislation providing for many of the changes which are embodied in this bill, I should like to commend the chairman of the Committee on Ways and Means for his brilliant leadership in developing H.R. 6675. This bill will not only mark the beginning of a new era in our social security program by providing medical care for the aged, but also contains tremendous improvements in the existing cash benefits program.

In the some 30 years since the social security program was enacted, it has become the principal source of income for nearly every American family when the wage earner's income is cut off by old age, disability, or death. Because so many of our people depend upon this program for their continued economic well-being and peace of mind, it is necessary that it be kept current with the changing times and in tune with changing economic conditions.

As a member of the Committee on Ways and Means, I am proud to state to the membership that the committee has explored in a most painstaking manner every major facet of this legislation and I can assure the membership that the bill is actually sound and fully financed. This is in accord with the tradition which the Committee on Ways and Means has established over the years.

Mr. Chairman, so much was said yesterday in debate about the method of financing the committee bill as compared to the so-called Byrnes substitute that I feel constrained to nail down several issues which I think are very crucial. First, let us make it clear exactly how the committee bill is financed.

The "basic" hospital program is financed through a separate payroll tax with a separate trust fund. The "supplemental" benefits are financed by a contribution from individuals matched by a contribution in equal amount from the general funds. Now why would we provide a payroll type of financing for the "basic" hospitalization program? It is quite simple, Mr. Chairman. We did so because this is the most expensive part of the program and because payroll financing is the most conservative approach which could possibly be adopted. It is conservative because the benefits cannot be increased without a consideration at the same time by the same committee of the Congress of the cost of any increase in benefits. Therefore, benefits are tied directly to cost and must necessarily be related to cost and must necessarily be considered at the same time that cost is considered. Those of us who have been in the Congress even for just a few years recognize how easy it is when general fund financing is used for a program to increase authorizations through one committee and then obtain appropriations from another committee. This type of operation cannot take place with regard to the basic hospital program envisioned in this bill.

It has been the history of the Committee on Ways and Means in the case of every benefit increase, with regard to the cash benefit program, that tax rate increases are provided in the same legislation at the same time. I am confident this would not have been true had the cash benefits been financed out of the general funds. Fiscal control is much greater over any system where the financing and the benefits are within the jurisdiction of the same committee of the Congress.

In addition to the social security trust fund from which social security cash benefits are paid, we also have another

example of the manner in which trust funds and dedicated taxes provide fiscal control; namely, the highway trust fund. In 1956, when the greatly expanded highway program was enacted, a special trust fund was created out of which the expanded highway program had to be financed. On several occasions, because of the increase in costs due to inflation, and so forth, and because of additions to the Interstate System, the Committee on Ways and Means has reviewed the financing and has provided increased funds for the trust fund. I am confident if we had not created such a trust fund, there would not have been the additional financing provided at the time when the costs increased but on the contrary, we would simply have created a much greater deficit in the general funds of the Treasury thus increasing the public debt and deficit financing. The conservative way to finance the most costly part of this medical care program is to do so by the payroll and trust fund method. It is ideally suited for this type of program. It will enable us to keep our eye constantly on the costs. It will prevent unsound expansion. It will foreclose the addition of extravagant benefits unaccompanied by the funds with which to pay for them.

Returning now, Mr. Chairman, to the impact of the bill, the cash benefits not only affect the people who receive these benefits directly but, because they are spent on the necessities of life, they are of direct benefit to the merchants and businesses in the communities where these beneficiaries live. In addition to that, the hospital and health insurance provisions in this bill will release funds that the aged citizens of our country have not felt free to spend because of the threat of costly illness. The 19 million aged Americans over age 65 will have basic hospital insurance assured and have the opportunity to enroll voluntarily in a plan providing supplemental health insurance. Safeguards have been included so that there can be no interference in the practice of medicine.

H.R. 6675 is a milestone in the history of social legislation. The impact of the improvements made by this bill will be felt for many years to come. One million people not now getting benefits will become eligible for monthly benefits. Twenty million people who now get benefits will have their benefits increased. Many thousands in the State of Illinois and the city of Chicago will benefit directly. The across-the-board increase along with the basic social security hospital insurance and the voluntary supplemental health insurance will be worth $20 a month to the average retired worker, and $36 a month to the married worker whose wife is age 65. Many thousands of children in Illinois and in the city of Chicago will be able to complete their education by virtue of the provision in the bill continuing child's benefits to age 22 while in school.

The changes provided for by H.R. 6675 make the social security system more flexible and, as a result, more responsive to the economic needs of our citizens. Mr. Chairman, I believe this program to be one of the important stabilizers in our economy, and I believe that the action we are taking now undoubtedly will help prolong the present prosperity.

While H.R. 6675 will make a significant contribution to our Nation's economy, we should not overlook for a minute the longrun effect that this bill will have. I point out the economic benefits as only another favorable aspect of these amendments, because these changes certainly stand on their own merits. In fact it would be easy to underestimate the effect of these amendments on our older citizens. We should not forget that social security cash benefits are practically the only source of regular income for many millions of our retired citizens. About one-half of the aged social security beneficiaries have less than $12.50 a month in continuing retirement income other than their social security benefits. So when we talk about social security benefits paid to these people we are talking about the wherewithal for food, shelter, clothing, and the other necessities of life.

I am especially pleased that the increase in benefits will be retroactive to January. Last summer this House passed a general benefit increase and the other body also provided for a general increase in benefits. But because the conference committee could not agree on matters unrelated to a benefit increase the 20 million people who live on these payments did not get improved benefits. H.R. 6675 will correct this situation. I want to heartily endorse this provision as a very responsible action.

I am pleased to have had a part in formulating this program. We took into account not only the impact of the fine benefits under this program, but also the economic effect of the social security trust funds. Our committee has assured that these reserves will not build up in the near future to the extent that they would hurt consumer demand and the Nation's economy. Our committee has also provided for some relief for the self-employed by making future increases in the contribution rates for self-employed people less than the 1½ times the employee rate as under present law.

Mr. Chairman, the speakers who have preceded me, including the extremely able chairman of the Committee on Ways and Means, the distinguished gentleman from Arkansas, have explained in detail the provisions of this legislation. I would, however, like to point out as another example of the assistance which this legislation will give to the people in the State of Illinois the changes which were made in the public assistance medical vendor provisions. The table on page 75 of the report shows that without the expenditure of a single additional cent of money the State of Illinois will, by spending the same amount it is presently spending on medical payments under public assistance, receive more than 18 million dollars over and above what it is now receiving. This obviously will be of considerable and lasting benefit to our needy citizens.

The provisions of H.R. 6675 are going to benefit the entire country, Mr. Chairman. These monthly checks go to every part of every city, to every village and hamlet, and they are a continuing source of income coming in every month. In my opinion our committee has reported a very fine bill and it deserves your support.

I certainly would like to make the observation that while I am a somewhat new member of the Committee on Ways and Means, I have never had the pleasure before of seeing gentlemen work in a committee in such accord for the benefit of the people of this country, and I certainly would be remiss if I did not commend every individual on that committee for making the outstanding contribution that they have made, particularly Mr. BYRNES, who was most constructive in his observations on this legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. KLUCZYNSKI] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KLUCZYNSKI. Mr. Chairman, in the 15 years I have been privileged to serve in the House of Representatives, we have had before us many measures of vital—often urgent—importance to this great Nation of ours. We have worked diligently, and I believe successfully, to meet and deal with the increasingly complex domestic and international problems that have confronted us in the 20 years since the end of World War II.

We take pride, and justly, in the legislative achievements that have contributed so much to the work toward world peace, to the struggles for independence and advancement around the world, to the magnificent—often almost incredible—advances in scientific and technical fields, and to the upward progressive march of our own culture and economy.

With all this, though, I do not believe we have enacted any legislation that reaches deeper into the hearts of our people than does the measure before us today. In one form or another we have been reaching for this goal throughout the years I have served here. I have actively supported all the efforts that bear fruit here today, and it is a very real personal satisfaction to me, as I am sure it is to all of us, that we are at last meeting our obligation to the people who have made us what we are.

Our senior citizens are the people who built this great country of ours. They came from all over the world; they worked in the fields and the factories and in the mines and the mills; theirs was the labor that constructed the foundation of our splendid standard of living, theirs the toil that educated the children who now sustain this country in its world leadership. They gave us the opportunity to become great. Now, having realized so much of that opportunity, and with so much more before us, it is our responsibility to insure that their twilight years shall be years of peace and contentment. It is to our

parents and grandparents, the senior citizens of today, that we owe the tradition of determined individual independence that is the cornerstone of our national life. We would be unworthy of their untold gifts to us if we failed now to make it possible for them to maintain that independence in their remaining years.

Through the program we enact today, our senior citizens will be able to face the future without the haunting fear of crushing debt, or the humiliation of dependence upon their children, that all too often comes with the illnesses of age. And we do it, not only for the senior citizens of today, but for those of our own generation and the generations to come. And by so doing, we help to insure not only that our older people will be more secure, but that our younger people will be more free to raise new families with fewer burdens and achieve greater and greater things.

Most of what has been written and said about this legislation has been concerned, and rightly so, with the medical care it provides. I am equally pleased, however, that it also provides the long overdue increase in general social security benefits, that it extends its protection to widows, to dependent children, and to the disabled. There is probably no legislative field that affects more directly the needs of our people as individuals and reaches into the American family to sustain it.

It was not planned to happen this way, of course, but I think it is fitting that we have this legislation before us at this time. The winter is behind us and our earth renews itself once more. And in this season we again renew our dedication to humanity. We could not demonstrate that dedication more surely than we do now in this program.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. ANNUNZIO] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ANNUNZIO. Mr. Chairman, I rise in support of H.R. 6675. I am proud to have the opportunity to take part in this historic debate. There can be no doubt in anyone's mind as to the result of our deliberation here this afternoon. At long last, Congress is about to enact a sound program for assuring America's senior citizens adequate medical care.

Proposals to provide medical care for the elderly have been under consideration for 10 long years. As time has passed, the problem has grown in scope—the need for the program has become increasingly urgent.

We all know what the miracles of modern medical science have accomplished. Infant mortality has been reduced, dozens of fatal and crippling diseases have been eliminated, the life span of the average American citizen has been extended by decades.

What we have been slow to recognize is that these very successes have created new problems in place of the old. The most advanced technology is of little value unless its benefits are available to those whose need is greatest. Extra years of life are a dubious gift unless they can be lived in dignity.

Yet, consider the circumstances which confront America's elderly. Past their peak earning years, people over 65 must live on pensions, social security payments, and whatever savings they have been lucky enough to accumulate. Generally these sources produce an income that is hardly enough to meet their daily needs.

At the same time, older people face drastically increasing medical expenses. Older people get sicker more often, have to enter hospitals more frequently, must stay in hospitals for longer periods, and require more treatment than persons who have not borne the burdens of life for so many years. Fully 80 percent of the 17 million Americans over 65 years of age have some chronic diseases for which they desperately need medical treatment.

The problems involved in paying for this treatment out of an already meager income have been compounded in recent years by a startling increase in medical costs. The fact is that the cost of good health has been going up drastically—faster than almost any other cost factor of daily living. Over the last decade, the consumer price index has increased by some 12 percent—a reasonable increase in a growing, vibrant economy. But the cost of medical care has gone up by 36 percent and the cost of hospital care by 65 percent in the same period of time. And these are costs that retired people not only must meet out of a fixed income but out of an income that was fixed by retirement plans based on the lower earnings and the lower prices that prevailed in past years.

People living on $2,000 or $3,000 a year simply cannot afford $35 a day for hospitalization. Yet that is the average cost today. Nor can they look with much hope to private health insurance plans; for the premiums, even when coverage is available, are prohibitive to people in this income group. The inevitable result is that millions of elderly Americans face the prospect of choosing between pain and poverty and all too often they suffer both.

The program we are about to enact recognizes that such a state of affairs is intolerable. It also recognizes that the only feasible way to come to grips with the problem is through a program of health insurance financed under the social security system.

We have examined many other alternative solutions. We have given the Kerr-Mills program, which was enacted over the objections of those who foresaw that it could not meet the need, a fair trial; it has proven to be inadequate. Only 25 States have chosen to participate in Kerr-Mills and the extent and quality of coverage varies from State to State.

So now the time has come to place medical care for the elderly where it belongs—under the uniform and universal provisions of social security. This is the logical extension of the system of compulsory social insurance that was enacted 30 years ago.

Just as opponents of social security focused their criticism three decades ago on the compulsory elements of the system, so the enemies of H.R. 6675 try to convince us now that such a health insurance plan denies Americans the freedom of choice.

But clearly the American people have made their choice. They made it at the polls—most recently and most overwhelmingly last November. Perhaps no other single issue lost so many votes for the Republican Party as the issue of placing social security on a so-called voluntary basis. For the American people know that in the end this would destroy the system, rob the aged of earned benefits, and place an intolerable strain on the welfare resources of the Nation.

We can enact this bill as it stands today, confident in the knowledge that historians of the future will mark this day as the time when we took one more giant step toward the Great Society.

Mr. Chairman, I want to take this opportunity to commend the great chairman of the Ways and Means Committee, the Honorable WILBUR MILLS, of Arkansas, for the tremendous skill he has displayed in bringing before this House a bill that is designed to serve the needs and wants of all Americans.

I also want to commend the members of the Ways and Means Committee for their support of the chairman of this great committee.

Mr. Chairman, I am proud to support this bill, H.R. 6675, and to vote for its enactment because it represents a new day, a new era in the behalf of the people of America.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. HELSTOSKI] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HELSTOSKI. Mr. Chairman, this will long be remembered as the day upon which our senior citizens and their families were freed from the specter of financial ruin caused by major illness.

The elderly of our Nation—and indeed all citizens—owe a debt of gratitude to Representative WILBUR MILLS and his committee for their determined and tireless work. This labor, it is certain, will result in final passage of this vital legislation. The committee's perseverance, under the inspiring leadership of Mr. MILLS, and its recognition of the needs of the great majority of our senior citizens will be looked upon with gratitude and blessings across the Nation.

Voluminous testimony has proved beyond doubt the great need for old-age health insurance. Its passage will correct what must be considered one of our national shortcomings—the fact that this Nation, 30 years after establishing the social security system, still has not enacted a similar program extending health care to the elderly. It is almost unbelievable that we have let so many of our aged, and their children upon whom they depend, face financial catas-

trophe in times of illness during the past three decades.

Statistics tell the story, Mr. Chairman. Four out of five persons 65 or older have some type of serious illness. They spend twice as much time in hospitals as young people, so it costs them twice as much. And because these older people in most cases are no longer employed and are ineligible for employer-employee health plans, almost half of them have not a penny of health insurance.

More than 3,500 constituents of the Ninth New Jersey District previously indicated by their letters and personal calls to me their concern over this legislation. These communications, received before our proposal emerged in its present form, indicated that 67 percent were in favor of medicare. The evolution of the legislation as now proposed, with its supplementary voluntary health insurance program, has brought an even more favorable response. Since this new program was announced I have received 480 letters commenting on its value. Mr. Chairman, 80 percent of these people urged me to support this legislation.

Furthermore, spokesmen for several senior citizens organizations have visited my district office, urging support of this bill. Their pleas carry much weight, for they know best the day-to-day threat illness imposes upon the pensioner living on a fixed income.

Mr. MILLS' committee has taken many arguments and objections under consideration and has included in its proposal recommendations made by the administration as well as those of the American Medical Association and Republican committee members.

This legislation represents a solution based on logic—no argument overshadows the commonsense of putting pennies away while you are employed in order to be able to pay big dollars out in medical costs when you are beyond working age.

Freedom from medical bankruptcy will be achieved through the basic hospital insurance programs. Further protection will be afforded at nominal cost by the optional supplementary medical program providing physicians' services. Together, these two programs will free older citizens to become participating members of society. Secure from financial worries, they can become useful volunteers in their communities. And since this hospital care will have been purchased during their working years there will be no stigma of accepting charity. They will be getting only what they have already earned.

And as a further aid to our pensioners, who find it increasingly difficult to keep up with today's rising costs of living and property taxes, the legislation includes a 7-percent increase in social security benefits.

Medical help for the aged is long overdue. I welcome the opportunity to come to the aid of our senior citizens and pledge my wholehearted support of this program.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL of Virginia. Mr. Chairman, the House membership is attempting to resolve a medical problem which is complicated, as evidenced by the bill before you of nearly 300 pages, by the committee report of some 264 pages, which includes the report of the majority and the report of the minority. To those of you who have not had the opportunity of sitting with the House Ways and Means Committee for the past nearly 3 months, let me attempt to give you my impression in summary fashion of the real problem that is before us.

First of all, no one denies that some of our senior citizens have difficulty in meeting the expense of illness. In attempting to solve the problem for them, there are three considerations which can each be treated in the alternative. They are as follows:

First. Do we attempt to provide medical care to every aged person who has difficulty in meeting the expense of illness or do we provide medical care for all aged persons?

Second. Should we make whatever program which is decided upon a part of our social security system or is the better course to keep it entirely separate, using general revenue for financing?

Third. In setting up a program, should we best assign the administration of whatever program we decide upon to the States, which are closest to the problems, or do we use a bureau of the Federal Government?

After having listened to several hundreds of hours of testimony and reading reams of tables and statistics, this fairly junior member of the Ways and Means Committee has reached a decision in each of these three areas. It is my considered opinion that it is far more preferable for Government to provide total medical care for every person who needs it rather than to give less than total care to every person in the aged class. In reaching this decision, I see that my thinking is in accord with past decisions of the Congress in the more than 20 Federal welfare programs which are presently on the books.

These programs include low-cost housing, tuition under the Federal Defense Education Act, the four categorical public assistance programs, the many veterans programs and even the cash benefits program of the Social Security Act, to name but a few.

In the housing program we do not provide housing for all persons—of course not. We provide housing for the families with inadequate levels of income.

In the Defense Education Act we do not provide tuition for all students; rather, only those good students whose families cannot afford the cost of providing their bright child a college education.

The four categorical programs all are for those who cannot fend for themselves.

And so it goes down the list.

The second consideration, as to whether we establish a program closely associated with social security or apart from it and using general funds, I resolved in favor of avoiding any connection with social security—and I mean any. I am aware that you are being told that there is a safety factor because we have a separate trust fund and I know from examining the record that this is an illusionary safety factor, because in 1956, when Congress established a separate trust fund for the disability program, it was claimed that this would safeguard any inroads on the cash benefits insurance program and the record clearly shows that within 10 years, or by 1966, this fund would have been bankrupt or will be bankrupt but for the 50 percent increase provided in the reallocation of social security tax income, which reallocation is a part of the administration's bill which you are presently considering. I know that too many people are depending upon our social security insurance system to undergird their retirement program. Many people, with the help of commercial insurance companies, have built a retirement plan using social security as a base or foundation, and I, for one, do not choose to be a party to any legislation which will endanger the solvency and actuarial soundness of that foundation stone of retirement of millions of American people.

The third consideration which I mentioned earlier is whether Congress should in any legislation which is passed assign the job of administering the program to State governments or to a bureau of the Federal Government. I am certain that the closer we get to the people and the problems which they have, the more realistic and more efficient system will be produced. But I am not unyielding in my views and I would even forego and, in fact, have foregone this third objection which I have to the administration's measure when I signed the minority views and thereby supported the Republican alternative health plan.

But I am unyielding on the first two points. I cannot for the life of me change my thinking this late in the game as to espouse any legislation which involves the Federal Government in providing goods or services to any segment of the population which can itself make provision from its own assets. Nor can I be yielding, as I have said earlier, in any threat to the social security insurance system in the face of the many failures which are around us everywhere in the world, including the recent experiences in England, France, Italy, Belgium, and Japan—to name but a few.

Let us look briefly at the experience of some of these foreign nations which have adventured into the heady brew of government medicine. Here is what the NBC News Commentator Chet Huntley had to say on March 23, 1965, about the 23,000 general practitioners who recently made threats to quit the British National Health Service:

> The row, however, began when doctors asked for a pay increase. Well, as hot as the money issue is, that isn't all of it.
>
> The general practitioner in Britain claims that he is simply too overworked, too ill equipped, and that he is forced to live under a kind of new tyranny exercised by the patients, who now feel that health care and doctor's attention are theirs by right.

Britain has been losing doctors at the rate of almost 500 a year. The number of medical students is declining, and already below the level of 1938. Meanwhile, the population grows. * * *

Well, the program simply has not done well. So, there is genuinely a lot of dissatisfaction with the British National Health Service, but it might be of some profit to us to know and understand precisely what the complaints are, now that we are about to step gently into the area of public health care.

Amen, Chet, Amen.

Now, what about France?

U.S. News & World Report carried this item in its September 28, 1964, issue:

De Gaulle has a new problem, and he can't seem to locate the answer in the back of the book. Problem, familiar to American taxpayers, is the rising cost of social security. * * *

France's social security system, perhaps world's most extensive, is for the first time running in the red. Deficit now is a modest $250 million. Deficit expected in 1970 is put at $3.4 billion—almost as much as De Gaulle now spends on defense. * * *

But: Costs are going up. Medical insurance bills have more than doubled in past 5 years, now amount to about 3 billion.

And: Social security coverage keeps expanding.

Many other nations—Italy, Belgium, Mexico, Japan, to name a few—have been plagued by protest demonstrations by physicians and allied health care personnel.

A frustrated and unhappy profession does not produce the kind of high quality care we Americans have come to expect.

A frustrated and unhappy profession does not attract the outstanding young students who seek and deserve a demanding intellectual and physical challenge and the just rewards of overcoming such challenges.

Let us give this some thought.

The experts from the Department of Health, Education, and Welfare enjoy one of the rarest privileges accorded to any department employees. These men are permitted, with a concurrence of the majority of the House Ways and Means Committee, to sit daily with the committee throughout every session. They have the right to comment on the testimony of witnesses who are called before the committee. The Department's actuary always seems to have the last word.

In the administration's bill, which is before you, at present day cost figures and with the Department's advice, the committee's majority has attempted to put into the program approximately $12 per month for every aged person for those portions of the bill covered by social security and also $6 a month into that portion of the bill not covered by social security, which was borrowed from the Republican proposal, for a total of approximately $18 per month. Now, of course, figures that we use on today's market and the goods and services that these dollars buy may not be too meaningful in the future, but you must understand that the committee has provided a package for about $180 a year per aged person when the Department of Health, Education, and Welfare itself furnishes us with the average cost of medical services for every aged person as being $360 per year.

You may properly ask, what has the committee done? Have they provided half of the average proper health services for each person, or have they provided a good medical benefits program which is only 50 percent fully financed? And that is a good question, because for the really needy person with a major illness, it does not avail us to provide him with 50-percent recovery or 50 percent of his needed health services.

Let me nail down this $360 health expenditure per year on the part of the aged. HEW last estimated the average cost for the person over 65 at the beginning of 1962 as being $315 annually. Since that time, they have been applying a 5 percent per year compounded increase in cost. This, then, produces an average cost of approximately $360.

In the executive hearings, which, as you know, began in January and did not end until about a week ago, testimony was taken from many witnesses. The Health Insurance Association of America brought several actuaries before our committee and left us with a warning that HEW's estimate of level cost—0.96 percent of payroll—missed its mark by some 0.42 percent of payroll. The insurance industry estimate was 1.38 percent of payroll. Those estimates will be found on page 437 of volume I of the printed executive hearings.

But the estimates of the Social Security Administration, which take into account a very small factor for overuse simply because the program becomes free, misses the mark completely when you compare the anticipated utilization of health facilities under a government program with actual use, the closest example to us in point of geography being the 20-year experience that the Province of Saskatchewan has had, wherein hospitalization utilization rose almost 300 percent in the first 13 years of that program's experience. A repetition of that experience would certainly play havoc with the soundness of the social security system.

But, then, we are told to disregard the actual experiences of other countries because this country will be different. I am afraid we are going to have to disregard a lot of experience and good advice if the majority of the members of this body vote to adopt the administration's bill. We are going to have to disregard as well the advice of the two groups most expert in the provision and payment of medical care; that is, the physicians of this country and the health insurance industry of this country.

As one of the original 35 sponsors of the eldercare bill, I believe it to be far superior to the so-called medicare approach in H.R. 6675.

I would also emphasize that the medical profession has thrown its support behind the eldercare bill, and that Congress has been deluged by a flood of letters supporting the eldercare concept.

My preference for the eldercare approach over the medicare plan is based on the fact that the eldercare proposal avoids compulsion, minimizes Federal regimentation and allows a broad range of benefits under State-administered programs.

Under eldercare, the extent of aid to the recipient would be based on his need for Government assistance, thus making the best possible use of tax dollars.

I have maintained that the quality of medical care and medical science would deteriorate under a Government-operated health care system. While it is true that the health care benefits under H.R. 6675 are provided principally for the elderly, it is unrealistic to believe that the program will not expand.

It is difficult to realize that the modern history of attempts to provide health care through a federalized system began 30 years ago when there were some recommendations for a health insurance title in the original social security bill.

In 1939, Senator Robert F. Wagner introduced a bill which included a national health program, one of Federal grants increasing over a 10-year period.

A few years later, the Wagner-Murray-Dingell bill proposed a compulsory national health service system for most citizens.

Public appeal for the Wagner-Murray-Dingell type of legislation diminished in the 1950's and compulsory programs for the general population failed to become a major legislative issue.

Then, in 1957, Congressman Aime Forand introduced a bill which would have provided broad hospital, surgical, and nursing home benefits under the social security system for all those eligible for the old-age and survivors benefits.

The 1957 Forand bill did not get anywhere and neither did a similar proposal in the following 86th Congress.

In 1960, the Kerr-Mills bill establishing a Federal-State program to help the needy and near-needy elderly obtain health care was passed into law.

But this did not have the effect of slowing down the efforts of the proponents of social security financing.

A series of King-Anderson bills—watered down versions of the Forand bill—were introduced in succeeding Congresses.

The avowed aim—to open the door to social security medicine.

Let us give this some thought.

Now, here we are today, pondering a three-layer cake, providing the biggest and costliest welfare program since social security itself began.

It is going to cost us $6 billion a year in 1967.

And it would raise the maximum social security payroll tax from the present $174 to $252 in 1967—a $78 jump.

Mr. Chairman, the debate on this measure is not to be construed as involving the question of who is for the old folks; it is not concerned with any questions of compassion for those who have need of Government assistance. We are all for helping the aged and we would all like to do even more than is proposed to be done here. But as a businessman I can tell you that a significant part of this debate involves the question of how best to finance whatever it is that we do in the way of providing benefits.

For a number of reasons I am opposed to financing any health service-type benefits by means of a payroll tax within the framework of social security. I have

already expressed concern that obligating the social security system for service-type benefits may impair the program's ability to meet its obligations to pay cash benefits. My concern is not allayed by the subterfuge of a separate tax and a separate trust fund when we have involved the same program, the same taxpayers, the same employers, the same recipients, and the same Government agency. The sameness is there in the eyes of the people even though we go through the useless gesture of legislatively prescribing different labels.

The payroll tax that the majority proposes as a means of financing its compulsory medicare program constitutes the most regressive type of taxation. In this case it will strike hardest at those least able to afford it. Service-type benefits under the system will not be wage related. Benefits will be paid with respect to many of our aged who have no need for Government subsidy and these benefits will be paid for by increased taxes—for the most part on persons who are raising families and seeking to educate their children.

Mr. Chairman, as a part of my supplementary individual views that begin on page 258 of the committee report, I included at the end of those views six tables which my esteemed colleague, the gentleman from Missouri [Mr. CURTIS], and I requested the able staff of the Joint Committee on Internal Revenue Taxation to prepare. I would like to direct your attention to these tables which are set forth on pages 262 through 264 of the report and comment briefly on them. I will use rounded figures for ease of reference.

As I proceed, bear in mind that these tax rates and these tax burdens apply to individuals and employers alike. In combination, they tend to reduce take-home pay, increase the cost of goods and services, reduce return on investments, and discourage the creation of employment opportunities—hardly the professed objectives of the Great Society.

In table 1 we see that in the year 1965 a rate of 3⅝ percent is applied to a taxable wage base of $4,800 to produce a tax on the employee of $174, which is matched by a similar tax on his employer to total $348. Next year this combined tax will increase by $100 if the employee earns as much as $5,600. And these totals are only for the cash benefit part of the program and assume no future liberalizations in the program; they do not include the so-called basic health insurance program. Beginning on January 1, 1973, the combined employer-employee tax for only cash benefits will be $635.

Table 2 relates to the self-employed and shows similar data as I have described with respect to employed individuals in table 1.

Table 3 sets forth the tax rates and amounts applicable to individuals and employers for the basic program of health benefits. These are over and above the rates and amounts delineated in tables 1 and 2. As you can see, even under the proposed bill these tax increases continue going up for 22 years or until 1987, and if I am correct in my concern about this progam being underfinanced, this is just the beginning.

Table 4 particularly merits the attention of those of us who are working to sustain and expand the economic growth of our free enterprise society. This table in terms of billions of dollars indicates the total tax burden on individuals and employers—for the years 1965 through 1972 under present law and the pending bill. In 1965 total social security taxes will amount to $17.2 billion and next year, if H.R. 6675 is enacted, the total of such taxes will amount to $21.9 billion—or an increase of $4.7 billion. In 7 years the tax burden will nearly double to an aggregate amount in excess of $33 billion. Now, all of this increase is not solely attributable to H.R. 6675, but I submit to you that in their effect on the economy it makes no difference whether the tax increases occur as a result of existing law or because of the bill now before us. A tax increase is a tax increase by any other name.

Dwelling a bit further on table 4, I would like to call your attention to two recent comments of concern over taxation that bear on the significance of the data presented in that table. The first of these is contained in the majority views of the report by the Joint Economic Committee on the President's Economic Report. On page 9 of Joint Economic Committee report, the following expression appears:

> The committee is concerned, however, over the possible repercussions of the rise in social security contribution rates scheduled for January 1, 1966, and urges that the Federal Government be prepared to take decisive action if the forward progress of the economy is checked.

The second comment to which I will refer is a remark made by the recently retired Secretary of the Treasury, the Honorable Douglas Dillon, before a group meeting under the auspices of the American Bankers Association a few weeks ago in Washington, D.C. At that time, Mr. Dillon asserted that taxes imposed on our low-income citizens are too high and need to be reduced. Mr. Chairman, I agree with the observation by the Joint Economic Committee majority and I agree with Mr. Dillon. The tax impact of this bill is in conflict with the majority of the Joint Economic Committee and with the concern expressed by Mr. Dillon.

Table 5 on page 264 of the committee report shows that the combined tax rate under the committee's bill ultimately reaches 11.2 percent applicable to a taxable wage base of $6,600. It is to be remembered that this rate applies before deductions and exemptions. It is in effect closely akin to a gross income tax.

Table 6 reveals the total tax to be paid with respect to an employee and we learn that it reaches an ultimate level of $740. I remind you that this ultimate tax rate and this ultimate tax burden are only for the social security program as it will be modified by the bill now before us. If we want to liberalize benefits in the future or add to the health care program, we will have to add taxes on top of the taxes we propose to add under H.R. 6675.

Mr. Chairman, it is easy to vote for greater benefits but, as we do, we must remember that the benefits we propose must be offset by the taxes we impose. The Government can giveth only if the Government taketh first.

Although there are many provisions in H.R. 6675 which I believe to be meritorious, the dangers in the compulsory health care features of the bill are so serious that I must oppose the bill as reported by the committee.

I have repeatedly stated that one of the major problems of the elderly is to see that social security cash benefits keep up in some measure with the rising cost of living.

Accordingly, I am in favor of the 7-percent increase in social security pensions.

At the same time, I wish to point out that the hospital and nursing home care benefits, supported by social security tax dollars, will mean that there will be less funds available to provide cash increases in the future. We may even preclude forever the opportunity to raise cash benefits.

I would also point out that part of the frosting on the committee's three-layer cake would include physicians under the social security system.

This is plainly another slap at a profession which has served us so nobly and so well.

The other professions, such as law and dentistry, were given an option to elect social security coverage.

Physicians, who have steadfastly voted as a profession against social security coverage, should be accorded the same privilege. Physicians in my district tell me that most doctors do not retire at age 65 and, therefore, do not need and do not want social security coverage. Furthermore, a substantial portion of the doctors are in private practice and would be subject to the self-employment tax, which is equivalent to 150 percent of the employee social security tax.

Moreover, it it ironic that H.R. 6675 would allow the Amish and members of other religious sects which oppose social security to withdraw from this program at their option.

Gentlemen, we have been given an awesome responsibility.

Will we be known as the body which admitted its hasty actions and came to honest grips with the problem?

Or will we be known as the House which opened the door to a new concept of welfarism which slowly but inexorably eroded the vitality of a great nation?

Certainly we can go along with what we mistakenly believe to be the majority view.

But will our consciences go with us?

I submit that the people have given us a mandate—not on specific legislation—but to use our minds for the best interest of our Nation.

In the past several months, I have detected a certain disdain among my colleagues regarding the views of the medical profession on this important matter.

Flushed with the November bounty, they have scarcely heeded the warnings of physicians regarding the inherent danger of social security medicine.

The medical profession—especially in the past 29 years—has brought us into a virtual "golden age of medicine." Indeed, there is general agreement that "there has been more medical progress in the past two decades than in the previous two centuries."

American physicians—educated in a tradition of freedom and excellence—have been the architects of this golden age.

Are we now—as in that childhood story—about to kill the goose that lays the golden egg?

Let us give this some thought.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, Congressmen who introduce bills on subjects they consider exceptionally important often find themselves in a dilemma when the time comes to vote—not on their bill, but on a bill directed toward the same goal.

Rarely does the bill meet all of the Congressman's expectations when measured against his own legislation. The question is whether the right course is to accept a somewhat different approach or to hold fast to one's own ideals of how the legislation should be constituted.

Many of us must make that decision today.

For 30 years, this country has been at odds over how it should help its elderly citizens protect themselves against the high cost of illness.

As early as 1935, responsible groups were asking the President and Congress to develop a national health insurance plan which would be workable and fair.

Mounting costs of hospital and nursing care, coupled with a steady increase in our elderly population, have made health protection for the aged a major national problem.

The need is plain as the figures and the cases increasingly demonstrate. More and more, we hear of an entire family's savings wiped away by the high cost of hospital or nursing home care. Science and the medical profession have made wonderful advances in making it possible for people to live longer.

As a result this country's population over age 65 is increasing at the rate of 1,000 a day. This year, it passes the 18 million mark. By 1980, the census tells us, our aged will number 24,458,000—an increase of more than a third in the next 15 years.

Almost one-half of the over-65 population in the United States must live on income of less than $2,500 a year. Worse, nearly half of the aged who live alone have incomes of less than $1,000 a year. One-half have liquid assets of less than $1,000. About 40 percent have less than $5,000 total assets, including homes.

Added to the problem of scarce funds is the fact that one-half of our over-65 citizens have no health insurance. Many more have grossly inadequate coverage.

Yet four out of five have a chronic ailment. With this high tendency to illness, our over-65 citizens need three times as much hospital care as younger people. And the aged are the primary users of nursing homes and chronic disease hospitals. In New York City alone, there are nearly 11,000 nursing homes.

And the cost of hospitalization is rising rapidly. Even in 1961, the latest complete figures we have, the average cost of each day in the hospital was $35.

The total cost of health care for persons over 65 is estimated at more than $5 billion a year. Nearly half of this goes into hospital and nursing home care, including custodial and mental hospital care.

The facts are before us: The growing number of elderly citizens, the financial problems many of them face, the high cost of and therefore the lack of insurance, the tendency of the aged to chronic ailments, and the increased cost of hospital care.

The basic question we face as a nation is how best to help our aged meet this problem. I suggest that a broad-scale health insurance program for all of our aged, financed through a payroll tax, is the best kind of help we can give.

The payroll tax—the same financial source that the social security program uses—can be applied to most of the working force of our Nation; has a wide base; is easily collected, and does not fluctuate as much as the income tax. Further, we could not load a broad program of hospital care for the aged onto the progressive income tax or the corporate income tax. Higher rates in those areas would, in my opinion, have a serious impact on our incentive to increase profits and income through growth.

Some years ago, then consistent with these principles, I introduced proposed legislation that would provide a broad program of hospital care financed by a measured pay-as-you-go system—the broad-based payroll tax. I believe the payroll tax is fair—it is shared 50–50 by employers and employees, and is paid by the self-employed during their working years. It creates an insurance fund financed by the broadest possible tax base. Some would argue that a hospital plan should be financed totally by general revenues. It is argued that this would remove the involuntary feature of the payroll, or social security tax. But I know nothing voluntary about the income taxes that we pay to make up the U.S. Government's general revenues.

My bill differed from H.R. 6675 chiefly in its option feature. Under this option in the Lindsay-Tupper bill a beneficiary could convert the value of his interest in the fund at age 65 into cash to be applied to the premiums of a qualified private health insurance program. H.R. 6675, on the other hand, provides a different option. It adds a voluntary insurance program for nonhospitalization medical costs. I cannot say that the difference is so great as to make me vote against the provision in H.R. 6675. Both methods will encourage the growth and development of private health insurance and voluntary prepayment plans, particularly in the field of catastrophic illness. This I believe is desirable.

I note with satisfaction that H.R. 6675 establishes a separate health—or hospital—insurance trust fund. I believe that my original proposal was the first to have drafted in it this separation.

Thus, plan A of the bill before us is very similar in content and scope to the Lindsay-Tupper bill, as it is known, and I think represents a step forward. The option feature of the Lindsay-Tupper bill was designed to create flexibility and to encourage the private sector. I believe this feature has been substantially satisfied by plan B in the bill before us, the voluntary, contributory insurance plan.

One may ask, why not a total bill made up of plan B, as has been proposed in somewhat different form? The answer is that it is too costly and too much to load on general revenues. Eventually, I am sure, it would require an increase in the income tax. Hospitalization, as I pointed out, is by far the highest cost factor of the medical problems of people over 65. They also happen to be the "mechanical" costs; that is to say, they have nothing whatever to do with the practice of medicine as such. I am firmly convinced, then, that the sound way to finance such a program is through the broad-based payroll tax.

Now then, Mr. Chairman, let me talk more specifically about H.R. 6675. Under the rule of procedure under which we are operating, no amendments are permitted. So we must talk about the bill as it stands. Features of the Lindsay-Tupper bill not already adopted are no longer possible of inclusion.

First, it need hardly be said that this bill represents one of the most significant pieces of legislation to come before Congress since I have been a Member of the House.

The bill is an effort to insure that no American who is 65 or older will go without basic hospital care during a time of illness because of need. It further offers a voluntary insurance program which would—among other benefits—pay the fees of physicians and surgeons. Persons 65 or over may participate in the plan or not, as they wish. The premiums are reasonable. One of the current problems, of course, is the unreasonableness of premiums for persons over 65, if they are insurable at all.

The basic plan, which is the hospitalization part, would be financed by a separate payroll tax, as is the existing social security system. It is known as plan A. The proceeds of the tax, which would be carried equally by employers and employees, would be paid into a hospital insurance trust fund in the Treasury Department. The program is to be administered by the Department of Health, Education, and Welfare.

Plan A, the basic hospitalization plan, does not exclude those persons who are not receiving social security benefits. They are covered automatically if they presently are age 65 or more, or if they will be 65 before 1968.

Plan A is to go into effect July 1, 1966, except for extended case services, which are to be allowable July 1, 1967. The supplemental voluntary insurance plan for physicians' services and other medical expenses also provides that benefits be paid starting July 1, 1966.

The benefit schedule under the basic Plan A, is as follows:

The services for which payment would be made include—

First. Inpatient hospital services for up to 60 days in each spell of illness with the patient paying a $40 deductible amount; hospital services would include all those ordinarily furnished by a hospital for its inpatients; however, payment would not be made for private duty nursing or for the hospital services of physicians except services provided by interns or residents in training under approved teaching programs;

Second. Posthospital extended care—in a facility having an arrangement with a hospital for the timely transfer of patients and for furnishing medical information about patients—after the patient is transferred from a hospital—after at least a 3-day stay—for up to 20 days in each spell of illness; 2 individual days will be added to the 20 days for each day that the person's hospital stay was less than 60 days—up to a maximum of 80 additional days—the overall maximum for posthospital extended care would then be 100 days in each spell of illness;

Third. Outpatient hospital diagnostic services with the patient paying a $20 deductible amount for each diagnostic study—that is, for diagnostic services furnished to him by the same hospital during a 20-day period; if, within 20 days after receiving such services, the individual is hospitalized as an inpatient in the same hospital, the deductible he paid for outpatient diagnostic services—up to $20—would be credited against the inpatient hospital deductible—$40; and

Fourth. Posthospital home health services for up to 100 visits, after discharge from a hospital—after at least a 3-day stay—or extended care facility and before the beginning of a new spell of illness. Such a person must be in the care of a physician and under a plan established within 14 days of discharge by a physician calling for such services. These services would include intermittent nursing care, therapy, and the part-time services of a home health aid. The patient must be homebound, except that when equipment is used the individual could be taken to a hospital or extended care facility to receive some of these covered home health services in order to get advantage of the necessary equipment.

No service would be covered as posthospital extended care or as outpatient diagnostic or posthospital home health services if it is of a kind that could not be covered if it were furnished to a patient in a hospital.

A spell of illness would be considered to begin when the individual enters a hospital or extended care facility and to end when he has not been an inpatient of a hospital or extended care facility for 60 consecutive days.

The deductible amounts for inpatient hospital and outpatient hospital diagnostic services would be increased if necessary to keep pace with increases in hospital costs, but no such increase would be made before 1969. For reasons of administrative simplicity, increases in the hospital deductible will be made only when a $5 change is called for and the outpatient deductible will change in $2.50 steps.

Basis of reimbursement: Payment of bills under the basic plan would be made to the providers of service on the basis of the "reasonable cost" incurred in providing care for beneficiaries.

The basic plan would be financed as follows:

Separate payroll taxes to finance the basic plan, paid by employers, employees, and self-employed persons, would be earmarked in a separate hospital insurance trust fund established in the Treasury. The amount of earnings (wage base) subject to the new payroll taxes would be the same as for purposes of financing social security cash benefits. The same contribution rate would apply equally to employers, employees, and self-employed persons and would be as follows:

	Percent
1966	0.35
1967–72	.50
1973–75	.55
1976–79	.60
1980–86	.70
1987 and thereafter	.80

The taxable earnings base for the health insurance tax would be $5,600 a year for 1966 through 1970 and would thereafter be increased to $6,600 a year.

The schedule of contribution rates is based on estimates of cost which assume that the earnings base will not be increased above $6,600. If Congress, in later years, should increase the base above $6,600, the tax rates established can be reduced under these assumptions.

The cost of providing basic hospital and related benefits to people who are not social security or railroad retirement beneficiaries would be met from general revenues. This is expected to cost about $200 million per year at the outset of the program.

The supplemental voluntary program, sometimes referred to as plan B, would be financed through the payments of premiums by those individuals over 65 who desire the insurance. The initial premium would be $3 per month, deducted, when applicable, from social security or railroad retirement benefits. The Government would match the premium with $3 paid from general fund revenues. The minimum increase in cash social security benefits for retired workers, as provided elsewhere in H.R. 6675, is $4 per month, or $6 per month for a man and wife receiving benefits based on the same earnings record. Thus the benefit increases would fully cover the amount of monthly premiums. The premiums would be deducted from social security or railroad retirement benefits.

The procedure for enrolling in the supplemental plan is as follows:

Persons aged 65 before January 1, 1966, will have an opportunity to enroll in an enrollment period which begins on the first day of the second month which begins after enactment and ends March 30, 1966.

Persons attaining age 65 subsequent to December 31, 1965, will have enrollment periods of 7 months beginning 3 months before attaining 65.

In the future general enrollment periods will be from October to December 31, in each odd year. The first such period will be October 1 to December 31, 1967.

No person may enroll more than 3 years after close of first enrollment period in which he could have enrolled.

There will be only one chance to reenroll for persons who are in the plan but drop out and that must be made within 3 years of termination of previous enrollment.

Coverage may be terminated first, by the individual filing notice during enrollment period, or second, by the Government, for nonpayment of premiums.

A State would be able to buy in for its public assistance recipients who are receiving cash assistance.

Benefits to be provided in the supplemental insurance plan are as follows:

The supplementary plan would cover physicians' services, home health services, hospital services in psychiatric institutions, and numerous other medical and health services in and out of medical institutions.

There would be an annual deductible of $50. Then the plan would cover 80 percent of the patient's bill—above the deductible—of the following services:

First. Physicians' and surgical services, whether furnished in a hospital, clinic, office, or in the home;

Second. Hospital care for 60 days in a spell of illness in a mental hospital—180-day lifetime maximum;

Third. Home health services (without regard to hospitalization) for up to 100 visits during each calendar year;

Fourth. Additional medical and health services, whether provided in or out of a medical institution, including the following: Diagnostic X-ray and laboratory tests, electrocardiograms, basal metabolism readings, electroencephalograms, and other diagnostic tests; X-ray, radium, and radioactive isotope therapy; ambulance services—under limited conditions; and surgical dressings and splints, casts, and other devices for reduction of fractures and dislocations; rental of durable medical equipment such as iron lungs, oxygen tents, hospital beds, and wheelchairs used in the patient's home; prosthetic devices—other than dental—which replace all or part of an internal body organ; braces and artificial legs, arms, eyes, and so forth.

There would be a special limitation on outside-the-hospital treatment of mental, psychoneurotic, and personality disorders. Payment for such treatment during any calendar year would be limited, in effect, to $250 or 50 percent of the expenses, whichever is smaller.

I wish to point out two largely unpublicized aspects of the bill which I think will prove to be of considerable concern to older people.

The first is that persons 65 and older will no longer be able to deduct all of their medical expenses on their Federal income tax returns. H.R. 6675 would amend the Internal Revenue Code so that these persons, like all persons under 65 in present law, may deduct only those

medical expenses exceeding 3 percent of their adjusted gross incomes, and only those expenses for drugs and medicines which exceed 1 percent of their adjusted gross incomes.

Second, the bill would amend the code so that all taxpayers—irrespective of age—will no longer be allowed to deduct all of their expenses for health insurance. The bill would limit the deduction for medical insurance premiums to one-half the amount paid during the tax year, up to a maximum of $250.

I do not think that either of these provisions should have been included in the bill. They place the Congress in the position of bestowing a health insurance program with the one hand, while with the other repossessing part of what it earlier had given.

Since, as I have said, we are prevented by the rules from offering an amendment, I can only express the hope that if and when the bill goes into conference with the Senate the section will be eliminated. I agree with the general principle that the jerry-built scheme of deductions and exemptions in the Internal Revenue Code should be reformed. I submit, however, that this is no way to attain that end.

H.R. 6675 is not solely concerned with health insurance; it makes dramatic changes in other sections of the social security program.

First, the bill provides a 7-percent across-the-board increase in benefits to social security recipients, retroactive from January 1, 1965. The minimum increase for retired workers at age 65 will be $4 per month. These increases will affect some 20 million beneficiaries.

Monthly benefits for workers who retire at 65 or older would be increased to a new minimum of $44 and to a maximum of $135.90. The present figures are $40 and $127.

To finance these increases, the social security taxes paid by employers and employees will be increased in steps to 4.8 percent for the year 1973 and years thereafter. The taxable earnings base would be increased from $4,800 to $6,600 between January 1, 1966 and 1971.

The bill also provides that social security recipients may earn more without suffering reductions in their benefits. The bill provides that the States may double the present $10 exemption for a recipient's monthly earnings. Also, the States may exempt one-half of the next $60 earned. The present exemption is one-half of $40. These provisions could go into effect January 1, 1966.

While I shall not attempt to list all the effects of what is an extremely complex and comprehensive piece of legislation, I should mention that cash tips received by an employee are to be reported for purposes of social security payroll tax deductions and later, social security benefits. The bill provides for employer withholding of such taxes on tips employees report. This coverage would commence next January 1.

In conclusion, I have sedulously compared my health insurance bill with the legislation before us. I find that H.R. 6675 will accomplish much that my bill was intended to achieve. It incorporates two of the fundamental procedures set forth in my bill: Financing of hospitalization insurance through the payroll tax—a sound and responsible method of financing such a program and the establishment of a basic hospital plan for which the need is immediate and great. I believe the bill should be enacted and I intend to vote for it.

Mr. KEOGH. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I believe that no one in the House of Representatives—and I am sure no member of the Committee on Ways and Means—wishes to do anything which would take away the opportunity of the people over 65 years of age to have their medical needs taken care of, when required, after they are in retirement.

In the study I was privileged to participate in as a new member of the Ways and Means Committee, I would have to say that every member of that committee studied diligently the question of solving this quite complex problem, always keeping in mind not only the desire to solve it but the very great need to do the job without having any degree of Federal interference in the administration of our hospitals or any invasion into the practice of medicine by the Federal Government.

Certainly, I believe that all of us have striven to avoid the genesis of state medicine.

The chief bone of contention then comes not on whether to do what we are trying to do—that is, to solve the problem of medical needs of the aged—but how to do it.

My distinguished, learned, and able friend from Wisconsin [Mr. BYRNES] has suggested that we do this by a device which he has labeled a completely voluntary program but which would be subsidized to a great extent, about two-thirds, from the general revenues of the Treasury. In addition his plan would put a very heavy burden on the participants after they passed through their best earning years requiring a contribution from the retired people on an average of about $6.50 a month according to Mr. BYRNES.

The gentleman said yesterday in the debate, in which he participitated in an able and eloquent way—I quote from page 6966—

> But may I point this out, Mr. Chairman? My objection to the committee bill is not on the basis of the cost. My objection is to the means used to finance the benefits; namely, the payroll tax.

It is with that feature I wish to deal very briefly.

Let us see exactly what H.R. 6675 does with the general funds. It takes $275 million per year from the general funds to blanket in, so to speak, those 2 million uninsured people for hospital benefits under the basic hospital program.

H.R. 6675 also requires about $600 million per year to support the voluntary plan for those who would come under the program and take the supplementary benefits.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. At that point I believe we should have an understanding.

As to the general funds which are used to finance part of the hospitalization costs—and this is directed toward the costs of those people who today are not eligible for old-age and survivors insurance cash benefits—can the gentleman tell me the rationale for making the distinction of financing their benefits of the general fund but of financing the benefits of other people over 65 who are retired today out of the payroll tax.

I think it would be interesting if we could have an explanation as to why that distinction is made and these people are put into two different categories.

Mr. LANDRUM. I think that distinction was made yesterday in the colloquy between the gentleman from Wisconsin and the gentleman from Arkansas [Mr. MILLS] but I will try to address myself to that briefly before I close my remarks, if time permits.

Now, this makes a total of $875 million from the general fund for the first year's operation for the hospital insurance and supplementary health insurance benefit programs of H.R. 6675. Now, for H.R. 7057, Mr. BYRNES' substitute, $2.86 billion would be taken the first year from the general fund on the same assumptions that H.R. 6675 takes $875 million.

Now let us look just a little bit at the philosophy of this question which has bothered people all over the country just as it has bothered Members of the Congress and as it has bothered me over the last several years.

Our principal aim, as I have said, has been to resolve this problem without going down the road to socialized medicine. We want to resolve it without having any invasion into the practice of medicine by the Federal Government. We do not want the Federal Government in the operation of hospitals. Now, I ask you, Which is the swifter more certain path to a complete and total socialized program? Is it financing this program out of general revenues or financing it with a prepaid program and limiting the general fund contribution to the very minimum required to support the voluntary program in H.R. 6675? There is only one way to get money out of the general fund, and that is through the legislative branch of the Government exercising its authority to appropriate. The legislative Members of the Government appropriate money based on what the people of the country require and need. When we say we want to avoid socialized medicine and when we say that we want to avoid deficit financing, how can we support a motion to recommit which furnishes the asphalt to pave the road further into deficit financing; to pave the road into a socalized medical structure? We are not, under H.R. 6675, saying to any hospital who can come in and who must be kept out. We are not saying to any person what doctor he must use or what doctor he must not use. All we are saying is that we want a program available when our earning years are over so that we will not be a drain on the

general revenues and so that we will not year after year have to increase this initial $2.86 billion that the motion to recommit calls for. That motion calling for $2.86 billion this year can be expected to increase and perhaps to double within the next decade, for as our people over 65 increase in numbers and the chances for them to achieve the capacity to meet their medical needs on their own resources decreases, then greater and greater demands will be made on the general revenues and greater and greater pressures will be brought to bear on the Members of the legislative branch of the Government to appropriate to meet the needs. When you do that you will, as I have said, pave the road to socialized medicine.

The day will come when the great men and women of the medical profession today will hail H.R. 6675 as the device that saved their profession from the socialization they rightly fear. All reasonable men can fully appreciate the apprehension and concern of the men and women of the medical profession for the preservation of the high ethical standards the profession enjoys and the close and intimate, confidential relationship that exists between the doctor and his patient. We do nothing in H.R. 6675 to invade or distrub those standards and relationships.

Mr. Chairman, now I want to make one additional point that concerns me greatly about this motion to recommit. I heard yesterday, as I have heard today and as I have heard over the few weeks that I have been privileged to be a member of this great Committee, statements of great admiration and respect for the Chief Actuary of the Social Security Administration, Mr. Robert Myers. Upon having a question propounded to him about H.R. 7057, he provided a memorandum dated April 6 about the actuarial balance of the OASDI system under H.R. 7057, the proposed substitute in the motion to recommit. I would like to read this statement from Mr. Myers:

H.R. 7057, introduced by Mr. BYRNES on April 1, would establish a program of voluntary, comprehensive health insurance for all persons aged 65 and over—

And get this now—

and would also modify the OASDI system in the same manner as H.R. 6675. However—

That word "However" covers lots of things.

However, H.R. 7057 would significantly affect the cost of the OASDI system because the premium for the voluntary health insurance would be paid from the OASI trust fund with respect to insured workers aged 65 and over who are not receiving cash benefits because of the retirement test. In other words, H.R. 7057 includes a further liberalization of the retirement test over that provided by H.R. 6675. The cost of this change is estimated at 0.07 percent of taxable payroll and, accordingly, affects the actuarial balance of the program.

Under H.R. 6675, there is a small lack of actuarial balance of the OASDI system amounting to .08 percent of taxable payroll, which is less than the established limit of 0.10 percent of taxable payroll as the maximum actuarial imbalance that can be present for the system to be said to be sufficiently close to actuarial balance. Under H.R. 7057 the lack of actuarial balance would be increased 0.15 percent of taxable payroll or beyond the acceptable limit. On this basis, it would seem that H.R. 7057 should carry additional financing, such as having an ultimate combined employer-employee contribution rate of 9.7 percent beginning in 1973.

Now, then, we have under the committee bill only 9.6 percent for 1973.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. Not at this point, please. I shall in a minute.

Mr. BYRNES of Wisconsin. I thought I would yield the gentleman additional time.

Mr. LANDRUM. I shall yield in just a moment, please.

Mr. BYRNES of Wisconsin. I do not care whether you do or not.

Mr. LANDRUM. What I am trying to say at this point is this. Whether you are for or against the committee bill should not influence your attitude about this motion to recommit. You cannot be for this motion to recommit and expect to keep your OASDI system in appropriate actuarial balance.

The Chief Actuary of the Social Security Administration tells us—and I heard the gentleman from Wisconsin [Mr. BYRNES] yesterday express his deep admiration and respect for Mr. Myers, and I agree with him, and I heard the chairman express the same admiration and respect for Mr. Myers—that we cannot accept H.R. 7057 as a substitute if we want to keep the OASDI system in appropriate actuarial balance. That is, regardless of how you feel about the committee bill. So I say if you are concerned, as I have heard many say they are concerned about the actuarial soundness of this social security system, and I am not concerned—I think it is sound, I think it has been proven to be—but if you are as I have heard many say they are, concerned about it then you cannot support the motion to recommit, with instructions. I say that without regard to how you may feel toward the passage of the committee bill and its enactment into law.

Now, I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I will take my own time. Thank you.

Mr. LANDRUM. Thank you, sir.

Now, Mr. Chairman, let me reiterate: I believe we will take a step today as significant as the step that was taken 30 years ago when the social security system was enacted into law. I heard some of our political leaders of that day say—and as a matter of fact I joined in some of that thinking—that the social security system as it was enacted would take us into socialism. I have heard the same people 30 years later say it was that system, it has been that social security system, that has prevented us from going into socialism. It has saved us from becoming a complete welfare state.

Mr. Chairman, I say today that by taking the step we are about to take, while disagreed to by many at the present, that in the days to come the people, the doctors, all Americans everywhere, will sing the praises of those who had the courage and the foresight to stand against the substitute and enact a law that will preserve the high ethics and lofty standards established by the great men and women who make up the medical profession of this country.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I asked the gentleman to yield in order to save time, possibly, to report to him and to the other Members of the House that the motion to recommit will revise that section to which he was alluding and to which he referred that does have an effect on the old-age survivors disability insurance fund. I think the method used in bill H.R. 7057 is a good method.

As the gentleman pointed out, it is a relaxation of the work clause. However, the basic bill provides some relaxation in the work clause which I think is a salutary move. This would have been a little further move in the relaxation of the work clause. I would point out, however, that the cost of the proposal to the social security system would have been seven one-hundredths of a percent of payroll.

The social security trust fund today is out of balance by eight one-hundredths of 1 percent after this bill is enacted, as reported by the committee. Another seven one-hundredths percent would not put it in the danger area. We have been advised by the actuary of the Social Security Administration that we need not become exercised as long as we kept the imbalance, as far as their estimates are concerned, within a tolerance of twenty-five one-hundredths of 1 percent out of balance. So even if this is in the bill it would not be of any great moment, I would suggest to the gentleman from Georgia. But because of the fact that there is some concern that maybe this does make an exception as far as the use of social security funds are concerned, the decision has been made that bill H.R. 7057 would be amended so what we will use in the case of the adjustment necessary for these people who are over 65 but still working is the same method of adjustment as is contained in the committee bill with reference to the adjustments that have to be made to these same people under the voluntary portion of the committee plan. It will be identical in that respect in the motion to recommit.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. CARTER].

Mr. CARTER. Mr. Chairman, I speak to you concerning H.R. 6675. The die is cast; the Rubicon is almost crossed.

Since I hail from Appalachia, where it seems now they always have the blues, I thought today I might recount a short history of medical practice in one of these depressed and desolate areas—the medical history of the county of Monroe—referred to by Kentucky's leading newspaper as the scrub hill county of Monroe.

After World War II two relatively young physicians entered the practice of medicine in this hill county. The nearest hospital was 26 miles away. So these physicians, country doctors if you will,

were forced to do much surgery in their offices and in homes. A jeep was a necessary instrument of that practice. So far as I know, no one was turned away from the physicians' doors. Calls were made into the hills and on two occasions patients' husbands lost their way in taking the physicians to their homes.

In 1952 this impoverished people, by public conscription and a bond issue and with Hill-Burton funds, started a hospital which was completed in 1953. Since that time no patient has been turned away because of lack of funds or for any other reason. After the hospital was built patients from Monroe and adjacent counties came in increasing numbers. Instead of two active physicians, there are now eight in this county.

The first bond issue was paid off in 10 years and a 24-bed addition was completed in 1964 with a second bond issue and a second Hill-Burton grant.

Two small group practices now flourish in this county whose average individual income is approximately $1,400. They are housed in modern clinics with excellent X-ray and laboratory facilities. And both were constructed without Federal aid.

The nonprofit hospital has accumulated operating capital of $15,000 to $20,000—part of which was used in a recent modernization of the portion constructed in 1953.

It is acknowledged that the Kerr-Mills program has been extremely helpful.

Gentlemen, this is an example of what the free and unfettered practice of medicine can do, even in impoverished Appalachia. How do I know this? It happens, gentlemen, that at the age of 54 I am the oldest physician in this county.

We now are embarking on a new adventure in medical practice, one in which the rich will enjoy the same free medical care we have always given the poor. I would ask if the expenditure of these vast sums of money is necessary to help the rich instead of the poor who really need the help. I would ask if medical practice will remain free of the fetters of Federal control. I would ask if our young people desire to increase their already heavy burden of taxation.

As one of the last country doctors, I am not here to criticize medical care for the aged, but rather to support it.

I ask my colleagues, who along with me have given this proposal serious study, to vote to recommit H.R. 6675, a bill which will within a few years cruelly overburden the social security system and the young workers with growing families, who will be forced to pay higher and higher social security taxes. By providing aid on the basis of need, the Byrnes proposal would assure that both Federal and State dollars were providing the greatest amount of care where they are the most needed.

Under the Byrnes proposal, the Government would have no reason to intervene in the practice of medicine. Protected by his insurance policy, the citizen's freedom of choice of doctor, hospital, or nursing home would remain the same as it has always been.

Returned questionnaires which I have just sent out from my office indicate that an overwhelming majority of the people of my district prefer this approach over medicare. Let us not be inveigled into blindly supporting the medicare program under social security when, with a longer view, we can see a better plan to help our needy, elderly citizens meet their doctor and hospital bills.

I humbly ask your consideration of recommittal of this bill and your consideration of the Byrnes proposal, which was formulated with the assistance of physicians who are most experienced in the needs of our ill and infirm.

For myself, I will continue in such time allotted to me for the practice of medicine and surgery with the motto learned may years ago of "service before self." And as good citizens, come what may, we will always comply with the law of the land.

Mr. KEOGH. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, every Member of this House, as Dr. HALL, our distinguished colleague suggested, will make their decision on this legislation based on what is believed best for our country and its people.

Everyone is interested in quality medical service and there is no intent to harm in any way the medical profession. In fact some of the Nation's most dedicated and able physicians see the necessity for this legislation.

Mr. Chairman, enactment of the legislation now under consideration will be a historic decision. It has been hailed as the biggest social security bill in history and the most important and far-reaching step forward since the start of the program during the New Deal administration of Franklin D. Roosevelt.

I wish to commend the gentleman from Arkansas, the Honorable WILBUR D. MILLS, the distinguished chairman of our House Ways and Means Committee, for his leadership in bringing this comprehensive social security bill to the House floor for a decision. No one in the Nation is better informed on this question than our distinguished chairman. Under his able leadership, it was possible to bring forth a bill which I believe has widespread public support and approval. It is a privilege to serve with him as a member of his committee. I know I speak for all committee members in commending him for his fairness, as well as for his devoted and dedicated leadership.

This legislation will mean much in meeting the needs of our aged and retired citizens. This advance in social security is part of President Johnson's effort for a Great Society. It is part of the war against poverty. It is a recognition of the responsibility of government to bring adequate medical and hospital care within the reach of all of our aged citizens, without, as in many cases, exhausting all their assets and life savings. It gives the elderly the opportunity to benefit from the marvels and advances made in medical science.

The enactment of this bill will result in a better balance in our economy. It will add to the economic strength and well-being of our Nation. Improved consumer purchasing power through increased social security benefits will create additional job opportunities for many workers who are being displaced by automation, and for young folks who leave school each year to enter the labor market.

Congressional approval of this legislation will be a recognition, by this administration, of the overwhelming mandate which the voters of the Nation gave in electing as President and Vice President, Lyndon B. Johnson and HUBERT H. HUMPHREY, and a Democratic Congress. It will be the redemption of a platform pledge by those of us who made this a campaign issue last year.

There will be those who will oppose this bill, Mr. Chairman, just as there were bitter opponents who fought against social security when it was first enacted, and against every advance that has since been made. Just as predictions of national bankruptcy, regimentation, and the loss of freedom were made in bygone years, so will voices of fear and reaction be raised again, by enemies of social and economic progress. We hear repeated requests for delay, for further study and more time for debate, but everyone here knows we would hear these wornout arguments even if the decision was postponed a week, or even another year. But there will be others, who will see the need of further improvements to make the social security program more adequate in meeting the needs and problems of the aged, the disabled, and the less fortunate among us. Despite the progress that this bill represents, the new minimum cash benefit will be but $66 a month for a retired couple. This is far from enough to meet basic needs today.

There are other inadequacies which require amendments for further improvements. In this age of automation, employment opportunities will continue to decline for persons 45 years of age and over. All of which points to the need for a reduction in the social security retirement age.

A number of bills have been introduced to lower the age requirements for full retirement benefits to 60 years. This proposal, I believe, deserves first priority in making additional improvements in the program.

There is also the need for liberalization of the disability provision, which now requires 40 quarters of social security coverage to be eligible for benefits. When crippling disability strikes a young worker, it frequently leads to years of economic distress for him and his family. Bills which have been introduced to lower the requirements for disability benefits deserve prompt consideration and favorable action.

The social security program should also be amended, as the distinguished gentleman from Florida [Mr. PEPPER] said yesterday—to provide benefits to families stricken with catastrophic illnesses. It is social injustice to ignore the plight of families, who have a tremendous expense and a heavy financial burden, in addition to the suffering and hardships associated with such illnesses.

I am confident, Mr. Chairman, that eventually these changes will come. But they are not possible unless we give more serious thought and attention to financing additional improvements.

For this reason, I believe the Federal Government should contribute to the social security fund, matching payments by employees and employers. A one-third Federal contribution would increase social security fund reserves by 50 percent. This would strengthen the fund and make possible badly needed improvements without an additional unjust tax burden on low-income wage earners. It would finance a needed increase in benefits, a reduction of retirement age to 60, disability benefits after 1 year of coverage, and other needed improvements.

Such an expansion in the social security program would further provide job opportunities for young people, as more older folks retire. The economy would be strengthened through the increase in purchasing power that would follow.

Expansion of social security is essential in the building of the Great Society and for a better and more fair distribution of the national income, wealth, and prosperity. The advance of automation, the shut-down of obsolete industrial plants and out-dated government installations require prompt and favorable action on this type of legislation, as well as on other administration proposals for a full employment economy.

In most of the advanced democracies, particularly in Western Europe, the Federal Government contributes to the financing of the social security and medical assistance programs.

Even conservative critics, of the legislation now before us, make a good case for Federal contributions when they point to the heavy burden of social security taxes on wage earners.

The extreme right Manion Forum publication, in its most recent issue, makes a good case for my proposal for Federal contributions. In their criticism of the present social security tax, Dean Manion said, and I quote:

> The person who has been paying social security taxes for years gets no more service and attention under medicare than the person who has never paid any social security taxes at all, and this may be a very wealthy person whose income is derived entirely from rentals, interest, and dividends.

The Pennsylvania Medical Society was critical of financing improvements in the present bill with increased payroll taxes whereby they say, and correctly so, that "a $5,600-a-year worker would have to pay as much medicare tax as the $75,000-a-year executive."

Unintentionally these conservative forces make a good case to place some of the social security costs on high incomes and on interest and dividends which escape this tax, as Dean Manion admits.

It seems to me that there should be a ceiling established on payroll taxes. When the individual tax reaches 6 percent it is time to consider additional means of support for the social security fund.

One of the Nation's best-known and most popular statesmen has recently suggested that consideration be given to Federal contributions.

I speak of the distinguished junior Senator from New York, the brother of our late President, John F. Kennedy, who has contributed so much to the progress of the legislation we expect to approve today. The gentleman from New York made the suggestion at the 14th annual meeting of the National Council on the Aging at the Shoreham Hotel in Washington, D.C., on March 2, 1965, only a few weeks ago.

With permission of the House already granted, I include the Senator's address with my remarks:

ADDRESS BY SENATOR ROBERT F. KENNEDY AT THE OLLIE A. RANDALL AWARD AND DINNER, 14TH ANNUAL MEETING, THE NATIONAL COUNCIL ON THE AGING, MARCH 2, 1965, SHOREHAM HOTEL, WASHINGTON, D.C.

Mr. Shelley, Dr. Dosco, President Meyer, Mrs. Mathiasen, and distinguished guests, I am pleased to be with you at this year's meeting of the National Council on the Aging. Since its founding in 1950, the Council has played a leading role in the effort to help older people lead more comfortable, more complete, more dignified lives. Your work has ranged over the whole spectrum of problems of the elderly—housing and employment, retraining and retirement, medical care and medical indigency. For all, you have contributed substantially to the search for constructive solutions. I therefore feel especially honored that you have asked me to address you.

And it is especially appropriate that we meet today. This year, as we mark the 30th anniversary of the passage of the Social Security Act, we will enact the medicare bill—a charter of freedom from undue fear of illness and injury—into which President Kennedy put so much of his energies and efforts.

I need not dwell here on the significance of medicare. The costs of hospital and related care for the elderly have risen sharply as time has passed, and with each rise in cost, an increasing number of older Americans are unable to afford adequate medical care. We all know that medicare does not solve all the medical-cost problems of the aged. But it is a significant first step—and it is an imperative step.

I would like to talk this evening about what comes next—about a thorough evaluation of the basic structure of the social security system. Social security was designed to give our elderly a hope for decent life in retirement, a new chance to live out their days in dignity and peace instead of poverty and despair. When Franklin Roosevelt transmitted the original social security bill to the Congress, he pointed out that the Nation had a plain duty to establish a sound means of averting the dreadful consequence of economic insecurity. The bill, he said, was directed "toward a greater future economic security of the American people." I think it is time we took a careful look to see whether social security is now fulfilling that purpose—and what we must do to insure that it does afford our older citizens the measure of protection which they need and deserve in their last years.

I do not wish to minimize the importance of other, related problems. We face equally great challenges in finding ways to utilize the skills and abilities, the experience and knowledge of our older citizens; in providing adequate housing for the aged; and in expanding research into the causes and prevention of the illnesses and diseases associated with the aging process. But my major subject this evening is the economic security—or lack of it—which the social security system gives our retired citizens.

The basic fact is that, in the midst of unprecedented prosperity, our older citizens live in poverty. The Bureau of Labor Statistics estimates that it costs about $3,000 for a retired couple to live at a modest but adequate level in a big city, and $2,500 in a smaller community. Yet in 1962, half of the 5,400,000 aged couples in this country had incomes of less than $2,875, and 30 percent had incomes less than $2,000. The modest but adequate level for retired individuals is $1,800, and two-thirds of the 8,700,000 people in this category had less than this amount. Half had less than $1,130.

These shocking and shameful income figures are closely related to the level of social security benefits. For more than a third of its individual beneficiaries, and nearly 20 percent of couples receiving benefits, social security is the sole source of income. But in 1964, the benefits paid to retired individuals averaged $74 a month—just $888 a year. Benefits for aged couples averaged $130 monthly—$1,560 annually. Those millions who depend on social security for their entire support live in poverty.

We have, to paraphrase President Kennedy, continued to add to the years of life; but we have not yet met our responsibility to add new life to those years. Social security may provide a floor of protection to our elderly. But it is a floor without a carpet; and the nails come through.

We have always relied on individual savings and pensions to supplement social security. But for too many, there are no adequate supplements. This is by definition the case for the millions of elderly people who live in poverty. These are the people whose lives have always been a struggle, the people who were never able to save significant sums, the people who never worked for a firm which had a private pension plan. For these millions the sole hope upon retirement is an adequate pension under social security.

We have a long way to go.

The figures I have cited demonstrate that increases of 100 percent or more are needed for the lowest-income groups if we are to provide them with adequate benefits. We must recognize that this is going to be a costly proposition. How, then, are we going to foot the bill?

Within the present scheme, there are two ways of getting greater contributions—raise the payroll-tax contribution rates, and increase the maximum earnings base subject to contributions and creditable for benefits.

There does not seem to be too much room left for doing the former. Many are reluctant to raise the rate much over 10 percent for the employer and employee combined, and increases already projected will bring us to around that level. Increasing the maximum earnings base will be of some help. If, for example, the base were increased to $7,200, as this year's Advisory Council report recommended, individuals who earn $400 a month on the average would get benefits of $144 monthly instead of $127. Couples with those earnings would get $226 a month in benefits instead of the present $190.50. Some have suggested that the maximum earnings base could realistically be raised as high as $9,000 or $9,600, but even that would not be enough to provide the level of benefits essential to a life of modest comfort and dignity.

To provide these benefits, I think we must begin to consider a limited use of general revenue financing for the system.

Economically, a limited turn to general revenues makes a good deal of sense. The payroll tax is highly regressive. Its major justification has been that a payroll tax is basically contributory. In the main, the worker gets out during the years of retirement what he put in during the working years.

Yet, to a significant extent, this is no longer the case. Considerations of social justice have modified the strict relation between benefits and earnings. We have provided benefits to poorer and more irregularly employed workers; to widows and orphans; to those disabled by injury and illness. And we have always paid benefits to workers who were too old when the program began to make a full contribution for the benefits they are receiving.

In all these ways, the social security system has responded to genuine social needs. Through it, we are now providing benefits to deserving people who properly were not asked to pay for them. But we are doing so out of payroll contributions of others—and the payroll tax is highly regressive. That is why I say a limited turn to general revenues would make a good deal of sense.

Financing the extra benefits which I have mentioned out of the progressive income tax instead of the regressive payroll tax would greatly ease the burden on middle and lower income wage earners. It would allow a return to use of the payroll tax as a basically contributory device; and it would free a substantial sum to be used for the benefit of those who had contributed it.

Nor is there anything revolutionary in suggesting that we must be considering a limited use of general revenues in the social security system. The first presidentially appointed Council on Economic Security, whose report preceded the enactment of the Social Security Act, said that Government contributions to the system would eventually be needed, adding prophetically that, "It will not be necessary to have actual Government contribution until after the system has been in operation for 30 years."

The 1938 Advisory Council made the same recommendation, giving as its reason that "the Nation as a whole, independent of the beneficiaries of the system, will derive a benefit from the old-age security program. * * *" The Council also said, pertinently, that "with the broadening of the scope of the protection afforded, governmental participation in meeting the costs of the program is all the more justified. * * *" The 1938 Council stated the principle to be one of distributing the eventual cost of the old-age insurance system by means of approximately equal contributions by employers, employees, and the Government.

The social security board itself in 1939 called it "sound public policy to pay part of the eventual cost of the benefits proposed out of taxes other than payroll taxes, preferably taxes such as income and inheritance taxes levied according to ability to pay." The board added that "the wider the coverage, the more extensive this contribution from other tax sources might properly be."

In 1946 the House Ways and Means Committee's technical staff recommended a continuing Federal subsidy up to "a third of the year's total of benefit and expense payments." The 1948 Advisory Council called a Government contribution a recognition of the interest of the Nation as a whole in the welfare of the aged and of widows and children. I might just add that these advisory councils were not composed of wild-eyed radicals. Both the 1938 and 1948 groups included such highly respected names as Edward R. Stettinius, Jr., and Marion B. Folsom.

There is, therefore, sound historical basis for undertaking now to consider utilizing a contribution from general revenues to help provide adequate benefits for the lowest-income participants in the social security system and to help finance the payments of benefits to other beneficiaries who were never able to contribute in full for what they are now receiving. And there is sound economic basis as well. We will, over the next few years, have more than sufficient general revenues for a constructive contribution to social security without any increase in taxes. The present growth rate of the economy is 3½ percent annually. Some say it will be even greater, but even at 3½ percent the present tax rates will generate an annual revenue increase of $6 billion. By 1970, the income tax will be yielding the Federal Government an estimated $30 billion more every year than it is today. I think we can certainly afford to contribute some of this to social security. By doing so we will considerably ease the pressure on State and local welfare costs which are now skyrocketing. The dollars we put into raising social security benefits for the lowest income retirees to an adequate level will directly lighten the load on public assistance—a load, I might add, which is often financed by regressive State and local sales and property taxes. If we are going to deal with the problem, I think it makes a great deal of sense to use the income tax to do it.

I would like now to turn to some specific items, some particular things which we ought to do to improve the overall adequacy of the social security system.

First, specific action is needed to improve the position of the widow under social security. The average widow's payment is now only $67 a month—$804 a year. Widows should receive benefits of the same magnitude as their deceased husband's primary benefit. Widows deserve disability coverage, too, as do disabled wives of retired or disabled workers. The lack of coverage in this area represents a significant threat to economic security.

Second, I think it is imperative that we modify the retirement test, which causes reductions in benefits for workers earning over $1,200. As the law now stands, unless a man can earn quite a substantial sum, he will begin actually losing money as he earns over $1,700; at that point his tax-free social security dollar will be replaced by taxable earned dollars on a 1-for-1 basis. It is important to the policies underlying social security that there be an earnings test, but I think that at present it goes into operation at an inequitably low level, and should be raised significantly.

Third, disability benefits are, in my judgment, in need of certain reforms. At present the law requires that a disability be expected to be of indefinite duration, in effect permanent. President Kennedy recommended in 1961 that the requirement of permanence be removed, leaving only the requirement that the disability be total. Coupled with a provision for payments immediately upon determination that a total disability exists, this would provide the economic security needed. Further, the requirement of inability to engage in any substantial gainful activity is unduly hard on older workers who, though unable to perform their usual work could theoretically, though not practically, obtain other employment. I would liberalize the definition of disability for workers over age 55 so they need not show inability to engage in any and all substantial gainful activity, but only in the activity in which they were previously engaged.

These things we must do—and we will do them. But we must above all not rest content with the achievements of yesterday or today. We must continue our concern, and our attention for these problems—never allowing the passage of time and the change of circumstances to outmode our solutions. We must learn to pay better and more regular attention to the need for increased benefits. Even during the past 4 years, during which we did a good job in holding the line against rises in the cost of living, consumer prices rose about 5 percent. If we are not going to provide any automatic formula for increase—as we have done under the civil service retirement system and the military service pension system—we must be prepared to legislate regularly to raise benefits, not only to keep pace with the cost of living, but to allow our elderly to share in the rapid gains in productivity which we have been experiencing. Our inaction does not leave things as they are. It allows them to deteriorate.

But the basic choice is a plain one. Social security, for many of our senior citizens, will be only a way of keeping partial reliance on public assistance from turning into total reliance—unless we do whatever is necessary to provide an adequate income for all retired Americans. We must insure that "the best is yet to be, the last of life, for which the first was made." It is up to us.

Another proposal for financing needed improvements, Mr. Chairman, comes from an editorial in the Senior Citizens Sentinel, Los Angeles, Calif. The Sentinel is the voice of the National League of Senior Citizens headed by Mr. George McLain, one of the Nation's foremost leaders of senior citizens. The Sentinel editorial follows:

BRING IT UP TO DATE

For 25 years millions of Americans have been receiving monthly social security checks. Yet, there are still more people who find this reality hard to accept, who appear to believe the system is only a transient, radical idea destined to be abolished just as soon as we can teach people the simple virtues of thrift and foresight.

Certainly anyone in touch with social reality knows that social security is here to stay and that its promise of security for every American family is also realistic in our technologically developed economy. This was the intent of the original legislation. And the only thing holding back this promise is the failure of our lawmakers to keep the system up to date, to provide new financing for rising living standards of retired people, and to make up the losses caused by inflation.

There are those who have deliberately tried to make the payroll tax deduction as burdensome as possible in order to disillusion the average worker with the whole idea of social security, playing on his fears of bigger and bigger tax bites to finance the benefits. But it is not necessary to continue taxing the small wage earner.

Instead of raising the percentage on a low tax base, which is now a maximum of $4,800, the tax base itself should be raised. Tax base is the taxable portion of a worker's income. When social security first started in 1935 it was $3,000 and in 1965 it is still only $4,800. It has not kept pace with rising wages in the inflationary spiral. A base of $14,500 now would be comparable to $3,000 in 1935, covering 95 percent of total covered earnings.

The tax base should be raised now to at least $7,500, without changing the percentage of payroll deduction. It still wouldn't catch up with inflation. But it would provide additional revenue with which Congress could raise benefits by as much as 50 percent. The report of the Advisory Council on Social Security, recently released, confirms the soundness and necessity of adjusting the taxable base upward to a realistic level so that the burden will be shared by higher income groups. As President Johnson said, in connection with other legislation, Congress must not "delay, hesitate, or compromise our purpose."

Another interesting editorial was published in the Washington Post of February 25, 1965. It pertains to the sharp rise in social security payroll taxes and the financing of social security improvements. The Post editorial follows:

FINANCING SOCIAL SECURITY

There is now a broad consensus in Congress on social security legislation. Retirement benefits are to be substantially in-

creased this year, and, barring an unlikely political upset, Congress will establish a modest program of hospital insurance. A great deal of attention has been given to expanding social security benefits, but the important question of how they are to be financed has been neglected. And therein lies a danger. By adhering to the maxim that benefits must be paid out of current payroll taxes, the economy may be dealt a severe deflationary blow.

Under the administration's King-Anderson bill increases in regular social security retirement benefits would be made retroactive to January 1, and assuming its passage by July 1, net benefits payments, measured at annual rates, would increase by $2.6 billion in the second half of this year. This fiscal stimulus, coming at a time when the growth of private expenditures may be tapering off, is most welcome. But unless the King-Anderson bill is carefully amended, the economy may be rudely jolted by the $5 billion increase in social security taxes that will become effective on January 1, 1966.

If this sharp rise in payroll taxes is not cushioned, the economy may again be plagued by a fiscal drag. By suddenly boosting social security taxes, the full employment surplus—the budgetary surplus that would obtain if the economy were operating with only 4 percent unemployment—will be increased. And with a higher full-employment surplus, greater diversions of taxes from the income stream will dampen economic activity.

The fiscal threat inherent in the planned tax hikes may be easily averted without weakening the social security trust funds. Congress should defer any increase in payroll taxes until the end of 1966, and beginning in 1967, the tax should be raised in a series of small steps. Shortfalls in meeting social security claims can be paid out of general tax revenues. But, given the growth of social security receipts at current tax rates, these contributions would not be large. And as the scheduled increases in tax rates were effected, the need for Treasury contributions to the trust funds would be rapidly diminished.

The need for cushioning the impact of a boost in social security payroll taxes is urgent. But Congress should also consider other deficiencies of the present social security system. By limiting the increase in the payroll tax base to $5,600, the King-Anderson bill consigns social security a minor role in providing adequate retirement incomes. The Advisory Council on Social Security proposes a $7,200 income base, a level which would permit a lowering of payroll tax rates and opportunity to increase the benefits conferred upon those in the lowest income groups.

Steps should also be taken to lift the limitation on earnings by retired persons. If social security benefits are an earned right, paid for by the insured during their working years, no means test should be interposed.

Mr. Chairman, these editorials and remarks by the junior Senator from New York deserve most serious consideration by the Congress.

In conclusion, Mr. Chairman, let me say that the new social security bill which is now on its way to final enactment, was approved by the Ways and Means Committee after many months and even years of study and debate. Volumes of testimony have been printed and distributed expressing all points of view presented by every interested group.

During the last few weeks, before the decision was made, the committee invited testimony again from interested parties. Dr. Donovan F. Ward, president of the American Medical Association, appeared before our committee with two aids. Among other expert witnesses who testified in recent weeks were representatives of hospitals, nurses, nursing homes, group health organizations, doctors favoring medicare, senior citizens, and other groups. Few pieces of legislation ever had such lengthy hearings. The issue has been widely debated and discussed in Congress and throughout the Nation.

Proponents of "eldercare" influenced support for the voluntary health insurance feature of the medical care program. The AMA charge that medicare was inadequate because it was confined largely to hospital and related care brought support for a comprehensive bill. The claim that eldercare would provide broader coverage than King-Anderson helped to influence the decision to include additional benefits through subsidized voluntary health insurance.

A difference of opinion among physicians was quite evident. Many of them supported medicare and requested the inclusion of physicians under the social security program.

Mr. Chairman, H.R. 6675, the Social Security Amendments of 1965 had my full support in committee. I will vote for the legislation today and I hope and believe it will pass by an overwhelming vote.

Finally, Mr. Chairman, I want to pay a personal tribute to some of the pioneers whose efforts have helped pave the way for enactment of this legislation.

The Nation's senior citizens owe a debt of gratitude to these pioneers. Among them is our distinguished colleague from California, the Honorable CECIL R. KING, a cosponsor of the King-Anderson bill. He has been a target for reactionary attacks because of the leadership he gave in fighting for this legislation. To mention a few others, I also include our former colleague, Aime Forand, who back in 1957 began the campaign by introducing the Forand medicare bill. The deceased father of our distinguished colleague, JOHN DINGELL, JR., who has presided as Chairman in the Committee of the Whole during debate on this historic legislation, was another courageous leader in this fight. A former chairman of the House Education and Labor Committee, John, senior, was one of the original sponsors of legislation such as we expect to pass in this House today.

Much credit, too, belongs to our beloved late President John F. Kennedy, one of our most brilliant Chief Executives. His efforts for this legislation has been a substantial contribution to the cause of social justice and human progress and the success that seems evident when the House decision is made today.

Mr. GONZALEZ. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BYRNE] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Chairman, this is a day to remember. I know that our citizens over 65, who have been praying for inexpensive health insurance for so many years, will see the introduction of this bill, the Social Security Act of 1965, as a sign that the future holds new hope, new freedom from the constant fear of catastrophic illness. A wise man once said, "It is not the end of joy that makes old age so sad, but the end of hope." Often it has been illness which has caused the end of hope for our senior citizens. Their financial resources painfully accumulated over many years have disappeared and they face a growing apprehension that the future will only bring larger medical bills and no way to pay them.

The Social Security Act of 1965, which I am proud to support, will establish a basic hospital insurance plan to provide protection against the costs of hospital, skilled nursing home care, home health visits, and outpatient diagnostic services for individuals 65 or older. Benefits would be financed through a separate payroll tax and separate trust fund. Those aged individuals who are not currently social security or railroad retirement beneficiaries will be covered through payments made from general revenue. It is estimated that a total of 19 million citizens over 65 will be helped by this basic health insurance plan.

Basic health insurance is supplemented by a voluntary plan which provides benefits to pay for physicians' and other medical and health services. This plan is financed through monthly premiums of $3 by individuals, matched equally by Federal Government revenue contributions. Probably more than 80 percent of the elderly would participate in this supplemental plan: the payments of $3 a month will be more than covered by the 7-percent across-the-board increase in social security benefits which is also provided in the bill under discussion. Certainly these two plans, which complement each other beautifully, will give the elderly the financial security they so desperately need. They will be able to plan better ways to spend their small incomes, when they are not hampered by the fear of illness. Too often today they must use money which should go for necessities to pay health insurance premiums designed for younger folk who are still working and can afford to pay the cost of adequate insurance coverage. We must enact this legislation now: hearings have been held, and never has a measure received such detailed and careful consideration as have the health insurance provisions of the Social Security Act of 1965.

The bill also reforms many aspects of existing welfare legislation, and improves the general structure of the social security system by increasing benefits, continuing benefits up to age 22 for children in school, providing reduced benefits for widows at age 60, liberalizing the retirement test and extending coverage to more of our working population.

Not only the aged, but all of us will be helped by this measure. Our social security system will be brought up to date and made a part of our prosperous America which has not forgotten its debt to senior citizens. The bill also expressed

our concern for the problems of those who are less fortunate, and recognizes that the Kerr-Mills program should be extended to other needy groups besides the aged. This bill is an illustration of the American way of solving social problems: thoughtfully, with slow deliberation, but with final action which will result in immediate and long-range improvements.

Mr. Chairman, I urge all my colleagues to vote against the recommittal and to support the bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, it is with great reluctance that I must oppose this legislation, which admittedly is aimed at relieving some of the financial burdens of our older citizens. Through the years I have consistently worked to improve the social security system and to broaden its coverage and benefits. I always have been guided by the desire to make the program one of maximum usefulness so long as its basic fiscal soundness is not impaired. As for the increase in social security benefits, this increase also is included in the substitute bill. I voted for an increase in social security last year as did most Members of this body but the realization of this increase was blocked by the administration.

We could with proper legislation make great progress in bettering the medical and hospital service for our elder citizens but the bill before us today unfortunately strikes at the future solvency of the social security system. It also would threaten to place our medical profession in a quagmire of governmental bureaucratic control and inefficiency and defeat the very purpose that we are attempting to attain.

It also is unfortunate that the committee did not propose a voluntary system such as that embodied in the substitute bill which will be offered. It is regrettable that the committee bill does not involve a contributory feature for those over 65, for this means that the total burden of this program will be born by taxpayers under 65. While I believe in giving assistance where it is needed I think it is totally unrealistic to make these benefits completely available to all persons regardless of income. The substitute offers a deductible feature for persons with incomes in excess of $5,000 per year.

The substitute bill offers greater benefits and includes most of the principles of the so-called eldercare. The substitute also includes coverage of catastrophic illness, at a lesser cost.

Mr. Chairman, I am sorry that the Committee on Ways and Means did not see fit to have full public hearings this year on this very important legislation.

I regret the fact that we will not have an opportunity to vote on individual features of this legislation but will merely be able to vote for or against it after the substitute is accepted or rejected.

In other words, I am far from satisfied with the form in which this question is presented to us for it leaves me no choice but to vote against the bill unless the substitute bill prevails.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield to the gentleman from Illinois [Mr. COLLIER], a member of the committee, 10 minutes.

Mr. COLLIER. Mr. Chairman, few bills that have reached the floor of this House have undergone greater legislative surgery or subsequent transformation than the bill before us today. In fact the original measure which was recommended by the administration was totally inadequate to meet the very needs which its proponents declared were so demanding of attention. In some areas the present bill does not even remove the arguments for the type of hospital insurance program which requires the extension of the Kerr-Mills concept.

Let there be no understanding that the Kerr-Mills program, which was the target of constant attack by the proponents of the King-Anderson bill, will in any manner be eliminated. Rather it will be expanded and will undoubtedly embrace wider participation than in any of the previous years since its adoption. I should make it clear that I am not in opposition to this phase of the bill but merely make this observation as necessary to the legislative history of it.

The legislation with which we are dealing has been substantially improved but could stand a great deal more improvement. It leaves much to be desired, particularly because it further burdens the social security system through increased payroll tax which I believe is neither necessary nor wise.

I shall not, however, indulge in any discussion on the philosophy of compulsory participation nor the alternate proposals. I would leave it to others who have and will explore all of the facets of this during the many hours of debate.

First let me state as I did on the opening day of consideration of this bill before the House Ways and Means Committee that I believe that title III of the bill should have been a separate and distinct item of legislation. In fact, it could have been passed weeks ago because this is the section which deals with the increase in old-age, survivors, and disability benefits and certain other changes in the existing law which were substantially those we passed by an overwhelming majority in the 88th Congress.

The fact of the matter is that it should have been law so that the elder citizens would already have been receiving an increase in benefits had the other body not insisted on medicare in conference a year ago and thus temporarily scuttled the entire bill.

I say that this should be separate legislation because the medicare provisions introduce a whole new concept into our social security structure, and I agree with Representative TOM CURTIS in stating that this portion should have been handled in public hearings. It is my understanding that the other body would not hear to separating the two distinctly different portions of the bill; undoubtedly because the sweeteners in title III were presumed the provide pressures for Members to vote for the whole package regardless of the fact that they might well have been wholeheartedly for the provisions of title III and not so enthusiastic about the face-lifted sections of the other titles.

For years social security has been a bargain at the price tag it carried for millions of retired citizens. But it certainly will not be a bargain for those who will be entering the labor market tomorrow or in the years ahead. In fact, I think that many workers today will be somewhat disenchanted as the whole story of the social security payroll tax is unfolded. If you look briefly at the social security system, you get some idea of what I mean in dollars and cents. I trust that as a supporter of the principle of social security, I will not be charged with tearing up a social security card in the next election.

Here are a few basic facts and figures which are, I believe, indeed revealing. In 1939 an employee earning $550 a month paid $30 per year into the social security trust fund and his employer paid a like sum. At that time the maximum monthly benefit was $58 and the survivor family benefit $85. By 1950 the same employee paid $45 a year and his employer paid $45, and the maximum single benefit was $80 and the maximum family survivors' benefit $150.

This year the same employee paid $174, making the combined annual contribution $348, with single maximum benefits at $127 and family survivor benefits at $254. Now bear in mind that I am taking the maximum benefits in each instance.

But by 1973, an employee with the same monthly earnings will pay $353.10, so that the combined payment will be $706.20, and the benefits $167 on the individual maximum and $368 on the survivors' family benefits.

This means that we have seen an increase of more than 480 percent in the amount the worker is paying from the inception of the program to the present, while his maximum benefits have increased only 119 percent. Now here is a really significant figure: As the bill before us is written, the worker's payment into the fund will show an increase from its inception of over 1,000 percent, with his retirement benefits by 1973 increasing 189 percent.

Now, of course, those arguing the case for expansion of social security will point to the many other provisional benefits which have been added to the program, including disability benefits and other broadening programs applying to orphan children, increased widow's benefits, and so forth. This poses a formidable argument in fact but not in figures.

However, the perpetual disparity in respect to new entrants between the value of tax and the value of benefits constantly arises. This is because increased payroll taxes must be sufficient not only to pay future benefits for new entrants but also to provide income which is the equivalent of interest on a nonexistent reserve fund.

Whether you agree or disagree with the need to do this, the fact remains that social security, as I stated before, was indeed a bargain for the price tag

it carried for many years, but I don't think it is a bargain for those entering the labor market right now.

Perhaps the best way to emphasize this point is to take the example of a young man who is entering the labor market next January first at the age of 21 years. Let us assume that he were to deposit each year the contribution that he will be paying as a payroll tax in any financial institution with an interest rate of 4¼ percent per annum.

Do you realize that at the age of 65 he would have $42,000? Now add thereto another $42,000, which is the matching sum his employer or employers would pay into the trust fund over the duration of his pre-retirement years, and you come up with a figure of $84,139.

If both he and his wife live to be 77 years of age and draw the maximum social security benefits for a married couple for each year from the date of his retirement, he stands to draw in total retirement benefits $6,000 less than his own interest-compounded contribution and more than $48,000 less than the interest-compounded, combined contribution of his and his employer's.

If you would like to figure out what the self-employed person under the same conditions would get, you will find a much greater disparity.

You might respond by saying, "Look at the protection he has under this program all these years," but I submit that every protection provided under the social security program could be purchased privately and leave this young man with a very substantial balance at the age of 65, which he, of course, could leave in a savings account to draw interest while using only the funds he needed to live comfortably in his retirement years. I submit that these figures have been based upon no further changes in the social security law beyond those which are before us today; no further increase in benefits; no further liberalization and no further increase in payroll taxes. But then you and I know that it has become almost standard procedure to increase social security benefits from time to time out of need through increased cost of living, as well as a smattering of political expediency or motivation.

I cite these figures and examples to restress the fact that unless there is reasonable discretion used in burdening the social security program, particularly when needs can be met without doing so, that we place in jeopardy the goose that laid the golden egg, or, better yet, reach the point where the system is one of diminishing returns.

Certainly we have an obligation to improve the program for those already in retirement and those soon to reach retirement, but it seems to me that we also have some responsibility to the generations yet to come, millions of whom may be paying more in the payroll tax under social security than they pay in income taxes, even though they will, of course, in many cases be paying an income tax upon the social security payroll tax withheld.

Separate fund or no separate fund, the manner in which the social security program is being expanded in every direction is going to reestablish the age-old fact that you cannot get 3 pounds of rice out of a 2-pound bag; and you are likely to have many future workers urging Members of Congress not to do anything more for them in this area because they just will not be able to afford it.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, first of all, I want to express my appreciation of the vigorous leadership of our distinguished chairman, the Honorable WILBUR MILLS. As our chairman, he encouraged the analysis of every viewpoint, weighed every recommendation, utilized every suitable suggestion, to develop the best possible result. I am proud to have had a part in the drafting of this bill.

There are those who may find imperfections in our work, and imperfections there may be, but when related to the tremendous, far-reaching scope of the work, they become much less significant. This is a "good" law, a needful enactment motivated by high purposes for the general welfare of the elderly, the near-elderly and the elderly of the future.

I consider this bill the best improvement to social security since its enactment 30 years ago. Long overdue, this measure is designed to effectively remove the fear of "old age" which was the intent and promise of the original legislation.

In my district, and it is reasonably representative of a large urban district, there are over 100,000 people who live on social security benefits, actually and fully retired.

The question is raised as to how they manage. Those who have been reasonably provident and fortunate, have managed. Those who have suffered illness are indeed in a dreadful plight.

When the late President Roosevelt first talked about our freedoms he omitted a reference to the freedom of fear from illness. With the passing years the skyrocketing costs of hospital and medical care have multiplied this inherent fear of our elderly into a persistent nightmare.

In my community, the last opportunity for those over 65 to enroll under Blue Cross occurred almost 2 years ago. The rate for 70 days hospitalization insurance on that occasion was $9.95 per month. The rate was not related to costs and imposed tremendous burden upon the younger groups to subsidize the coverage for the elderly.

Since that time, the only available coverage occurred under the Ohio 65 plan which was sold for $12.50 a month and paid hospital bills up to $15 per day for a period of 31 days. The cruel fact of this offering was that there were no hospital rooms available in the community under $38 per day thus leaving the so-called assured exposed to the colossal expenses not included in the coverage. A comprehensive policy under the Ohio 65 plan with substantial deductions was offered at $23 per month or $276 per year.

With average benefits totaling $88.50 per month, just how would the average social security beneficiary be capable of paying for coverage which under many circumstances would cost 26 percent of his income? At these prices, adequate health insurance could only be acquired by reducing expenditure for other essentials such as food, shelter, and clothing.

A great deal is said about the cost of subsidizing hospital care of the aged through the payroll taxes of those who are working and the subsidizing of the medical care of the aged through general revenues. The simple fact is that the immense cost of this burden must be subsidized one way or the other. If these responsibilities are not handled through this type of program, they must be undertaken by citizens individually. There is no doubt that this is the most preferable way to meet this critical problem.

There is another important consideration. One of the prime purposes of social security is the creation of inducements to retirement. There are 1¼ million people in America today who continue in their jobs and who have not taken advantage of their retirement benefits although they are fully eligible. Hundreds of thousands of these workers who are eligible for retirement are reluctant to retire because of their grave concern of their capacity to pay for medical and hospital needs. This bill may provide the needed incentive for their retirement. It is possible that this bill could encourage the retirement of 300,000 or 400,000 persons who now hold job billets which are needed by others coming along.

The Government's cost of this program is minute when related to these increased job opportunities which this legislation may generate. Other agencies and other job-creating programs spend as much as $5,000 to $35,000 per job created. This bill can create these job billets at a fraction of the Goverment cost in other programs. These are permanent jobs and the billets will be created every year as workers are encouraged into a retirement where health and medical needs are assured.

In my community as in others throughout America, we will need additional hospital facilities. In my community at the present time there are no extended care facilities. We will have to undergo extensive construction programs to provide adequate extended care and hospital facilities. It is high time that America commenced an extensive and adequate program to provide these facilities. This construction will create jobs and contribute to the betterment of general economic conditions.

At the present time, the antipoverty program is shaping up throughout America to train and prepare the millions of disadvantaged Americans who search for opportunities to work. This bill and its incentives will provide an area and need for trained hospital and medical staff workers who can be trained in the antipoverty program to do needful and necessary things for the aged and the infirm who need this care. No more worthy program could be developed. Now is the time to prepare these people for hospital and medical work. This bill therefore provides new areas for utilizing the antipoverty program and developing

skills and manpower where they are most urgently needed.

The impact of this new bill will be far reaching. In the early stages, we must expect that the administration of this program will be difficult and perhaps disappointing. The success of the program will depend in great extent upon the cooperation of the medical profession which must ultimately develop policies directed toward the most effective hospital utilization and the most efficient and economical utilization of medical and nursing services.

No one can dispute the need for this program or the high purposes which impel its adoption. With early diagnosis and treatment, there is hope that good health in later life can be extended to the same degree that modern science has extended life itself. The senior health sciences will indeed be stimulated by this program which may ultimately provide every citizen with a longer, healthier expectancy. The years of good health we add to life, may indeed be our own.

Mr. BETTS. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. MARTIN].

Mr. MARTIN of Alabama. Mr. Chairman, at the outset of my brief remarks I would like to commend the chairman and other members of the Committee on Ways and Means for the very able work they have done in preparing the Social Security Amendments of 1965. I would also commend them for the leadership they have lent to this debate. It is quite evident that we are not all in accord on how best to deal with the health care problems of the aged but no one can deny the responsible and constructive manner in which this matter is now being considered.

As one who is not an expert in social security matters, I would have preferred that hearings be held on the specific legislative proposals now before us so that I could study that record. However, the committee report, I think, is most informative—both the majority and the minority views—and I commend those responsible for its preparation. My Republican colleague from Virginia [Mr. BROYHILL] merits special commendation for his additional separate views in which he comments on the reasons why he considers the eldercare approach superior to the medicare approach in providing for the health needs of our senior citizens. Mr. Chairman, as one who was privileged to be a cosponsor of the eldercare bill, I am grateful to my Virginia colleague for setting forth for the record his very significant statement.

Mr. Chairman, I would next like to comment briefly on some of the substantial provisions of this bill.

I approve of the increase in cash benefits provided under the bill. As I understand the matter, the last general benefit level increase occurred in 1958 and in the intervening period the cost of living has increased so that the OASDI recipients need this adjustment in their benefits. I would have preferred to see the minimum benefit raised somewhat higher than is proposed in this bill but I recognize the limitations that are imposed on any benefit increases by the requirements of actuarial soundness and restraint in use of the taxing power. I will have more to say on the tax aspects of this bill later in these remarks.

Another provision in the bill that I consider particularly meritorious concerns the liberalization of the retirement test so as to give greater discretion and flexibility to our aged in combining periods of retirement and periods of some work. I have always believed that our elder citizens should be encouraged to continue some working activity in the interest of advancing their own well-being and the change in the retirement test will make that possible. Also, this retirement test improvement will increase the equity of the social security program as it applies to our individual citizens.

Mr. Chairman, I would like to commend the membership of the Committee on Ways and Means for including in this bill a provision continuing cash benefits with respect to children up to age 22 who are attending school. To the extent that this modification enables our young citizens to continue their education it will serve a very meritorious purpose. The provisions of the bill that strengthen the Kerr-Mills program of health care for our medically indigent are also very desirable and I am particularly pleased that the eldercare concept has been adopted by these changes.

But, Mr. Chairman, all is not good in this bill. There are some changes proposed in H.R. 6675 that I wish the committee had not proposed or I wish that the committee had decided to deal with in another way. An example of a change that I would like to see deleted is that provision which includes cash tips in the taxable wage base. My concern over this provision is that the administrative complexity it involves will outweigh the other considerations that prompted the committee to include it in the bill.

Mr. Chairman, I am opposed to the compulsory medicare provisions of H.R. 6675. As one of the sponsors of the eldercare bill I fully subscribe to the views of the gentleman from Virginia [Mr. BROYHILL] as they are set forth in the committee report. I object to medicare because it is needlessly compulsory and because it is financed by a regressive payroll tax that will reduce the take-home pay of many people who cannot afford to pay additional taxes. Medicare threatens to involve our health services, our health professions, and our aged in a great bureaucracy that will impair the quality of our Nation's high medical standards. I also share the view expressed today that the inclusion of service-type benefits in the social security program may impair the ability to meet future cash benefit obligations. I will not belabor the point by reiterating the dangers and disadvantages that are inherent in the medicare approach to the problem of assuring that our aged citizens receive adequate health care. Suffice it to say that H.R. 6675 would risk these dangers and impose these disadvantages needlessly. There is a better way and that better way is clearly provided by the alternative being offered by the Republican members of the Commitee on Ways and Means. I support that alternative and urge others to do so because of the many superior features this alternative approach provides. It is voluntary, more comprehensive in coverage, recognizes the principle of ability to pay, and is not financed by regressive payroll taxes.

Mr. Chairman, I am a businessman and have worked all my adult life in the competitive world of our free enterprise system. I am also an employer. I know first hand what mounting tax burdens do to stifle the growth potential of business and the employment opportunities a growing business provides. It is in part because of my business background that I am gravely concerned over the payroll tax burdens that will result from this bill. We are proposing to take almost $5 billion more in taxes next year just for social security purposes. The present $17 billion that we now collect in social security taxes will almost double by 1972 and the total will continue to mount after that. Mr. Chairman, that is another reason why I am concerned over using the social security mechanism to finance medicare. I submit to my colleague there is a better way and we should adopt it. I will vote in favor of the motion to recommit H.R. 6675 with instructions to the Committee on Ways and Means to report the bill back to the House with that better way included.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Tennessee [Mr. FULTON].

Mr. FULTON of Tennessee. Mr. Chairman, during my campaign for the Congress in 1962, one of the most important pledges I made to the people of Tennessee's Fifth Congressional District was a promise to vote for the medical care for the elderly program. The year was 1962.

Last year, in 1964, it was necessary to renew that pledge because the House of Representatives had not had the opportunity to consider this program.

As a candidate it was my belief that commitment to this program was all I could offer.

However, it was also my belief that as a Member of this body I could contribute to enactment of this program in a more positive way if given the opportunity. On January 7, of this year, my Democratic colleagues gave me that opportunity by honoring me with a seat on the House Ways and Means Committee.

In the past several weeks it has been a privilege to sit with all the members of this committee in the deliberations which led to the writing of the bill now before us.

As a result of those deliberations, guided by the skilled and very able leadership of Mr. Chairman MILLS—with a rather surprising assist from some very unexpected quarters—the committee has reported this bill which goes much further in meeting health needs of our senior citizens as well as providing for their general welfare than any previously considered.

We also must recognize the contributions made to this bill by such organizations as the Senior Citizens, the AFL-

CIO, HEW, and the millions of Americans who have lent their support by word, letter, and deed.

Members of the medical profession, hospital administrators, insurers, and other groups rendered constructive assistance by providing the committee with very useful information, facts, and data.

It is a privilege and honor for me to rise in support of H.R. 6675. The programs and benefits in this legislation will contribute significantly to the solution of one of the major social concerns of our time, the needs of the elderly. In addition, it will provide that priceless ingredient so important to secure retirement with peace of mind by eliminating fear of economic deprivation through major illness and medical expense which constantly nags at the hearts of millions of Americans who are 65 or older. This bill will also free millions of young Americans from the heavy financial burden they are forced to carry in financing the medical care of aged parents and relatives.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FULTON of Tennessee. Mr. Chairman, some 2 years ago, there were three major programs which I supported in my campaign for Congress. Of those three programs one was the medical care for the elderly under social security, one was Federal aid to education, and one was equal opportunity for all of our citizens of the United States. Last year I had the pleasure of casting a vote for one of those major programs, namely, to give to every American equal opportunity. Only 2 weeks ago I had the pleasure of voting for another of those major programs in my campaign, that is, a bill to give Federal aid to education, and today I am looking forward, as we close debate on this bill, to casting a vote on the third major program which I promised the voters in 1962.

Mr. Chairman, once again it is an honor and a privilege for me to rise in support of this bill.

Mr. BETTS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, I rise to support the comprehensive legislation for health care now before the House.

I believe without hesitation that passage of this bill as it stands reflects the opinion of the overwhelming majority of Americans. We are all familiar with the many years of debate which has preceded floor consideration today, and I would hope that we are about to reach a conclusive determination.

I do not wish to detail the various elements of the bill, with which I am sure my colleagues are familiar. The legislation offers four approaches: First, a hospital care program financed through increased payroll taxes; second, a voluntary plan covering physicians' surgical expenses and other health services; third, an extension of the Kerr-Mills program; fourth, improvements in the old-age, survivors, and disability insurance program.

The provisions are far reaching. There is no doubt that we are recognizing a Federal responsibility toward the medical care of the elderly, though it is clear that this responsibility was already established through Kerr-Mills.

Mr. Chairman, I have been privileged to sponsor and testify in behalf of like legislation through the years of my service in the Congress. Since 1959, when I was privileged to be associated with our former colleague, the distinguished and beloved gentleman from Rhode Island, Aime Forand, in the sponsorship of legislation that pioneered the bill before us, I have participated in the continuing effort to win an effective health care program for the elderly. I cannot help but feel how thrilled our friend, Aime Forand, must feel today to see the cause he led so gallantly for years finally come within near realization. And it is significant to point out, with the passing of time since the legislation's original introduction, the urgency of realistically meeting the medical needs of elderly citizens has grown.

I dare say the bulk of testimony and record that has accumulated on this one issue probably outweighs any other. We know that today only one-half of the Nation's elderly hold hospital insurance; this percentage consists predominantly of the very old, those in poor health, the unemployed, and those with the lowest incomes.

And for those who are enrolled in commercial plans, the coverage is wholly inadequate to meet spiraling medical costs. The Special Committee on Aging of the Senate reported in July 1964 that only 1 in 4 older people hold insurance which the American Hospital Association claims as adequate.

A Bureau of the Census survey indicated that where one or both spouses had been hospitalized during 1962, couples had total medical expenses approximating $1,200, of which $600 represented hospital costs. By this accounting, half of the medical expenses of the aged are nonhospital items, and coincidentally, these items are precisely those which are inadequately covered through commercial plans.

Thus the supplementary and voluntary approach for nonhospital services in H.R. 6675 is appropriate and necessary. The committee estimates that above the annual $50 deductible, the plan will cover 80 percent of the patient's nonhospital treatment.

We know that hospital costs represent a substantial portion of the retiree's medical expenses. The average cost per day for inpatient care, including room, board, and miscellaneous laboratory and medication fees, reaches $40 or more. Hospital expenses have risen about 7 percent every year during the 1960's. The elderly use hospitals about three times as much annually as younger people in other age brackets.

Mr. Chairman, in summary, we are dealing with an age bracket wherein the need for health care is most acute, but where the resources to meet the need are most lacking. In most cases, medical care represents an overwhelmingly large slice of their annual budgeting. And we are similarly aware that millions of people are unable to afford the kind of treatment they need.

In 1960, 45 percent of those over 65 had an annual income of less than $1,500. In this bracket there is almost a total lack of alternative financial resource in case of emergency.

There are endless statistics indicating the stringent demands of the elderly for health care they simply cannot afford.

H.R. 6675 similarly raises the benefits to a minimum $4, and also increases the permissible outside earnings for those receiving benefits. Widows at age 60 would become eligible for actuarially reduced benefits.

I am especially pleased that the bill contains a provision extending child's insurance benefits to age 22 to children attending school or college beyond the age of 18. Last year and additionally in the present Congress I introduced amending legislation to accomplish this just objective, and it will greatly assist young widows with children who are faced with financing higher education; we know the ever-expanding urgency of education as a prelude to employability. This provision will take effect on January 1, 1965, and approximately 295,000 children will become eligible for these education benefits.

H.R. 6675 additionally corrects an inequity which has long burdened an important employee segment of the economy. Tips paid an employee have always constituted taxable income; yet the Social Security Administration has been reluctant to consider tips as wages for social security purposes. Since a waiter's salary is depreciated in adjusting to tips, he has found himself in the lowest social security scale. H.R. 6675 rectifies this injustice by providing for the reporting of tips for social security purposes.

In returning momentarily to the health care portions of the bill, H.R. 6675 additionally authorizes $5 million for fiscal 1966 for child health and maternal services; amounts are authorized for crippled children's service and for grants to educational institutions to train professional personnel in the care and health of disadvantaged, particularly retarded, children. HEW is authorized to initiate a 5-year program, in cooperation with State health authorities, for projects providing broad health care to children of especially low-income families.

Mr. Chairman, this is comprehensive legislation offering the Nation's elderly the whole panorama of health care so that they may live out their lives in reasonable comfort and dignity. I am convinced that the bill does not jeopardize the valued and important doctor-patient relationship; the choice of doctor is left completely to the enrollee. The bill does give the aged the necessary resources to secure needed medical care, and I do not believe this violates any professional or private ethic.

This Nation has advanced momentously in the field of medical science. No other people can boast of comparable knowledge and facilities. The cost of this expertise is steadily increasing. Does this mean that only the well-to-do, only

those with sustained income in their later years, are eligible to receive health services? Illness does not discriminate between rich and poor, though we do know statistically that lower income families are more susceptible to almost every kind of sickness.

Medical attention, I must insist, is not a common retail commodity. In the final analysis we are dealing with people's lives, and with the health of the body politic. This is the real issue. We have amassed steadily distressing evidence that the overwhelming majority of older people cannot afford proper care when illness and emergency strike, and this is a legitimate interest of the National Government.

The system prescribed in H.R. 6675 can work if we apply it intelligently and with prudence. I urge the House to take this necessary step and pass this legislation.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I am pleased to yield to my distinguished colleague, the gentleman from New York.

Mr. HORTON. Mr. Chairman, I take this opportunity to rise to commend the chairman of the committee and the members of the Committee on Ways and Means for the excellent work they have done on this bill and also to take this opportunity to indicate my support for H.R. 6675.

THE PROBLEM

The primary problem of America's senior citizens is how to meet the costs of health care at a time when income is lowest and potential or actual disability is highest.

Two factors are present in this problem. First, the aged population of our country is growing considerably; there now are approximately 18 million people in the United States who are over the age of 65. Second, rapid progress in medical science has not been paralleled by the economic progress of older citizens; they are caught in an increasing squeeze between sharply reduced income in retirement years and increased medical expenses.

Let us look for a moment at the dimensions of this second factor, namely, the heavy medical costs of old age when incomes typically are low.

Based on comparable family circumstances, income for the over-65 age group is less than half that earned by younger people; yet, health costs for the older Americans are twice as much. Fully half of the aged couples have incomes of under $2,800 annually. The average senior citizen living alone—and one out of every four over 65 does—has little more than $1,200 a year.

On the other hand, medical care costs have doubled since 1947. Daily hospital service charges have tripled during that same postwar period. Additionally, hospitalization insurance premiums have shown a 100-percent increase since 1952, an increase greater than any other important item in the consumer price index.

The reasons for these higher costs are real. New advances in the healing arts—new medical techniques, new drugs, new progress in therapy—have multiplied man's ability to control and conquer disease. Still, these strides have been expensive and part of the expense must be borne by the beneficiaries.

As would be the expected result of this imbalance between science and economics, the impact of higher medical costs is felt most heavily by the aged. They require more medical services than the younger population and for longer times. Statistical evidence reveals that four out of five people over 65 have a disabling or chronic condition. Further, they go to the hospital more frequently and stay twice as long as those in the under-65 population.

Among the aged of this country, there is very little freedom from the fear that serious illness will wipe out their financial resources. The choice is between going without needed medical attention or exhausting their savings for it and then living out their lives dependent on others or as public charges. I think we can agree this is not a desirable choice.

PROPOSED SOLUTIONS

For the past 20 years, there have been proposals before Congress to establish some system for national health care.

In 1950, the Social Security Act was amended to authorize Federal participation in the cost of medical care benefits made available to the needy aged under State and local welfare programs. Several times since then Congress has extended and expanded Federal support of these programs.

The most significant of these improvements was the Kerr-Mills Act of 1960. This authorizes matching payments to the States to aid in financing medical care for aged persons. An individual's eligibility is based on a means test and administration is through public assistance agencies. These two elements of Kerr-Mills are considered its chief stumbling block.

Therefore, proposals for a national health insurance program financed by payroll deductions, similar to social security, have been heard more and more.

These measures for a health care program financed under social security commonly are called medicare. But while the name is the same, their legislative language over the years has varied widely. Since 1961, this kind of legislation, also, has carried the name King-Anderson, after its two principal congressional sponsors.

THE PENDING PROPOSAL

While H.R. 6675 has medicare in it, it also is much more. In fact, the bill is a five-part measure.

The first part deals with hospital and nursing home care for our elderly citizens. These benefits would be paid out of a separate trust fund to which payments would be made from payroll deductions. It is strictly a hospital insurance program. No doctors' bills or other related medical services are included in the benefit provisions made available by this part.

The second part of the bill offers older people the opportunity to participate in a medical insurance program to help them pay physicians for the cost of treatment. This is voluntary. If a person wants this coverage, he signs up for it, pays a monthly premium, and the Federal Government matches his contribution from general revenues.

The third part revises and improves the benefit and coverage provisions of the present social security old-age, survivors, and disability program.

The fourth part expands existing provisions of medical assistance for the needy aged. It will bring better benefits to more people through Federal-State cooperation.

The fifth and final part deals with added amounts of money to be provided the States from the Federal Treasury to serve mentally retarded, maternal and child health, and crippled children programs.

At this point, I would like to highlight the principal provisions of each part.

PART 1—BASIC HOSPITAL INSURANCE

The plan would pay for—

Inpatient hospital services for up to 60 days for each period of illness, with the patient paying the first $40. All services usually furnished by a hospital are covered;

Posthospital care for up to 20 days per illness after a minimum of 3 days in the hospital. For every day the person's hospital stay was less than the 60 days, he would be eligible for 2 additional days of this nursing home care, up to a maximum of 80 days.

Outpatient hospital diagnostic services. The patient would pay the first $20 for these services provided by the same hospital during a 20-day period. If within 20 days of his receiving such services, he should become a hospitalized patient, the $20 would be credited against the first $40 requirement.

Up to 100 home visits for health care by a visiting nurse or similar specialist after the patient was discharged from a hospital or nursing home.

Under the terms of the bill, the hospital benefits would become effective on July 1, 1966, and the other benefits on January 1, 1967.

The financing of the program would come from a payroll tax levied uniformly on employers, employees, and the self-employed.

It would begin at 0.35 percent in 1966 and increase to 0.80 percent by 1987. Additionally, the earnings base to which the tax would apply is increased from the present $4,800 to $5,600 a year in 1966; to $6,600 in 1971.

For those not covered by social security or railroad retirement, general revenue would support the system.

The payroll taxes and general revenues go to a separate hospital insurance fund in the Treasury.

Administration of the plan would be by the Health, Education, and Welfare Secretary with assistance from the States and private organizations and advice from an Advisory Council created by the bill.

PART 2—SUPPLEMENTAL MEDICAL INSURANCE

This is a voluntary plan to provide physicians and other medical and health services. Three-dollar monthly premium payments by individual participants

would be matched equally by the Federal Government out of general revenues, and after an annual deduction of $50, would pay for 80 percent of these costs—

Doctors' and surgeons' services provided in the hospital, clinic, office, or home.

Other medical and health services, in or out of an institution, including X-rays, laboratory tests, EKG's, basal metabolism readings, radium and isotope therapy, surgical dressings and casts, artificial limbs and eyes, certain ambulance services, and certain equipment rentals.

Hospital care for mental illness up to 60 days per confinement, with a maximum lifetime benefit of 180 days.

Up to 100 home visits each year with no prior hospitalization requirement.

A social security allotment is authorized for payment of the individual's $3 monthly premium payment.

The bill sets up periods for enrollment in each odd-numbered year from October 1 to December 31. Special periods also are established at the start of the program. The benefits would become effective on July 1, 1966.

Again, the Secretary of Health, Education, and Welfare would be responsible for administration of the program. Private insurance carriers, under contract, would carry out the major administrative functions, such as determining rates of payment and fund disbursement.

A separate section of the supplemental plan also affords a tax deduction for taxpayers of all ages, amounting to one-half the cost of premium for medical care insurance. This would be in addition to presently permitted deductions for medical costs.

PART 3—SOCIAL SECURITY

The 30-year-old social security program of monthly benefits for those who are retired, disabled, or survivors is improved under H.R. 6675. Benefits are increased across-the-board for some 20 million people. They would be made retroactive to January 1, 1965.

In terms of dollars, the monthly benefit range for 1965 would go from the present $40 to $127 to a new $44 to $135.90. In 1966, the maximum monthly payment would increase to $149.90. In 1971, it would be $167.90.

Additionally, the bill sets these new benefits—

Continuation to age 22 for covered children where the beneficiary attends school full time. The present age limit is 18.

Widows' eligibility beginning at age 60, rather than 62.

Disability coverage if a covered worker has been totally disabled for 6 consecutive months.

Reduction of minimum covered work requirement for people 72 and older or their widows.

Increased outside earnings limitation and the exemption of certain income for determining earnings.

Coverage for divorced wives or widows if married to an eligible worker for at least 20 years.

New coverages also are added in the bill. These take in self-employed physicians, farmers, and those employees receiving tip income.

The bill revises the rate schedule for employer-employee contributory financing in graduated steps from the present 3.6 to 4.8 percent by 1973. In line with the basic hospital insurance section, the annual earnings base for computation of payroll deductions is enlarged from the present $4,800, to $5,600 on January 1, 1966, and to $6,600 in 1971.

I want to point out that the provisions in this social security section of H.R. 6675 are very comparable to those I offered on February 17 with my introduction of H.R. 5039. These provisions in many respects are based on the bill we passed here in the House during the 88th Congress and which also cleared the Senate in the last Congress. Of course, that measure never left conference owing to the disagreement over the Senate's addition of a health benefits amendment.

PART 4—KERR-MILLS

Another principal section of this bill extends and expands the existing Kerr-Mills program of Federal assistance to State programs providing medical help to needy older people. This enlargement will be used to increase the Federal matching share from the present maximum of 80 to 83 percent, and also to cover medical costs for the needy who now receive help under the dependent children, blind, and disabled programs.

PART 5—CHILD HEALTH AND PUBLIC ASSISTANCE

The bill provides more Federal funds for a number of child health programs presently authorized and also adds new care and services for youngsters from low-income families. The Federal share for all State public assistance programs is increased. Further, the present limitation on Federal participation in public programs aiding patients in tuberculosis and mental hospitals is removed.

COMMITTEE ACTION

The Ways and Means Committee brought forth H.R. 6675 as a more comprehensive measure than any one of the single legislative proposals which had been introduced for committee consideration. And, there were many proposals.

In some senses, H.R. 6675 borrowed from a number of the plans proposed for aged health care.

The Byrnes bill to establish a national health insurance program for hospital and medical care is found in the supplemental system of insurance for doctors' services. While this bill also sought a similar system for hospital care costs, the committee chose a payroll tax for this area.

Thus, a dual approach is in H.R. 6675: basic hospital care is financed by a payroll tax to let a person in his working years pay into a trust fund; and for supplemental medical care, the individual can elect to contribute into an insurance fund when he gets to be 65, putting up one half the cost of premiums and having the Federal Government match that from general revenues.

I understand the committee also considered the eldercare proposal for a health insurance program in which general revenue funds from the Federal Government could be used to match State grants to buy private insurance coverage. This plan requires the individual to participate in the premium payments based on his means.

But, eldercare is not before the House for a vote, save for its suggestions on Kerr-Mills expansion to the needy aged. These, as I have outlined, are very much a part of H.R. 6675.

Other programs, too, that came before the committee are not up for debate and decision. The question then is whether H.R. 6675 shall be accepted or rejected.

CLOSED RULE

This "take it or leave it" situation is the result of the parliamentary procedure customarily employed for House consideration of tax, tariff, and social security legislation. In order to ward off piecemeal amendments that could threaten the overall structure of such complex bills—and H.R. 6675 runs 296 pages—the rule allows no amendments.

There is, in the so-called motion to recommit, one opportunity to alter a bill considered under a closed rule.

In this instance, the motion to recommit would substitute in place of the basic hospital insurance plan—which H.R. 6675 finances via a payroll tax—the type of financing found in the bill's supplemental plan; namely, premium payments by those over 65 to be matched from the Treasury and on a voluntary participation basis.

Because the basic plan is intended as as minimal benefits plan—a floor of coverage—I believe the bill's basis is sound and sensible. It is not comparable with the supplemental medical insurance section and should not be intermixed.

As I pointed out earlier, there is a priority need to set a minimum standard for basic hospital care available to all older Americans. Because it is so fundamental, I believe it clearly fits our concept of providing Government-protected insurance, financed during working years for security in retirement years.

Prolonged hospitalization imposing a despairing drain on personal and family resources is the one single threat to our present pensioners which to date we have not solved satisfactorily. To insure their independence, I feel it is appropriate and accurate to build this floor of coverage through the formula of payroll deductions into a separate and distinct insurance fund.

FINAL PASSAGE

Mr. Chairman, I believe in the merits of this measure. I believe its passage will create a climate and condition of new security for millions of senior Americans.

The enactment of H.R. 6675 will establish a meaningful program of hospital and medical insurance for the elderly and a series of other benefits for the general good of our Nation.

Therefore, I shall vote for it and work for its strength and soundness in the days to come.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I had not intended to speak on this bill and I do so even now with some reluctance.

Mr. Chairman, I certainly do not mind speaking out what I think on a matter, and with reference to the statement made by the gentleman from Tennessee [Mr. FULTON] a few moments ago as to the measures on which he campaigned, I must say that I campaigned in the congressional district, which it is my honor to represent, on the opposite side of each one of those three issues, and we are both here. So that does not prove a thing.

Mr. Chairman, the provisions of this bill have been pretty well covered both pro and con in the debate and anything that I will say will certainly, at least to a degree, be repetitive.

Mr. Chairman, my problem with reference to this bill is not one of whether we should go into a program of medical and hospital assistance. Even though it is going to be an expensive program, I believe it is necessary. Any doubts that I have about this bill stem from the method of financing the hospital care portion of it.

Mr. Chairman, I have never believed that hospital care should be financed through social security taxes. I have had some very illustrious company in my beliefs, including the beloved and distinguished chairman of our committee. This bill sets up a slightly different approach in that there is a separate trust fund and the tax is not called a social security tax. What name is bears, however, does not make any difference. It is, as is social security, a payroll tax and as such bears more heavily in proportion to income against people in the lower income brackets. I do not see how so many people who are in these lower brackets could be sold on the idea that they should pay a proportionately larger part of the bill, especially when a part of their money will be used for the purpose of paying hospital bills for people who are well able to pay these bills themselves. This simply cannot be justified to the workingman back home—and I for one do not believe that the majority of them do favor this method of financing.

If there is a problem in this area, and there is, it is a problem of all the people in this country, and it should be paid for by all of the taxpayers in this country. I am in favor of the across-the-board social security increases. I am in favor of most of the other social security provisions that have been added to the bill. I like the voluntary insurance program and expansion of the Kerr-Mills program that are included, but I still do not like the very unfair payroll tax method of paying for hospital benefits.

I therefore expect to vote for the motion to recommit, which gives all the benefits I favor, but does not include the payroll tax method of financing.

Mr. BETTS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, H.R. 6675 is a three-part bill and this House should have been permitted to have worked its will on each one of its parts. For this House to be denied the opportunity to amend such a comprehensive bill—denied even the opportunity to strike one of its titles—is beyond belief. The Democratic-minded American people will never believe it. I well realize that our Democrat friends hold more than a 2-to-1 majority in this House, that they have a 2-to-1 majority on all committees, that they have the votes to demand and receive the "gag" rules they want from the Rules Committee for the consideration of any bills, and that they have the votes to pass any legislation—in the form they decree—they want to pass. These matters were decided in a majority of the congressional districts by the electorate in those districts last November. However, in making this decision, I doubt very seriously whether they voted for this House to abdicate its responsibility to at least properly consider and amend legislation before "rubberstamping" it.

Certainly the American people will long remember the procedure being used to pass this compulsory, limited hospitalization plan often referred as "medicare." Every working man and woman will remember the sharp increases in social security taxes called for in this bill. These good people will be asking—as I am asking today—why the administration and the medicare backers were afraid to let this so-called medicare part of this bill come to the floor of the House by itself—or at least under a rule permitting amendments—and be voted up or down on its own merits. What were they afraid of? If this is such a good plan, it could have withstood House scrutiny and amendment. Instead, medicare has been made a part of a comprehensive three-part bill labeled the "Social Security Amendments of 1965," making it necessary for a Congressman to vote yes on medicare in order to be recorded as voting yes on the other two parts of this bill and presented to us under a no-amendment rule.

Personally, I favor the title in this bill which amends the existing Social Security Act and increases benefits. The House passed a bill last session which I supported containing most of the amendments provided for under this title. Unfortunately, these benefits were denied our social security recipients last year when the bill died in the conference after the administration insisted on attaching medicare to it. In fact, I favor a greater increase in social security benefits than the 7-percent increase with a $4 minimum as provided for under the bill we are now considering. However, the "gag" rule which has been imposed upon us by the Democrat majority precludes us from even attempting to increase these benefits. Now, may I ask how much good will a $4 a month increase be to a social security recipient in these inflationary times? Anyone who has been to the grocery store lately can answer this question.

I also favor the other title in this bill which incorporates the Republican plan to permit our senior citizens to subscribe to a voluntary insurance program to pay physicians' and other medical and health services at a cost of $3 per month. Why the administration has agreed to a voluntary medical program—the cost of which is not placed on the working men and women through increased social security taxes and has steadfastly insisted on a compulsory hospital plan financed by higher social security taxes is more than I can understand.

Mr. Chairman, I have just sent a questionnaire into my district posing questions on this legislation and I can say without a shadow of doubt that a great majority of the people in the Fifth District of Ohio do not favor a compulsory hospitalization plan financed by increased social security taxes. In fact, of the more than 15,000 questionnaires already returned to our office, not quite 20 percent of those voting in favor of a hospitalization plan favored medicare. When one considers that almost 43 percent of those returning questionnaires to date indicated they did not favor any interference by the Federal Government into this field, you can readily comprehend how little support there is in the district for this compulsory medicare plan. Now, why do they object? First, the people of the Fifth District of Ohio dislike compulsion. Second, the working men and women object to the increase in social security taxes. Third, the people of the district fear that medicare will lead to socialized medicine and a decrease in the quality and availability of medical and hospital services. Mr. Chairman. I could comment at length on each of these objections but the time allotted me will not permit. Let it suffice then for me to say that I know how much it costs to maintain a family and I know that a family man making $5,600 annually cannot afford the overall $69.60 increase in his social security taxes next year as called for in this bill. Neither will he be able to pay $323.40 in social security taxes in 1971 if his earnings reach $6,600.

If this administration is bound and determined to saddle the country with its medicare plan, the least it could do would be to find some other method of financing it instead of putting it on the backs of our working men and women and those responsible for their jobs. The administration could even do the unexpected and call a halt to some of its wasteful spending and finance it out of current revenues.

Mr. Chairman, I am deeply sorry that the parliamentary situation under which we are operating will not permit a vote on the eldercare bill by this House. The people in my District voting for a hospitalization plan overwhelmingly favored eldercare over medicare. I would have liked the opportunity to cast my vote for eldercare. This opportunity will not present itself today. I, therefore, intend to support the motion to recommit this bill to the Ways and Means Committee with instructions to substitute the voluntary Byrnes hospitalization plan for the medicare title and to include the other two titles of H.R. 6675. Everyone in this House is well aware of the fact that the motion to recommit will be the crucial vote on this bill. The vote on final passage will be anticlimatic as this bill is going to pass—with or without my vote. Believing as I do that medicare is the first step towards socialized medicine in America, I intend to vote "no" on final passage. I do so with

great reluctance as I am in favor of the other two titles in this bill but the "gag" rule under which we are considering this bill has made it impossible for me to cast my "yea" votes for them. To do so by voting for medicare, is a condition I refuse to accept.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, I congratulate the very able and distinguished chairman, the gentleman from Arkansas [Mr. MILLS], and the members of the Ways and Means Committee for bringing H.R. 6675 before the House for action.

This legislation results from many months of public hearings and thorough study of all the issues invovled in meeting the most urgent medical needs of the aged. To say that the purposes of this legislation have been the subject of long, and at times, bitter controversy, is to understate the case. To say that the legislation now before the House represents substantial improvements in actual benefits, over and above the proposals set forth in the medicare bill, is a fair statement of the case.

The able chairman of the committee, Mr. WILBUR MILLS, deserves the gratitude of millions of Americans whose need for the medical services provided for in this legislation is well known. They have waited long for this action by Congress, and they have worked diligently to turn the spotlight of truth on all aspects of the problem. Their patience and their labors are about to be rewarded by enactment of forward-looking legislation pointed at providing a remedy for the most urgent medical needs of our senior citizens.

H.R. 6675 provides for a coordinated approach for health insurance and medical care for the aged under our time-proven Social Security Act. The basic plan gives the aged protection against the costs of hospital and related care. This is supplemented by a voluntary plan which provides payments for physicians and other medical and health services. Through this method the individual has a free choice as to the extent of medical insurance desired while at the same time being protected against the basic and larger costs of hospitalization and related care.

The bill also provides for expanded medical assistance programs for the needy, including the aged, blind, disabled, and families with dependent children.

These provisions alone argue for the passage of H.R. 6675. Some 17 million insured individuals and 2 million uninsured will qualify for the basic benefits involved by July 1, 1966. Further, an estimated 8 million needy persons will qualify for new or increased medical assistance, through the revised Kerr-Mills program.

H.R. 6675 provides other benefits through long overdue changes in key provisions of the Social Security Act. During the 88th Congress and again in this Congress I have introduced specific legislation to:

First. Increase widow's benefits and benefits to surviving children of deceased insured workers.

Second. Permit payments of child's insurance benefits after the age of 18 years in the case of a child attending school.

Third. Increase allowable earned income by retired workers.

Fourth. Increase old-age survivors and disability insurance benefits.

H.R. 6675 incorporates these changes which I have sponsored. It provides for an across the board increase of 7 percent in benefits to widows and surviving children and to old-age survivors and disabled persons. It is estimated that 20 million Americans will be the beneficiaries of this increase in monthly payments. The change authorizing payments of child's insurance benefits after 18 years and up to the 22d year, for those attending school, is expected to help 295,000 surviving children of deceased workers. By raising the ceiling on allowable earned income of retired workers, conditions of life for many of our aged citizens will be substantially improved.

I thank the committee for its favorable action on these amendments to the basic provisions of the Social Security Act. They are in tune with the times, they are realistic in terms of the needs of our people, and they deserve enactment by this Congress.

For these reasons I will vote for and urge passage of H.R. 6675.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 6675 as reported by the Committee on Ways and Means.

Before proceeding further, I wish to express my appreciation on being given this time to express some thoughts in connection with this measure. First, I think our great chairman of the Committee on Ways and Means deserves the commendation of everyone because of the leadership he has exhibited these last few days and because of the years of hard work he has devoted to hearings upon the several different proposals for hospitalization insurance and medical care for our senior citizens. Compliments are also due every member of the Committee on Ways and Means for the several months of hard work they have just finished. They have reported a bill that most Members will find it possible to support.

Correspondence on the general subject of medical care for the elderly has been coming into my office in substantial volume during each of the 6 years I have been a Member of the Congress starting with the Forand bill back in 1959. This mail has not simply been in an amount of hundreds but in the volume of thousands of letters. In answer to this large volume of correspondence I have tried to be consistent over the years when I have repeated I would not blindly oppose legislation of this type because in my opinion its passage was inevitable. Instead, I have said I would try to contribute to an improvement of these measures in a way or manner that would be acceptable to those who had written in opposition. In most of this mail I pointed out I thought there was some room for an improved plan of administration and that there should by all means be some alternatives, choices, or options left to the recipient and the entire plan should not be compulsory without the benefit of some preference of selection or latitude as to choices. As the hearings of the last 2 months progressed, it became apparent that the committee would request a closed rule and that this would mean Members would be cut off from offering amendments to the bill when it reached the floor of the House. Knowing this might be the case, the only avenue that remained was to urge the members of the Ways and Means Committee to set up alternatives or choices within the framework of the legislation, before finally reporting it from committee.

Over the past weeks I have made repeated contacts with members of the committee urging such optional plans. It is my belief that dozens of other Members of the House followed this same procedure. Anyway, the Ways and Means Committee finally came up with a bill that provided not only for basic hospitalization program but also set up an optional or voluntary supplementary medical program which was made available on a purely voluntary basis regardless of whether or not a person were eligible for social security or railroad retirement or other benefits.

While the cost to the individual was established by actuaries to be $3 per month a person was left free to participate in this program or refuse it and certainly there was nothing about this part of the plan that was in any way compulsory or involuntary. Under the supplementary plan, the Secretary of the Department of Health, Education, and Welfare is authorized to enter into an agreement with any State before July 1, 1967. The bill provides that either a State agency may act as a carrier in the State with respect to this supplementary plan or may enter into an agreement providing for another carrier so that insurance benefits, coinsurance and other items can be paid under the benefits provided in the supplementary plan.

I am sure that all of you who had preferred the inclusion of alternatives are thankful and grateful to the committee for the form and content of the measure they reported.

Almost any proponent would admit the bill is not perfect. As a matter of fact that is true of nearly everything in the world. There are not very many diamonds that are exactly perfect. Just about every one of them has some kind of a flaw. Our brilliant sun which is the center of our solar system is not perfect. It has its sun spots. There is so much good in this bill that it is like a large piece of gold surrounded by some of the baser metals. The gold will never rust. It will always be there to shine through. In like manner, the great merits of this bill will always shine through its slight imperfections.

In some recent correspondence I received in my office writers have suggested I had already reached a decision and it was useless to write in opposition. Well, as I have stated over the years, I favored some kind of a workable plan. But my mind was never made up until this bill was finally reported and until after I had an opportunity to study all

of it and in particular its three principal parts including the basic hospitalization program; the optional supplementary medical program and the other provisions including increased social security benefits and liberalized disability benefits as well as improvement in the Kerr-Mills program. But after a clean bill was filed as H.R. 6675 and the accompanying report was printed the longer I studied it with its many, many beneficial provisions the better it seemed to become.

Mr. Chairman, one wonders quite frequently whether any of the debate here in the Committee of the Whole ever changes the viewpoint of a single Member. Yet I have a feeling this bill might be an exception because I know I have talked to several Members who are sort of on the fence or wavering whether to vote for or against this bill on final passage. Many of them would prefer to be in favor of the bill but their mail has been so heavy in recent weeks against the committee report and in favor of what has been called eldercare or in favor of the Byrnes substitute that they have considered opposing the bill on final passage.

Over the years I am certain the majority of those who corresponded with this office have favored some type of health plan for the elderly. In recent weeks, those in favor have neglected to write and our mail has been quite substantial against this bill. Some have freely and frankly admitted they have been asked to write by their physician. Others have joined in a petition that has been circulated by office employees or clerks in the offices of physicians. Some of the letters came from those who have been urged to write by their physician and state quite candidly and freely they have not had a chance to become familiar with the entire content of the bill but nonetheless went ahead to urge our opposition.

Although I have answered all of these letters I would like to say for the record that it is my opinion that these same people who are now opposed because they have been asked to be opposed by someone, will later become more familiar with the provisions of this bill. After it has been fully explained to them, I predict they will be glad the bill was passed by the Congress.

I hazard the prediction when these very same people who are opposed today to the bill because of lack of information about it, will in a short while learn about the layer after layer of benefits it contains. They will discover there are so many good provisions in H.R. 6675 that these people who have in recent weeks voiced their opposition will in the months ahead say that they were wrong and be truly grateful that the bill passed this body and is on its way to becoming law.

To enumerate a few of the provisions these include an increase in social security benefits by 7 percent; the establishment of a new minimum; the optional benefits for widows at age 60; the liberalization of eligibility requirements for about 155,000 presently disabled workers; increase maternal and child health services and for crippled children's service. Even the Kerr-Mills program was extended and expanded to include not only the indigent aging but added the requirement that States provide a flexible income test for eligibility.

Yes, Mr. Chairman, when more people become more familiar with the multiplicity of benefits contained within the several parts of this bill all of which contribute to supplementing its major provisions, I would say to those Members who may be harboring the thought of voting against this bill you will be held accountable or responsible for participating in an effort to deny to the people all of these good things.

It is my considered opinion that before too long the present opponents will wake up to the good things they have not been told about in this bill and when they do they will never forgive those Members who are against this bill today.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. CAMERON].

Mr. CAMERON. Mr. Chairman, I want to join with my many colleagues who have today paid tribute to the chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS]. He and his committee have truly brought before the House a monumental piece of legislation that will virtually enshrine his and his committee's efforts in the hearts of all Americans.

I also would like to pay tribute to you, Mr. Chairman, for the manner in which you have conducted this Committee of the Whole House, and the honor that your chairmanship pays to your late, esteemed father. I remember full well, when shortly after I was discharged from the Marine Corps in 1946, joining a speaker's bureau on behalf of similar legislation which your father had introduced in this body. I am sure that as the Committee rises tonight you will feel a sense of satisfaction, knowing that the work which your father began over 20 years ago has finally come to fruition.

Mr. Chairman, though I am a wholehearted supporter of this legislation in all of its facets, I would like to call to the attention of the House one slight defect in the measure of which I am aware. My discussions with members of the Ways and Means Committee and with staff thereof clearly indicated that it was the intent of the committee to provide appropriate language in each required instance to assure that the American people will have the opportunity of free choice with respect to vision care. Throughout this bill, there are a number of places where provisions have been made to allow the beneficiaries of the legislation to determine their choice as to disciplines which will meet their vision needs.

Most Members are fully aware, from the debate that surrounded H.R. 12 during the 88th Congress, of the continued rivalry between medical doctors who practice opthamology and doctors of optometry. In order to assure that the American people have a free choice of vision care, it has been necessary to specifically stipulate in all legislation dealing with health care that beneficiaries may choose between optometry and medicine for this service.

Unfortunately, there is an area in H.R. 6675 that does not make this choice clear. The way section 532(b), which appears on page 150 of the bill before the House, is drafted precludes this choice of vision care for some 10 million schoolchildren. Certainly, this inadvertency is understandable in drafting such a monumental piece of legislation. I am sorry that it is not possible to make a correction of this here on the floor. As you know, Mr. Chairman, the bill is being considered under a closed rule and, therefore, it is not possible to amend. I would hope, Mr. Chairman, that the clear intent of the committee and the expressed will of Congress over the years with respect to providing this very necessary option to all beneficiaries of governmental medical programs would be corrected in the Senate. Surely, amendments will be made to this bill in Senate committee. It seems to me that this should be one of the first orders of business when the bill reaches the other body. I know full well from past history on this same subject that there would be no hesitancy on the part of this body to accept such an amendment coming from Senate-House conference.

Again, Mr. Chairman, I pay tribute to you, to the chairman of the Ways and Means Committee, to the members of the committee and to the staff who have today given us the opportunity to vote on what will surely be among the most significant pieces of legislation enacted during the tenure of any Member.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, this is indeed a historic day—the day when the House will finally approve of hospital care for our senior citizens through social security. I want to join in commending the distinguished chairman of the Ways and Means Committee for his leadership on the floor yesterday and today.

Social security was originally enacted 30 years ago, and no legislation since then has taken such sweeping steps toward insuring our Nation's health and welfare. I have been fighting for this kind of legislation throughout my service in Congress. At the opening of this session of Congress I joined our distinguished colleague, the gentleman from California [Mr. KING], in sponsoring H.R. 1, the well-known King-Anderson bill. In the 87th Congress I signed a discharge petition in an effort to bring the King-Anderson bill to the floor for a vote. Now it is here as part of a bill which will broaden and improve the whole social security program. H.R. 6675 is, as President Johnson said, "a tremendous step forward for our senior citizens." But it is more than that. It is a recognition of our society's growing awareness that with our riches and abilities we can, and we must, insure all American citizens at least a minimal opportunity to the pursuit of health, life, liberty, and happiness.

Mr. Chairman, in 1957, our former colleague, Aime Forand, predicted that it would take 10 years for Congress to enact medicare legislation. I am confident now that 1965 will be the year of medicare.

According to a survey made early this year by Louis Harris, the American public rates the problem of medicare as the Nation's No. 1 domestic issue. This is readily understandable—the number of persons living on a small fixed retirement income continues to increase as do their needs for health care and the prices they must pay for such care. The average cost of 1 day of hospital care has risen from $9 to nearly $40 since 1946. This is compounded by the fact that every year, one out of six persons over age 65 is hospitalized and, on the average, the aged hospital patient spends three times as long in the hospital as does a younger person.

About 1 out of every 10 Americans over the age of 65 lives in New York State. Also, about every 10th citizen of our State is a senior citizen.

Let us look for a moment at the financial situation of our senior citizens. In both New York City and in the State of New York as a whole, more than one-fifth of the families with an aged head had less than $2,000 a year in income at the time of the last decennial census. The situation among the unmarried aged was worse. About 45 percent had an income of less than $1,000 a year. These figures include social security benefits, which at the present time are received by 770 persons out of every 1,000 persons aged 65 or over in our State. These statistics, we must bear in mind, are for one of the country's richest States.

Until it became abundantly clear with this session of Congress that some form of medicare bill might be enacted, foes of medicare insisted that private health insurance and the Kerr-Mills program made it unnecessary. These claims do not stand up. According to a report of a subcommittee of the Senate Special Committee on Aging, which held hearings on the subject of private health insurance for older persons, only about half of the aged had hospital insurance and among these, only one in four had insurance that was adequate according to the definition of adequacy of the American Hospital Association. The report maintained that Blue Cross plans generally have come closest to offering adequate hospital insurance but under the pressure of competition, they, too, have had to increase premiums or decrease benefits.

The fact that private health insurance cannot offer the aged adequate protection at reasonable prices has been amply demonstrated in New York.

Last year, the New York Blue Cross plan, the Associated Hospital Service of New York, on the ground that it was paying out monthly $5 million more than its income, asked the New York State Insurance Department for permission to increase premiums for all subscribers. It also requested permission to adopt a form of experience rating. Under experience rating, premiums are based on the frequency with which a person or a group is hospitalized so that rates for younger persons are lower than for older persons rather than all persons or groups paying the same premium regardless of whether they are low risks or high risks. The Associated Hospital Service of New York was granted an increase, effective as of July 1, 1964, that averaged about 32 percent, rather than the 40 percent it had sought. It was denied its request to adopt experience rating which, according to New York State Senator George Metcalf, might have increased premium charges to the elderly as much as 100 percent within 3 years.

The New York 65 Health Insurance Association, made up of private insurance companies which have been permitted to act in concert in order to offer the elderly more protection at lower rates, was granted permission to raise its rates 21 percent, effective as of February 1965. A spokesman for the association said that between October 1962 and December 1963 it had run up a deficit of $2 million and without the increase its accumulated deficit by the end of 1965 would total over $5 million. It is interesting to note that the spokesman said the program was never intended to be the insurance industry's answer to proposals to put medical care for the aged under social security. He called it rather "another way" of providing health insurance for the aged.

Even Governor Rockefeller, at the New York State Conference on Aging in 1962, said:

> I reluctantly came to the conclusion that it would not be possible to assure medical care for all the aged through the private insurance route, even though it could give protection for a substantial percentage of senior citizens with the financial means. And, at the same time, our studies of the possibility of a State plan, providing catastrophic health insurance for all citizens, also made clear that the costs of such a plan would be so high, in terms of payroll tax, as to place New York at a very serious competitive disadvantage with other States in the business and industrial field.
>
> Therefore, I reluctantly concluded that this was one field in which we would have to look to the Federal Government to act on a national basis.

The Kerr-Mills program also is totally inadequate to meet a need that requires a national and uniform approach. The program is in its fifth year of operation; yet it has not been adopted by all the States. Because each State sets up its own eligibility requirements and benefit package, Federal money is not used equitably for persons in like circumstances and persons are penalized merely because they happen to live in a particular State of the Union. Moreover, applicants for aid, and sometimes even their relatives, must submit to a humiliating means test.

The eldercare bill that is advertised on the commercials of the American Medical Association is little more than an extension of the Kerr-Mills program. It has most of the defects of Kerr-Mills as an answer to a national problem, to which it adds some of its own. The intent of eldercare is to encourage States to provide medical aid to the aged in the form of private insurance protection by increasing Federal matching by 5 percent over the present Kerr-Mills levels for aid furnished this way. Coverage would be open to all persons 65 years of age or over who are not recipients of old-age assistance but those with incomes above a State-set level would be required to pay part or all of the premium cost, depending upon the degree to which their income exceeds the level set by the State. A serious defect of eldercare is that, on the one hand, the income limit set by the State for its payment of premium can be so low that no new beneficiaries would be added to the rolls; at the same time, the bill neither sets a limit on premium rates that private insurance may charge nor does it establish minimum benefits. Therefore, the extra Federal matching might benefit the profits of the insurance companies more than the health of the aged. Under eldercare actual benefits would be determined by the States. If they have not been able to afford them under the present Kerr-Mills program, how will they be able to finance an expanded program?

H.R. 6675 presently before the House provides for two coordinated health insurance plans for persons 65 years of age or over—a basic hospital insurance program and a related supplementary voluntary health insurance program.

The basic health insurance program would provide persons 65 years of age or over who are eligible for social security or railroad retirement benefits with benefits similar to those contained in the King-Anderson bill, namely inpatient hospital care, posthospital extended care, home health services, and outpatient hospital diagnostic services. The bill, however, does not cover the services of radiologists, and three other specialists that, under certain circumstances, would have been covered under King-Anderson. Benefits would be financed by a compulsory payroll tax imposed on employers, employees, and the self-employed who are subject to the social security tax or the railroad retirement tax and the proceeds would be placed in a separate trust fund. Persons who are not eligible for social security or railroad retirement payments but who reach 65 within the next few years also would be eligible for benefits, which would be financed from general revenues.

The voluntary program is intended to supplement the benefits offered in the basic program. After an annual deductible of $50, the insurance would pay 80 percent of a variety of medical costs, including payment for physician and surgeon services regardless of where rendered, electrocardiograms, basal metabolism readings, and the rental of iron lungs and oxygen tents. Persons who enroll in the program would pay a monthly premium of $3, which would be matched from the general revenues of the Federal Government. In order to keep collection costs to a minimum, participants who receive social security or railroad retirement benefits would have their premiums deducted from these benefit checks.

Unfortunately, the bill calls for the repeal of the medical and drug deduction now extended persons 65 or older by the Federal income tax law.

I have long urged that medical and dental expenses should be completely deductible for all taxpayers and have introduced H.R. 4656 to accomplish this.

The bill would permit taxpayers who itemize their deductions to deduct half of the cost of their health insurance premiums up to $250, regardless of the 3-percent floor on medical deductions. This provision would apply to all taxpayers of all ages.

Mr. Chairman, the combined coverage of these two plans will provide protection of a type that few older people can now afford. If a person does not choose to participate in the voluntary program, he still would have hospitalization costs covered. I would think, however, that most aged persons would participate in the voluntary insurance plan. The increase in cash social security benefit payment provided in the bill will cover the monthly premium cost.

Mr. Chairman, the citizens of this country have been most patient, while Congress has discussed health insurance for the aged. It is time for affirmative action.

In addition to the health insurance plans, the bill before us provides for the first general benefit increase since 1958. The bill provides a 7-percent, across-the-board benefit increase effective retroactively beginning January 1, 1965, with a minimum increase of $4 for retired workers at age 65. The committee states:

> These increases will be made for the 20 million social security beneficiaries now on the rolls.

This increase is greatly needed. Since 1958 per capita disposable personal income—the spending money after taxes—has increased from $1,825 to $2,000, an increase of 20 percent. The cost of living has increased about 8 percent.

The increase of 7 percent is really a modest proposal. An increase of at least 10 percent would still give our older citizens only half as much as the average increase for the rest of the population. I realize, however, that the social security system must be kept actuarially sound. The 7-percent increase is a welcome updating of a system upon which so many Americans depend.

The bill before us makes other changes in our social security system which are urgently needed. I am most pleased that it includes a provision to continue to pay a child's insurance benefit until the child reaches age 22, provided the child is attending public or accredited schools, including a vocational school or a college, as a full-time student. I have long urged the adoption of such an amendment and introduced H.R. 3732 to accomplish this result.

The committee rightly points out in its report:

> A child over age 18 who is attending school full time is dependent just as a child under 18 or a disabled older child is dependent, and that it is not realistic to stop such a child's benefit at age 18. A child who cannot look to a father for support—
>
> Because the father has died, is disabled, or is retired—
>
> is at a disadvantage in completing his education as compared with the child who can look to his father for support.

The amendment for schoolchildren should receive our wholehearted support.

Another amendment liberalizing widows benefits also seeks to increase aid to the disadvantaged. Under this amendment widows will receive an option of receiving benefits beginning at age 60. The benefits payable to those who claim them before age 62 will be actuarially reduced to take account of the longer period over which they will be paid. Under present law, full widow's benefits are payable at age 62. The committee estimates that 185,000 widows will be able to receive benefits immediately under this provision.

Another needed change is the libralization of the outside earning provision. Under existing law the first $1,200 a year in earnings is wholly exempted, and there is a $1 reduction in benefits for each $2 of earnings up to $1,700 and $1 for $1 above that amount. This bill increases the $1 for $2 "band," as it is called. It will apply between $1,200 and $2,400, with $1 for $1 reductions above $2,400. In the 88th Congress I introduced H.R. 1967 and in the 89th Congress I introduced H.R. 3735 both of which increased the amount of outside earning a secial security recipient could receive without a reduction in benefits. In this Congress my bill increases that amount to $3,600. The bill before us today obviously falls far short of that goal. However, it is a step in the right direction and deserves our support.

I have long advocated legislation to provide that tips received by an employee in the course of his employment may be included as part of his wages of the purpose of old-age, survivors, and disability insurance. I have urged the adoption of such a proposal since my election to Congress. My bill this year is H.R. 4183. There are millions of employees who earn a substantial percent of their income from tips.

Under the present law they are not permitted to pay into the social security system. This presents a particular hardship as these employees are by in large earning less than many other Americans. Therefore, they and their dependents, are hit hardest by old age and disability. The bill before you seeks to correct this gross injustice. The employer will be required to withhold social security taxes on tips reported to him within 10 days after the end of the month in which they were received. The employer would pay over his own and the employee's share of the tax on these tips and would include them with his regular reports of wages. If the employee does not report his tips to his employer within 10 days after the end of the month involved, the employer would have no liability. In such a case the employee alone would be liable for the amount of both the employee and employer tax.

Mr. Chairman, another important feature of the bill is its provision to make it easier for a substantial number of our older citizens who have not had the opportunity to be covered under social security to receive coverage. The present law requires a minimum of six quarters of coverage for insured status. As a result, although the general requirement for insured status is one quarter of coverage for each year elapsing after 1950 and up to retirement age, people who reached retirement age in 1956 or earlier must have more than one quarter for each year that elapsed after 1950 to qualify for benefits. This bill eliminates this injustice.

The bill provides that the minimum would be three quarters of coverage rather than six, and therefore people who reached retirement age in 1954, 1955, or 1956 can qualify for benefits if they had one quarter of coverage for each year that elapsed after 1950 and up to retirement age. People who reached retirement age prior to 1954 can qualify if they had three quarters of coverage instead of six. The committee estimates that 355,000 people will immediately become eligible for social security payments under this provision.

Mr. Chairman, I have outlined the highlights of the amendments in H.R. 6675 which liberalize our present social security laws. These provisions combined with the health insurance plans make this a truly important piece of legislation—a milestone in the field of social insurance.

I urge my colleagues to send H.R. 6675 to the other body with an overwhelming vote.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the gentleman from Michigan [Mr. FARNUM].

Mr. FARNUM. Mr. Chairman, I rise in support of H.R. 6675 and wish to take this opportunity to commend the gentleman from Arkansas, Chairman WILBUR MILLS, and the other members of the Ways and Means Committee who worked long, hard hours in producing this fine piece of legislation.

No amount of oratory will keep our older citizens from getting sick, or will put money in the savings accounts of retired persons who have exhausted their savings and cannot find jobs. I am grateful, therefore, to have the privilege to vote in this Chamber today for a measure which will not only insure adequate medical care for our older citizens and retirees, but will also give a long-overdue increase in social security benefits to them.

Today, ample proof has been presented that we have the opportunity, the means, and also the will to aid in one stroke the ailing aged, students, widows, crippled children, and others worthy of our serious concern.

Let us give overwhelming evidence of this concern. Let us do what is right because it is right.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia [Mr. KEE].

Mr. KEE. Mr. Chairman, I rise on the floor of the House to pay tribute to Chairman WILBUR MILLS of the Ways and Means Committee. It is because of his able leadership, his wisdom and his judgment that we in the U.S. House of Representatives will this afternoon pass this overdue and absolutely essential legislation.

In conclusion, I should like to say that every American citizen, those of us here today, our older folks and our children and our grandchildren and the generations yet to come all owe Chairman MILLS a debt of deepest gratitude, a debt

for which we will not be able to adequately express our appreciation. Because of his leadership and because Congress is going to enact this legislation, America is going to continue to move forward.

Thank you, Mr. Chairman—I salute you, sir.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. MINISH].

Mr. MINISH. Mr. Chairman, it seems particularly appropriate that the year 1965 should see the enactment of legislation which is so important right now to people who were born at the turn of the century, or earlier, and have now achieved their 65th birthday. In their lifetime they have participated in the tremendous changes in our way of life which have occurred during this period. They found themselves, in their thirties in the midst of the greatest depression this country has ever known. In their forties they weathered the greatest war this country has ever known. In their fifties they continued to build the mightiest economy this country has ever known. It is altogether fitting and proper that, in 1965, they are rewarded with the greatest social security bill this country has ever known.

If ever any legislation had a clear mandate from the people, the proposal to provide medical care for the aged is that legislation. It was clearly pressed as an issue in the election of 1964, and the results are in. But, as President Johnson has said, there has been an increasing awareness since World War II of the fact "that the full value of social security would not be realized unless provision were made to deal with the problems of the costs of illnesses among our older citizens." The facts showed that four out of five persons 65 or older have a disability or chronic disease and that people over 65 go to the hospital more frequently and stay twice as long as younger people. The facts showed that health costs for older men and women are twice as high as for the younger age groups and that almost half of the elderly have no health insurance at all because they cannot afford it.

Another poll, in early March of this year, spoke again for the American people. The Harris poll of March 8, 1965, showed that 62 percent of Americans prefer the social security method for meeting these health costs over the last-ditch proposal of the American Medical Association, in spite of the expensive ads and mountains of "give-away" pamphlets on their so-called eldercare plan. For the people knew that, just as the Kerr-Mills program has been found inadequate because it depends upon State matching money and a means test, eldercare would be subject to the same limitations in spite of the broad claims made for it. As the 47-year-old wife of a janitor in Buffalo told the pollster, "It would be easier if everybody shared the load for medical care when people get old." And a 39-year-old farmer in Utah spoke for his generation when he said, "Now it seems like those who need the most get the least. When you're older and need the help is when you need the money. We all will face that problem one day."

Mr. Chairman, the Committee on Ways and Means, after due deliberation, has come up with a great bill. It is a bill which provides three new programs for health insurance and medical care for the aged under the Social Security Act by establishing, first, a basic hospital insurance plan providing protection against the costs of hospital and related care—including home health visits and posthospital care in a skilled nursing home, as well as diagnostic services; second, a voluntary "supplementary" plan providing physicans' and other medical and health services financed through monthly premiums of $3 equally matched by Federal funds; and third, an expanded Kerr-Mills medical care program for the needy and medically needy which would combine all existing medical programs for this group into a single new title with generous Federal matching money.

I am glad to see that this omnibus bill also goes further to modernize and bring up to date our existing social security and public assistance programs as well. The 7-percent increase in cash benefits will not only recognize the changes which have occurred in our economy since 1958, when the last across-the-board increase was passed, but will also help to finance the cost of the new voluntary supplementary insurance plan. Indeed, one feature of the bill is to allow an automatic $3-a-month deduction from the social security benefit if the individual chooses such coverage. Other features of the bill which are especially important, in my mind, are the continuation of benefits for children attending school beyond age 18 and up to age 22, as well as the liberalization of the earnings limitation. All of these changes are important.

But I am particularly glad to have the opportunity to vote in favor of the new health insurance programs contained in this bill. This is, indeed, landmark legislation. This is a vote I shall brag about to my grandchildren and, hopefully, to my great-grandchildren. For, as the President has said, "Compassion and reason dictate that this logical extension of our proven social security system will supply the prudent, feasible, and dignified way to free the aged from the fear of financial hardship in the event of illness." The needy is national, the people have spoken, and we are at long last ready to vote this proposal into law.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Wyoming [Mr. RONCALIO].

Mr. RONCALIO. Mr. Chairman, I deem it one of the great honors of my life to rise in support of the able and great chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], and to support this legislation. My vote comes 25 years after my first associations on Capitol Hill, which began as an employee of the Senate, when I first heard what were the beginnings—in 1941—of years and years of debate, deliberation, and of hearings on this vital subject.

Mr. Chairman, today the Congress of the United States, in keeping with the highest and best principles of American democracy, will enact a piece of legislation that promises to fulfill the long-cherished dream of America's elderly citizens and answer the monumental mandate of her voters.

House bill H.R. 6675 is a carefully constructed and a thoroughly representative compromise, geared to give the American people a program of health and hospital care for the aged that meets what is now acknowledged as a just and worthy need.

Public concern over the problems faced by our elderly citizens is not new. Legislation to remedy their hardships is not new. The halls of Congress have resounded with debate over this issue for over 30 years. That is long enough.

Never before was the issue so dramatically focused than in the 1964 election when the American people were offered a choice—and that choice included the solution to the crises faced by the elderly in obtaining medical and hospital care.

The verdict was unmistakable. The people want a program that could best supply these services under a sound system that implements Government participation with private supplementary programs.

The bill presented today incorporates features of many proposed programs, truly representing the thinking of many conscientious leaders of both parties who recognize the moral and practical considerations that made this bill necessary.

By choosing to meet this moral obligation through the social security system, lawmakers have again exposed themselves to the critics of social progress who would have the American people renounce their obligations in a spirit of negative defeatism over what were once considered the insurmountable challenges of cruel circumstance.

A NEW SPIRIT

Today a new spirit leads this land, a spirit that fires hope in the hearts of those who would otherwise reconcile themselves to the forces of misfortune they could not control.

Today the American people have set forth on a road that will not be barred by these forces, and in following this path they are again harassed by those who would resign man to the mercies of his environment.

Their arguments, not unfamiliar to those that rocked these halls when President Roosevelt proposed social security, ring as hollow now as they did then. What was questioned then has been answered, but the answer has fallen on deaf ears.

The social security system is sound. It has fulfilled the promise it held forth in those dark days, and it will continue to fulfill them. These amendments, administered through the reliable social security system and a supplementary voluntary private plan, will equally confound critics with undeniable success.

The health care bill we are voting on today incorporates the best features of several measures considered by the committee, including the basic plan for hospital, diagnostic, and posthospital health

services for all persons over age 65, administered through the social security system as provided in the original King-Anderson bill. H.R. 6675 provides a voluntary supplementary plan covering physicians and surgical fees including radiology and pathology charges and related services, to be administered by private insurance carriers, as suggested in the AMA-sponsored "eldercare" and the Republican minority bill, sponsored by JOHN W. BYRNES, of Wisconsin.

In addition, H.R. 6675 increases social security benefits by 7 percent and makes a number of other changes in the Kerr-Mills law and in the Social Security Act. The measure has been carefully designed to safeguard the actuarial soundness of the social security system and to protect the independence and integrity of the professions. Without this assurance for the doctors and their colleagues in medicine, I would not support this bill.

The poet Browning said:

Grow old along with me!
The best of life is yet to be,
The last of life, for which the first was made.

The part of the 89th Congress in the realization of this poetic dream is indeed "our finest hour."

Because the people of Wyoming and elsewhere will be confronted with the question of "How does this legislation affect me?"—I ask unanimous consent to include at this point in the RECORD a brief summary of the major provisions of H.R. 6675, consisting of three tables, and containing pertinent information on each major part of this important bill.

The analysis is as follows:

SUMMARY ANALYSIS OF MAJOR PROVISIONS OF H.R. 6675: MEDICARE AND SOCIAL SECURITY AMENDMENTS OF 1965

(House version—April 1965)

This analysis of the Medicare and Social Security Amendments of 1965 (H.R. 6675), as acted on by the House is in three parts: (1) a description of the basic hospitalization program; (2) a description of the optional supplementary medical program; and (3) a description of amendments to the Social Security Act, the Kerr-Mills law, and other miscellaneous provisions.

PART 1—BASIC HOSPITALIZATION PROGRAM (UNDER SOCIAL SECURITY SYSTEM)

Eligibility

All persons aged 65 years or over who are now, or will in the future, be entitled to monthly social security or railroad retirement benefits (except Federal employees who retired after 1959).

All persons aged 65 years or over, or who will reach age 65 before 1968, who are not elibible for monthly social security or railroad retirement benefits. This part of the program to be paid for from general revenues of the Federal Government, not paid for out of social security trust funds.

Effective date

July 1, 1966 (except for services in extended care facilities, which will be effective Jan. 1, 1967).

Enrollment

No enrollment necessary. Coverage is automatic to those eligible.

Cost to the individual

Benefits extended to eligible persons without cost as a matter of right; no "needs test" required.

Benefits

(1) Inpatient hospital charges for up to 60 days of hospitalization in each spell of illness, subject to a $40 deductible amount.

(2) Twenty days of nursing home care in each spell of illness, after transfer from hospital; 2 additional days of nursing home care (if needed) can be added for each day that the patient's hospital stay was less than 60 days, to a maximum total of 100 days.

(3) Outpatient hospital diagnostic services, subject to a $20 deductible amount for such services furnished by the same hospital during a 20-day period.

(4) Posthospital home health services for up to 100 visits after discharge from hospital or nursing home (when patient is under care of physician).

Financing

Through the social security system—payroll taxes from employee, employer, and by self-employed persons. Taxes paid into separate hospital insurance trust fund to assure that actuarial soundness of trust funds and the entire social security system is safeguarded. Tax rates for employee (matched by employer) will be: 1966, 0.35 percent; 1967–72. 0.50 percent; 1973–75, 0.55 percent; 1976–79, 0.60 percent; 1980–86, 0.70 percent; 1987 on, 0.80 percent.

These amounts would be automatically deducted from payroll check (as at present) on first $5,600 earnings a year during 1966–70 period. Thereafter, they would be based on first $6,600 of annual earnings. Program will cost each employee and employer only 38 cents a week, rising to about 54 cents a week for each during 1967–72 period.

PART 2—OPTIONAL SUPPLEMENTARY MEDICAL PROGRAM (UNDER PRIVATE INSURANCE CARRIERS)

Eligibility

All persons age 65 or over, on an optional, voluntary basis, regardless of whether or not they are eligible for social security, railroad retirement, or other benefits.

Effective date

July 1, 1966.

Enrollment

Enrollment for persons age 65 years or over before January 1, 1966, will begin 2 months after enactment of bill and continue to March 31, 1966. Regular enrolling periods thereafter.

Cost to the individual

If a person chooses to participate in this program, it will cost him $3 per month. Amount would be automatically deducted from monthly benefit check of those persons receiving social security or railroad retirement benefits. Others would pay their contribution into special trust fund directly.

Benefits

In addition to the benefits listed in part 1, those choosing to participate in the supplementary medical program would be entitled to:

(1) Physicians' and surgical services furnished in a hospital, clinic, office, or in the home.

(2) Hospital care for 60 days in a spell of illness in a mental hospital (180-day lifetime maximum).

(3) Home health services (without regard to hospitalization) for up to 100 visits during each calendar year.

(4) Additional medical and health services, provided in or out of a medical institution, including: diagnostic X-ray and laboratory tests, electrocardiograms, basal metabolism readings, and other diagnostic tests; X-ray, radium, and radioactive isotype therapy; ambulance services (under limited conditions); surgical dressings, splints, casts, iron lungs, oxygen tents, artificial limbs, eyes, etc.

Benefits under this program are subject to an annual deductible amount of $50. Then the program will pay 80 percent of the patient's bills (above the $50 deductible).

Financing

Persons participating in this program will pay $3 a month ($36 a year). An additional $3 per person, per month will be paid into fund by Federal Government out of general revenues.

PART 3—OTHER PROVISIONS

Social security benefits

Increases by 7 percent (with a minimum increase of $4 a month) all old-age, survivors, and disability insurance benefits. Increases would be retroactive to January 1, 1965. New minimum benefit raised from $40 to $44 a month.

Child's insurance benefits

A child's insurance benefits would continue to be paid until the person reaches age 22 (instead of age 18) if child is attending accredited school or college as a full-time student after he reaches age 18. Will be effective as of January 1, 1965, and benefit estimated 295,000 young people.

Optional benefits for widows at age 60

Widows may have option of receiving social security benefits at age 60, with actuarial reduction of benefits they would otherwise receive at age 62. Effective for second month after enactment of bill, benefiting estimated 185,000 widows.

Disability insurance amendments

Liberalizes eligibility requirements and waiting period for persons covered by disability insurance provisions of Social Security Act. Will benefit estimated 155,000 disabled workers.

Benefits to persons at age 72 or over

Liberalizes eligibility requirements by providing a basic benefit of $35 a month at age 72 or over to certain persons with a minimum of three quarters of coverage under the Social Security Act, acquired at any time since the beginning of the program in 1937. Will benefit an estimated 355,000 persons.

Retirement test

Liberalizes the social security earned income limitation. Beginning in the 1966 tax year, a person receiving benefits will be able to earn $1,200 a year without having his benefits reduced; earnings between $1,200 and $2,400 a year would be subject to a $1 reduction in benefits for each $2 of earnings up to $2,400; a $1 reduction in benefits for each $1 of earnings above $2,400 would take place. Existing law limits this provision to $1,700 instead of $2,400.

Miscellaneous amendments

Other amendments to the Social Security Act authorize benefits to certain divorced women, coverage of self-employed physicians and interns, amendments affecting annual gross earnings of farmers, coverage of cash tips received by an employee after 1965, and an exemption from social security taxes of self-employed persons of the Amish and other religious sects.

Improvement of Kerr-Mills program

Extends the provisions of expanded State medical assistance programs not only to the indigent aged, but also to needy persons who are part of the dependent children, blind, and permanently and totally disabled programs. Establishes a single and separate medical care program to replace the differing provisions for the needy in other parts of the Social Security Act. Provides a level of medical services States must offer to receive Federal payments. Requires States to provide a flexible income test for eligibility.

Public assistance amendments

Increases the Federal share of payments under all State public assistance programs, effective January 1, 1966. Contains other amendments providing Federal incentive to States to benefit aged persons in tubercular and mental institutions.

Child health program amendments

Increases Federal authorization for maternal and child health services and for crippled children services. Authorizes grants to higher education institutions to train professional personnel for health and related care of crippled children, particularly mentally retarded children with multiple handicaps. Authorizes a new 5-year program of special project grants to provide health care and services for children from needy areas. Authorizes grants to help States to implement mental retardation plans.

Financing improved social security benefits

Improvements in the regular social security program and increased benefits provided in the bill would be financed through a revised payroll tax schedule. Taxes on employees, employers and self-employed persons are paid into social security trust fund as in the past 30 years. Rates of tax are designed to guarantee the actuarial soundness of the social security system.

The revised tax schedule and the rates under existing law are—

[In percent]

Years	Employee and employer tax rate (each)		Self-employed tax rate	
	Existing law	Proposed in bill	Existing law	Proposed in bill
1965	3.625	3.625	5.4	5.4
1966–67	4.125	4.0	6.2	6.0
1968	4.625	4.0	6.9	6.0
1969–72	4.625	4.4	6.9	6.6
1973 on	4.625	4.8	6.9	7.0

As in the past, these amounts would be automatically deducted from payroll check. Tax would be paid on first $5,600 (instead of present $4,800) during the 1966–70 period. Thereafter, they would be paid on first $6,600 of annual earnings.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, there is one little matter I should like to clear up for the House. It has been said in years gone by that I was the swing vote on the committee keeping the medicare bill as we have had it in bygone years from passage. Of course that is sheer bunk, and we will knock it over right now.

It is true that after the Kerr-Mills bill was passed, I did say I thought we ought to try it before we tried something else. We did try it. It has become apparent that some other method must be tried. We have come up with it. It is before you now. I believe it is absolutely sound. I voted for it in the committee and I shall vote for it on the floor.

I should like to say that I have served under quite a few committee chairmen in the years I have served in the Congress—and the years are now getting to be quite a few. There have been some who were exceptionally good. But I have never served under a chairman who showed the patience, the perseverance, the knowledge of his subject to compare with WILBUR MILLS. This bill and the program following it will be a monument to him as long as the memory of man continues. It has been a great pleasure and a privilege to work with him.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. BINGHAM].

Mr. BINGHAM. Mr. Chairman, this is a truly historic occasion and it is a privilege to be a Member of this body and to take part in it.

H.R. 6675 establishes two great principles:

First, it establishes the principle of extending the social security system to cover a major portion of the costs of medical care for older people; the cost of extended hospitalization. And it does this on the same basis as social security itself—on a uniform, widecoverage basis—with the benefits accruing as an earned right, not charity.

Second, this bill establishes the principle that general revenues may properly be used to help older people meet their major medical costs without any means test. General revenues under this bill will be used to pay for the hospitalization of those over 65 who are not under social security already and also, to pay the Government's share of the voluntary system for coverage of doctors' bills.

The first legislative act of my career as a Member of Congress was to agree to become a sponsor of H.R. 1, the original King-Anderson bill as it was introduced this year. This was truly an honor. This was a good bill, providing as it did for hospital and related benefits under social security and for substantial improvement in the basic social security program. Among these improvements was a provision to include tips as part of income for social security purposes—as they have been for income tax purposes—thus correcting a longstanding injustice to many of our citizens who depend on tips for their livlihood.

As H.R. 1 was considered by the Ways and Means Committee, it was improved in many respects. Most importantly, a supplementary voluntary health insurance program has been added, to be paid by equal contributions, one-half by the individual and one-half from general revenues. The $3 monthly premium each participant will pay is less than the minimum increase in retirement benefits. Thus, no participant who elects this additional coverage will get less in monthly cash payments when the program takes effect.

Under this voluntary program, the benefits will include payment for physicians, services in the hospital, office or home; 60 days of hospital care in a psychiatric hospital; and home health services. The senior citizen will pay the first $50 for such services and the program pays 80 percent of costs over this amount.

Another important improvement, which had been a subject of many letters to me and which I had urged upon the Ways and Means Committee, was to extend social security benefits for young people continuing their education up to age 22. This will undoubtedly encourage many youngsters to go on to college and professional schools who would otherwise have been unable to do so.

The bill we will, I trust, adopt tomorrow is a great bill—a milestone in the march made by this country toward the realization, for all our citizens, of the full opportunities and potentialities offered by our uniquely rich and powerful economy.

We proudly boast that this land of ours is the land of the free. The enactment of this bill will go a long way to make this boast come true for our older people; for the first time they will be free from destitution as a result of illness and from the fear of such destitution. They will be free, in most cases, from degrading means tests. They will be free from the miserable need to beg their children for help, their children who, in the past, may have had to choose between better education for their own children and medical care for their parents.

Last year, I must confess, I had occasion during my campaign to say some unkind things about the distinguished chairman of the Ways and Means Committee. Today I am happy to say that he has proved me wrong. With the deepest sincerity, I congratulate the chairman and the members of the Ways and Means Committee, and particularly my very able colleague, the gentleman from New York [Mr. KEOGH], on a magnificent achievement.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. POOL].

Mr. POOL. Mr. Chairman, I am one of the Members of Congress who introduced the so-called eldercare plan several weeks ago. I felt that it was far better for the States to handle this problem instead of the Federal Government. Since that time, the Ways and Means Committee has adopted several of the eldercare provisions. However, I feel that so long as this project is tied to social security or a payroll tax that it is still obnoxious to my philosophy of government in that the Federal Government will still control the program. I do not think that it is wise to solve this problem by political devices such as this bill. I feel that the eldercare bill will provide where possible, for individual initiative and responsibility of our people; and that the medicare bill still is a matter of Federal intervention into a purely local problem. What we are doing here today and tomorrow, if the bill passes, is the first step in socializing our medical profession.

I hope, that Congress, in its wisdom, would see fit to not pass legislation which would allow Federal agents to go snooping around looking at medical records, talking to doctors and their patients, and destroying the doctor-patient relationship which is a very personal and privileged right of our citizens.

And then again, I think of the politics that will be involved when Washington bureaucrats get into this picture. What is going to keep utilization committees that will be set up from being political in nature keeping some patients out of certain hospitals?

And what is to keep this same political committee from moving a patient from a hospital before his treatment ends? There will be many arguments against this supposition. But we all recognize that in such a program as this, there will be a day when the money well will run dry. And then the question will arise as to who gets the benefits. Will this be based on politics and how you

stand in Washington? Are we going to run to the Federal Government in Washington with all of our problems, or are we qualified at home to solve most of them?

I sincerely hope that this Congress will be realistic and pass legislation in this field that will allow Americans to keep on striving for success and will provide incentive for our young people, middle-aged people and our aged citizens. Let us not take this first step toward socialized medicine.

Mr. MILLS. Mr. Chairman, I yield 8 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, it is with great reluctance that I arise to oppose H.R. 6675 in its present form. I especially regret to do this because I believe strongly in the principles of the social security program; and I fully agree that as a state and nation we need to do more for the care of our elder citizens. And, I am not unmindful that it would be easier to simply cast my vote rather than to stand here and openly voice my objections to an administration bill, advocated by our great President and my personal friend for many, many years; and to oppose the general approach of a measure so eloquently presented to this House by one of the most knowledgeable legislators in my memory, the gentleman from Arkansas, the Honorable WILBUR MILLS.

Our Government needs to do more to improve our aid to the elderly and in many of the other broad fields which have been explained; but, Mr. Chairman, which government? Where does the real responsibility lie?

There is no question in my mind as to the need for comprehensive programs of medical care for aged Americans who are unable to pay for necessary health services. I do question, however, the approach we are asked to take through this particular measure, which largely disregards the rightful roles of the States, and finances health care benefits to many millions of older Americans who are self-supporting, and may not need Government assistance.

In this connection, Mr. Chairman, I want to say that the State of Texas has approached the problem of medical care for the aged with understanding and foresight. Texans are justly proud of our positive, highly effective State programs that render the medicare section of H.R. 6675 unnecessary for our citizens.

The State of Texas has implemented the Kerr-Mills Act to provide hospital, medical, surgical, radiation and nursing home benefits for the needy aged. I would like to tell the House something about our program. The State purchased an insurance policy from Blue Cross for some 230,000 needy aged, representing 30 percent of the entire over-65 population in Texas. Up to 9,000 patients are being hospitalized each month through coverage provided by the program. Almost 11,000 are receiving nursing home care.

In my opinion, this Texas program is regarded as one of the finest in the Nation.

We also have cooperative-type senior citizen insurance programs sponsored by private companies—such as the Texas 65 plan which is specially tailored for the aged.

As a result of these efforts, Texas now ranks first among all States in the percentage of the aged who have one or more health insurance policies. Seventy-two percent of the elderly in Texas are covered by health insurance.

More than 250,000 elderly have been admitted to Texas hospitals since the Kerr-Mills program was placed into operation on January 1, 1962. During the first 2 years of this program's operation, the State provided needy elderly citizens with hospital and medical services totaling $60,205,652. Here is how it works:

Under this program, each person on the old-age assistance rolls in Texas is covered by Blue Cross insurance at a premium of $8.76 per month. This entitles the individual to $10 per day for the first 15 days of hospitalization—plus ancillary costs—and $6 per day thereafter.

There is no redtape or delay in processing claims.

The welfare department simply certifies that the person is a recipient of old-age assistance, and the individual is admitted to any licensed hospital on the recommendation of his physician. Less than 3 percent is spent on administration costs.

Studies last year showed that the average hospital stay per patient was approximately 9 days, with an average per day cost of some $25. Also, physicians' services totalling $3,682,829.51 were provided in over 177,000 cases at an average per-patient cost of $46.67.

Another feature of this program is financial aid to old-age assistance recipients in nursing homes—over and above the old-age assistance grant. Studies during the past year showed that nearly 16,000 persons in nursing care—representing an average stay of 183.6 days and a total expenditure of $7,807,767.75.

The eyes of the Nation have focused on Texas since it was the first State to provide health care for its needy aged on an insured basis. So, I repeat, Mr. Chairman, Texas is proud of its positive program for the aged.

I would sincerely hope that other States would act in the same responsible manner. In this way we can avert an even greater tragedy than the medicare situation with which we are faced today.

Let us give the Kerr-Mills approach to this complex program a further opportunity to prove itself—as it has done in Texas. Already this joint Federal-State program has been adopted in 40 States, the District of Columbia, and 3 territories.

If I could vote for a reasonably expanded version of the Kerr-Mills approach, I would gladly do so.

If I could vote for the 7 percent increase for social security benefits, I would certainly do so; because it is needed.

If I could vote for the provision that raises the amount that a person can earn under old-age, survivors insurance from $1,200 to $2,400, I would do so. I would welcome the chance to support measures that would improve this program along these and other lines. Also, I might add that the substitute has a lot to be desired.

I object to this bill primarily because of the payroll approach.

In addition, I do not think it is fair to include in the bill requirements for the restaurant owner to report tips for social security income purposes. It will be extremely difficult—if not impossible—to administer.

The same would be required of barbers, beauty parlor operators, filling station attendants, shoeshine boys, grocery clerks, or anyone who receives tips. And I think that in one provision it would certainly be fair to allow a person who has visual problems to choose whether he would go to an optometrist, as well as a physician.

I do not have a choice, however, to vote on any of these particular phases of the bill; and I recognize the rules of the House, along with the facts of life.

Mr. Chairman, let me make one other point.

I think we have the greatest medical profession in the world; and I will admit that our physicians, or hospitals, or the legislatures, have not been, in many instances, as progressive as they should have been; and I believe that they realize this. But in my State of Texas, they are trying to find the right kind of answer in this medical care field. They are taking a positive approach. We do have a good program. Some of you may think that we should go much further—and, indeed, we will; because the State of Texas this past November approved a constitutional amendment which will permit additional persons to receive medical care through vendor lien payments who are not now covered under the old-age assistance program. I am confident our legislature will establish the limit of at least $2,000 or more; or perhaps it will be based on need, as this may be the best approach. The main point, however, is that there should be an amount or point beyond which Government should not compete against industry. This would bring many more thousands of persons under the program. But my State is doing a good job. I regret that all States have not done enough in this field; but I am sure each State has its own individual problems. As long as my State is doing a good job, in my opinion, I want to give them a right to continue and improve their present program rather than to put on them the payroll tax provision with the inherent problems of bigness and expansion that are attendant and with a result that will greatly overburden our hospitals at this time.

I say to the House, give each State a further opportunity under the Kerr-Mills program to do its job. I am confident we will do it.

Mr. CABELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to this bill in the full knowledge that any such opposition can be misconstrued and the motive for such opposition distorted.

And it is difficult because the fundamental purpose of the bill is a noble one—the proper care for our senior citizens.

It is not the objective that I oppose; it is the means proposed to attain this objective.

I have consistently favored in the past, and will continue to favor in the future, legislation to assist any senior citizen, who needs this assistance, in obtaining medical and hospital care.

When I cite need as a criterion for such assistance, I do not imply that we should be penurious to the extent that we have been in previous measures.

I mean to include coverage to those who have a decent subsistence and who have sufficient assets to insure this subsistence—but whose assets would not weather the onslaught of a severe or lingering illness.

But this bill taxes the workingman with a low income in order to provide benefits to those who do not need such assistance.

Not only does it increase the direct payroll taxes of these people, but it will inevitably increase their cost of living because the manufacturer, the processor of foods, and the distributor must raise the price of his goods and services to compensate for his increased contribution to the social security fund.

If you were going after a hawk in the henhouse, I ask you, Would you cut loose inside the henhouse with both barrels of a scatter gun?

In order to kill the hawk of need of our senior citizens, we are wounding and crippling all the chickens in the henhouse.

Under the rule amendments are limited, which is just as well, because a bill of this magnitude cannot be written on the floor.

So I ask you to defeat not only this bill as presented but also the substitute—not because we do not want the ultimate and exemplary objective—but in order to start from scratch and then pass out a bill that not only accomplishes our real objective but does so in a form with which we can live.

Thank you.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BURTON].

Mr. BURTON of California. Mr. Chairman, I wish to commend the dean of our delegation, the gentleman from California, the Honorable CECIL KING, because the proposal pending before us today is due in significant measure to his determination and effort over the years.

I would also like to add my voice to commend the Committee on Ways and Means for its many months and years of study, and its development of this fine proposal.

I would like to express the highest praise for the distinguished and able chairman of the Committee on Ways and Means, the gentleman from Arkansas, WILBUR MILLS, who has constructed, in my view, a legislative product that is truly a marvel, a product that legislative historians will record as truly one of the great landmarks in the history of man's effort to wage war against one of his ancient enemies, the war on disease.

Those of us in California have ample reason to support this legislation which will provide to our State, that has the largest number of people over 65 of any State in the Nation, some $308 million of medical benefits the first year—$220 million of basic benefits, and $88 million in supplemental benefits.

This legislation will provide also some $28 million to our State for our crippled children, and for tubercular and mental health services.

This bill is going to put into the pockets of my fellow Californians some $213 million its first year, $190 million to the old-age, survivors, and disability insurance beneficiaries, and some $23 million to our public assistance recipients.

All in all, our fair State and its people in the first year will be favored to the tune of some $550 million, a not modest sum.

In this connection, I have some four questions I should like to pose to the chairman of our committee. These are questions which, would be helpful to our State department of social welfare, in implementing the provisions of this bill when it becomes law.

Question No. 1: Section 1902(A), paragraph 10, says:

(A) A State plan must provide equal medical assistance to individuals receiving aid under other categories; and (B) If the plan provides assistance to persons not receiving aid under other categories, the medical assistance given must be the same.

Can this be interpreted to mean that funds as provided under section 1903 would be available for a plan which in its first phase provided medical service only to recipients of assistance under other social security act titles? Subsequent phases would be concerned with additional medically indigent groups to the extent State resources permitted?

Mr. MILLS. The answer to the question is, "Yes."

Mr. BURTON of California. I have three questions with reference to those combination social security beneficiaries who concurrently receive public assistance.

If the social security beneficiaries have had deducted the $3 amount from their old-age survivors and disability insurance check, am I correct in assuming that the State agency administering the public assistance programs should not consider that $3 as income in determining the amount of the public assistance payment?

Mr. MILLS. The answer is, "Yes."

Mr. BURTON of California. In other words, in California, where there is a ceiling on the total amount of public assistance grants, plus other income, the $3 should not be taken into account as other income in the determination of the amount of the public assistance grant, nor as income in determining income for purposes of determining whether the grant plus other income exceeds the State's ceiling in that regard?

Mr. MILLS. The gentleman is correct.

Mr. BURTON of California. Of course, any medical care that results from the $3 deduction will be considered in determining how much medical care the individual needs?

Mr. MILLS. That is correct.

Mr. BURTON of California. I thank the chairman very much.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, it is a great privilege today to rise in support of the committee bill, a bill which when enacted into law, will be a milestone in our history of progress in our beloved country.

The late beloved President Kennedy said that although we have the strongest and richest country on the face of the earth, there are 35 million people living just on the outskirts of hope. I know this bill will bring great hope to the elderly people who need medical care and are now living and dying on the outskirts of proper medical care hope.

My heart is heavy as I rise today, because of the campaign being waged by the American Medical Association against this bill. All throughout my district there are billboards saying, "Vote for eldercare, because medicare is no good." They have spent large sums of money for TV, radio, and newspaper ads in trying to discredit the committee bill and sell support for the eldercare bill.

I have this one telegram that is evidence of the type of bitter campaign they have waged against this bill.

I am bitterly opposed to the outrage being forced on us in the guise of medicare. You know this is against the future of the people who support you. It is a vote getter with future results destined to pull the American taxpayers further into financial slavery by the hands of Congress.

This is the kind of brainwashing being perpetrated upon the American people by the American Medical Association. As we come to the close of debate on this historic bill, I would like to put this argument in proper perspective.

The American Medical Association in opposing this bill has advanced three major arguments. First of all, they say that eldercare will give more benefits to more people at less cost. I once saw an automobile dealer in my district who advertised that he was selling automobiles below cost. I said, "How can you sell cars below cost and still stay in business?" He said, "I could not do it if I did not have a volume business." They argue that under eldercare we are going to get more benefits for more people at less cost—and you know it is not so.

The second argument they have been advancing is that the committee bill will soak the young people for the benefit of the old. When you buy an insurance policy at age 21, you do not expect to die the next day. You pay the premiums over a long period of time so that when you do pass on, your loved ones will have some kind of income. That is all that this committee bill does. It allows young people to pay in a small amount monthly on their social security taxes so that when they reach 65 years of age, they will have a good medical care program for themselves without marching in and signing a pauper's oath to get

help as is now required by law in many States including Illinois.

Third, the argument advanced by the American Medical Association is that the social security approach will lead to socialized medicine. This is the same argument that was advanced on the floor of this House of Representatives in the 1930's against the Social Security Act. Yet, there has not been one person to drop in a bill to repeal the social security law. This would be a disaster. I say to you that after this bill becomes law, there will not be one bill dropped in the hopper to repeal this important program. This great bill that we are soon going to vote on is similar to the social security program in respect to the manner of collecting and spending from a trust fund. It will be financially sound and will not jeopardize the present social security payments.

All we do in this committee bill is to take some funds from the general revenue fund and to have the individual pay in at the local level and some funds from a payroll tax. This is spreading the cost evenly and giving the benefits evenly.

The eldercare bill would not provide the benefits that people need in many States. You could have a relative living in one State who needs medical care and another relative living in another State in need of medical care. If a rich State should participate in the program and a poor State did not, one relative would get benefits and the other relative would not. This bill provides even benefits fairly to all throughout the United States.

I once knew a man who built a wall.
A wall unfriendly, grim and tall.
I knew this man couldn't be bad.
Maybe timid or even sad.
So I built a tower by this wall so grim
And looked down and smiled on him.
This noble man's heart was about to break,
So he tore down the wall and built a gate.

This argument of eldercare versus medical care is just that simple. On one side of the wall you have the so-called voluntary plan called eldercare that you can climb if you are tall enough and if the State wants to help pull you over, and the committee bill provides a gate with which all can enter with dignity and hope.

Yes, there were those who opposed the social security plan 30 years ago who now drive their big automobiles down to the postoffice and get that monthly check and then endorse the check with a gold-plated fountain pen and then cash it. They think it is a wonderful program. They will do the same thing under this program of medical care after this Congress passes it and it becomes law.

Let us vote down this substitute and let us pass this bill. Let us open up the gates for a decent and honest medical program for our elder citizens. Let us build a healthier and happier America by supporting the bill that has been reported to you by your committee after years of study.

The committee bill provides medical care to all age 65 and over beginning in 1966. It allows a 7-percent increase across the board to all now drawing social security effective January 1 of this year, it provides more money to the States for needy welfare programs such as aid to the blind, children of unemployed fathers, and so forth, and many other worthwhile benefits, and yet it provides for insurance for those who want coverage to pay doctor's bills with no strings attached, any doctor of your choice. In closing, this bill will help everybody. Thank you very much.

Mr. MILLS. Mr. Chairman, I yield 8 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, first I want to join the many other Members who have paid their respects to the chairman of this great committee, a man in whom we have had confidence for many years and a man who has rendered invaluable service to this Nation.

I have followed his leadership in this field for a long time and it is with some difficulty and regret that I say that I cannot go all the way with him. I can appreciate the very great difficulty he has been under. I think I recognize the great pressure that is upon him.

I believe he has tried his best to bring out a bill to give the services needed and at the same time maintain as much responsibilty as possible.

My apprehension today with respect to this bill is based on the belief that we are going too far too fast, creating obligations in excess of our ability and our capacity to fulfill.

The estimates which I have received indicate that with the implementation of this legislation in July 1966, we will be faced with a shortage of some 250,000 hospital beds. In other words, we will create an obligation to furnish hospitalization and medical services to people, but there will not be available the physical facilities, not to mention the professional and technical services necessary to render the service we wish to make available, and which is promised under this bill.

If we tried to provide such hospital facilities by 1966, it would be an impossible task, not to mention the fact that it would involve an investment of some $6.5 billion, much of which would have to be added to the cost of this program.

I believe it has been pointed out during this debate many times that through the fantastic advances we have made in medical technology, we have today the best medical care program of any nation, as attested by the ever-increasing life span of our people. To make the modern techniques and facilities available to all, we passed the Kerr-Mills bill a few years ago. While it has not been fully implemented in all States, it does provide an opportunity of health care to every person who otherwise would be unable to receive such care.

The Kerr-Mills program is a good program and, so far as I have observed, the areas in which it is inadequate and in which it can be improved we have an opportunity to amend. I am happy to say that this bill today would make improvements in that law.

Also, through the Hill-Burton Act and other programs too numerous to mention, we can increase the physical facilities needed to provide adequate care for all who need it.

But we cannot get that done by the time this bill would go into effect. Our problem today—and I agree there is a problem which needs to be met—is one of a shortage of facilities and a lack of competition, brought on to a large degree by the medical profession itself, which in my opinion has not used the influence it has in encouraging the education and training of more doctors.

When we provide the facilities the cost will be reduced. On the other hand, if we continue to increase the load without increasing the facilities, we will encourage more inflation. There will be, I believe, an increase in hospital costs. There will be an increase in medical fees to the doctors.

Only this month I received a statement from a doctor with whom our family does business in the Washington area. He said that effective May 1, an office call will be increased from $7 to $8. That is typical of what is going on and one of the things about which I am apprehensive in this bill.

I read the tables in the report. I note that by 1990—someone will say, "that is 25 years from now, and we do not have to worry about that"—the cost of the basic health program alone will rise to $9 billion annually, and that does not take into account the cost of other programs we are including in this bill.

Through the many programs that we have before the Congress today—I believe it is safe to predict most of which will be passed—we are providing increases in income, improvements in living conditions, the building of more homes, the providing of more education, and increases in the ability of all of our citizens to provide not only the essentials but many of the luxuries. I believe we have failed to take into consideration the overall picture and the costs that we will face.

Within the next few weeks our great chairman here will be before this House asking for the approval of a new debt ceiling. I think it is inevitable. The budget for 1966 calls for deficit spending. I do not agree that we are considering any $100 billion budget this year. I think it is closer to $121 billion, and I think that deficit will be reflected when we are called upon to approve a new debt ceiling. In addition, we are being asked to reduce taxes. Now, I want to know where we are going to get the money to pay for this. I want to ask the chairman when he thinks we are going to have the nerve, the courage, to assess enough taxes to pay for these programs that we are getting. When are we going to do it, Mr. Chairman?

Mr. MILLS. Mr. Chairman, will the gentleman yield to me?

Mr. JONES of Missouri. I will be happy to yield to the chairman.

Mr. MILLS. The gentleman asked me to advise him when we will levy enough taxes to take care of these programs?

Mr. JONES of Missouri. Yes.

Mr. MILLS. Let me call the gentleman's attention to just what this bill does do in that respect. As I pointed out yesterday, although there may be, as has been stated, approximately $6 billion in benefits to be paid out, that is divided

in this way: $4.2 billion of it would come from the trust funds. The remaining $1.366 billion would come from the general funds of the Treasury. Now, let me point out here to the gentleman, since we are comparing proposals, that all under both bills $1.9 billion would come from the trust funds. So taxes are levied both in Mr. BYRNES' proposal and in the committee proposal to take care of these items in the OASDI system.

Mr. JONES of Missouri. Where are you levying these taxes?

Mr. MILLS. Oh, I can assure you that this hospital trust fund and this social security trust fund, the OASDI fund, are actuarially sound based upon increased tax rates which go into effect on January 1, 1966, and from then on at future dates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 4 additional minutes.

Now, we have done what the gentleman claims that we have not done historically with respect to the general fund of the Treasury. We have maintained these expenditures on an actuarially sound basis supported by payroll taxes that has prevented the general fund of the Treasury putting out any money. That is what I would think any conservative-minded person would have us do, and I know that my friend appreciates the fact that we have done it.

Mr. JONES of Missouri. Would the gentleman tell me this: Am I correct here? As I read this bill, the increase in the withholding tax is going to be thirty-five one-hundredths or, in other, words, about one-third of 1 percent. That is the increase in the tax.

Mr. MILLS. That is for the hospitalization program.

Mr. JONES of Missouri. For the hospitalization.

Mr. MILLS. That is right.

Mr. JONES of Missouri. That means for the person with an income of $5,600 that he is going to pay in about $18.40 a year.

Mr. MILLS. It is $19.20, I believe, but I would not quarrel with the gentleman on that.

Mr. JONES of Missouri. It is in that neighborhood. Maybe my arithmetic is wrong.

Mr. MILLS. Yes.

Mr. JONES of Missouri. But I cannot conceive that that is going to provide enough money to pay for the hospital care when you figure that the cost of an insurance policy to pay for that same type of program runs up to about $360 a year.

Mr. MILLS. If my friend from Missouri will yield, I am not an actuary. I cannot tell you that I know it will. All I can tell you is that we have proceeded in this instance on the basis of taking the actuary's high-cost estimates for the purposes of determining what this program will cost us. The gentleman from Wisconsin [Mr. BYRNES], I am sure—and I think he has already stated so—has the same high degree of confidence in this actuary that I have myself. I have been dealing with him since 1942 on the Committee on Ways and Means.

Many times it has been a little difficult for me to believe that the tax rate should go as high as he said it had to go. I found that he was right and I was wrong. He has been completely objective; he has been completely accurate, so far as I know, in the estimates he has made to help guide our committee.

I cannot argue with the gentleman; he may be right. But I am telling him that we have the best actuarial judgment that tells us on the basis of high cost estimates that we are properly financing this program.

Mr. JONES of Missouri. The only thing I can go on is this. I have been in this House for 16 years. Each year I have had hopes that we were going to reduce the national debt and each year it has grown larger.

Mr. MILLS. I agree with the gentleman.

Mr. JONES of Missouri. The gentleman knows that we have talked about this, but we do not bring out a realistic figure. The debt continues to go up. We still think we can pay the debt by reducing taxes, but it has not worked. I hope that the same actuary that the gentleman has confidence in will start working for the administration and that they will try to get this debt down.

Mr. MILLS. The gentleman means that we need him in the Bureau of the Budget. Maybe we do. If the gentleman will yield further to me, I know that the gentleman realizes the difference in the choice that we have posed here this afternoon.

Mr. JONES of Missouri. I am not sure. That is what I have been wrestling with my conscience on for several days and I cannot come up with the answer.

Mr. MILLS. Let me think with the gentleman for just a minute. I pointed out how the moneys in this bill were obtained, and how they would be spent, the sources from which we would get those moneys, both from the trust funds and from the general funds of the Treasury. I pointed out that those items in this bill from the general fund of the Treasury are budgeted with the exception of one item, and that is the item of the Federal Government's participation in the supplemental health program to which the individual makes his monthly contribution.

The reason that is not budgeted is it does not go into effect until July 1, 1966. Let us take that; that is in this high budget that we are talking about. But the proposal of the gentleman from Wisconsin [Mr. BYRNES] does not use the payroll method for financing any part of this. His Government financing is all from general funds and we all know that the Government is now in a deficit position, so Mr. BYRNES' proposal would mean deficit financing. He says, "I want to do more than you want to do, Mr. Committee. You have not done enough. You have not included drugs that would be used any and everywhere or private day nursing service. You have not done things like that. I want these people to have these things and I am going to give them to them." I think he said that earlier in the course of the debate, that the benefits in his bill amounted to more. He tried to convince me. He did not do it yesterday and he has not done it yet—that is, that you can give people more and have it cost less.

Mr. JONES of Missouri. I agree with the gentleman.

Mr. MILLS. And I do not think he can convince my friend from Missouri about that. But even if it is going to cost the same under his bill, as it does under the committee bill, where does he get the money? Out of the general fund of the Treasury, this very fund that the gentleman has been trying to preserve and protect and to reduce the national debt. The gentleman from Missouri will not go for anything like that, I am sure.

Mr. JONES of Missouri. May I say this to the gentleman? I do not want to embarrass the gentleman by saying this, but I have great confidence in the Kerr-Mills bill.

Mr. MILLS. I do, too.

Mr. JONES of Missouri. I still have great confidence in that bill. I regret that we did not bring out four bills instead of this one. I could have gone down the line for three bills that could have been taken out of it, but the fourth one is the one that is causing me the trouble that is in this bill. The Kerr-Mills bill takes care of the people who need that care and they will get it. I think if we pass this bill we are going to discourage the States who have not yet come into it, and I do not think they will ever come into it.

Mr. MILLS. Mr. Chairman, if the gentleman will yield to me further, under the provisions of the committee bill which are also included I think you are going to find that all the States will participate within just a very short period of time.

I believe the gentleman from Wisconsin [Mr. BYRNES] would agree with me on that. We are doing that for Kerr-Mills.

Mr. JONES of Missouri. I thank the chairman, and I want to reiterate the confidence I have in him. I have spent hours studying the various proposals; I want to provide the needed services, especially for those who cannot afford the catastrophic costs that accompany some operations and terminal illnesses. From a selfish standpoint I would be tempted to vote for this bill, and to guarantee myself a lifetime hospital and medical care insurance policy at a cost of about $6 a month—but I have grandchildren who would be saddled with this debt all of their lives, and I do have concern for them and other young people.

The difficulty I have been experiencing is trying to justify voting for a bill which I believe in my heart is not only inadequately financed but which puts a much greater proportionate burden on those least able to pay and gives to the more fortunate a bargain-rate program, a large portion of which will be financed out of the Public Treasury which is going deeper in the red each year.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I would like to take this opportunity to ask the chairman of the Committee on Ways and

Means, the gentleman from Arkansas [Mr. MILLS], a question, if I may have the gentleman's attention, with respect to the provision contained in the bill designed to change the definition of "disability."

I have heard from some of my constituents who are concerned about this change in definition which liberalizes the definition of "disability."

They are particularly concerned about the overlapping of benefits to a person who is disabled with respect to the workmen's compensation plans in the various States.

I was wondering if the gentleman from Arkansas could illuminate a little more on his initial comments with reference to this subject as contained in his opening statement on yesterday?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Arkansas.

Mr. MILLS. I shall be glad to respond. There is, to some extent—how significant it is we do not know yet—some degree of overlap between the disability benefits that are paid under the Federal program and some of the benefits which are supplied by the State Workmen's Compensation Acts of the various States. To the extent that we may have provided disability benefits for an additional 155,000 workers and dependents, as we do in the committee bill, we may have included some others where there would be an overlapping. We just do not know.

But we were concerned about the matter in the committee. I would direct the gentleman's attention to the committee report and the gentleman can find this covered in the paragraph dealing with this subject matter on page 90 where we take notice of this situation. We were disturbed somewhat about the manner in which it appears to work so we have called upon the Department of Health, Education, and Welfare to meet with the people handling workmen's compensation, and others, and report back to us, giving us more factual data than we have available today so that we might better know how to proceed with respect to this problem, if it develops that it is serious enough to justify such action.

Mr. QUIE. The gentleman and his committee expects a report from the Council before December 31, 1966, so that if they do find sufficient overlapping, corrective action could be taken prior to the end of this Congress?

Mr. MILLS. If the gentleman from Minnesota will look further down on that page, the next paragraph, the gentleman will see that we requested that the report covering the results of this study, and such other facts relating to the problem as are found relevant, be made on or before December 31, 1966. It would be available, therefore, for the next Congress.

Mr. QUIE. So the gentleman does not contemplate any action on this until after that deadline date?

Mr. MILLS. I would not want to be specific either way. If the report comes to us before this date, we shall consider it as our schedule permits and certainly we expect to receive it by that date.

Mr. QUIE. If they should find in the early days of their study some dramatic instances of overlapping, we could expect that there would be a report on that?

Mr. MILLS. Yes, I would expect such a situation to be called to our attention at an earlier date.

Permit me to point out to the gentleman that because of this very situation that has been called to the gentleman's attention, we did specifically prevent the overlapping with respect to workmen's compensation and both of the two new medical programs.

Mr. QUIE. And with respect to the next program, did the gentleman and his committee hear from anyone during the committee hearings in regard to the insurance field or from any representatives from industry at all?

Mr. MILLS. Yes, we heard, and I am sure other members of the committee have heard, from many people about this, and from the insurance industry as well as other industries. People connected with State workmen's compensation also have written me about it.

Mr. QUIE. Is there anything in the hearings about it?

Mr. MILLS. I am told that there is a reference to it in the hearings by some representative of the insurance industry. It is in one of these two volumes.

Mr. QUIE. Rather than take the time now, will the gentleman extend his remarks at this point, and put it in the RECORD?

Mr. MILLS. I will be glad to. The following is an excerpt from the testimony of J. Henry Smith, vice president, Equitable Life Assurance Society of the United States—page 393, printed executive session hearings on medical care for the aged, February 4, 1965:

> Section 1809(e) prevents payments in certain circumstances where duplication of benefits would otherwise result. We recommend extension of this sound antiduplication principle to other areas such as workmen's compensation, occupational disease or similar benefits, and benefits paid under voluntary health insurance.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I take this time to pose a question to the chairman of the committee, the gentleman from Arkansas [Mr. MILLS].

In this bill we are making certain changes in the widows' benefits. I would like to ask this question of the chairman: Suppose a widow is married to her first husband for more than 20 years. After his death she remarries, and her second husband is killed on their honeymoon. Can she elect to take benefits under her first husband's account?

Mr. MILLS. The answer to the gentleman's question is, "Yes." She was married to the second husband for a period of less than 20 years?

Mr. LATTA. Yes.

Mr. MILLS. She could resume her benefits on the basis of her first husband's work record.

Mr. LATTA. I thank the gentleman.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. MOELLER.]

Mr. MOELLER. Mr. Chairman, in spite of all that has been said against this legislation, particularly relative to the burden it will place on our young people of today, I say that our children and our children's children will rise up someday and call us blessed for passing this legislation.

In my professional life I have dealt almost daily with sick people. Not only spiritual problems confronted these people. Also weighing heavily on their minds was the problem of how they would pay hospital bills and how they were going to pay doctor bills. Those were serious problems. But, H.R. 6675 gives us the means to correct a bad situation and lift this mental plague.

We have heard much, Mr. Chairman, about what can be done through other kinds of legislation, but I fear that a lot of misinformation has been circulated with respect to the medical bill. If the chairman of the committee will reply, I would like to ask him two questions. No. 1, does Ohio qualify for assistance under the present Kerr-Mills legislation?

Mr. MILLS. It is my understanding that the State of Ohio has not implemented this program. I was told that is right. They do have old-age assistance, however.

Mr. MOELLER. If Ohio does not participate in the Kerr-Mills legislation, what benefits would the citizens of Ohio beyond age 65 get if the so-called eldercare bill had been passed?

Mr. MILLS. They can get no benefits under the so-called eldercare bill until the State has implemented the program.

Mr. MOELLER. In other words, the effort being put forth back in Ohio trying to sell our people on the idea of eldercare, and you know who is doing this, is misleading and false information to our elderly citizens?

Mr. MILLS. It is not a Federal program solely. It is a Federal-State program, a Federal program of assisting the States, just as the Kerr-Mills Act does.

Mr. MOELLER. Yes. So, even if passed by Congress there would have been no benefits of any kind in the eldercare bill for the people of Ohio unless the State implemented it.

There is also a very sane and moral position to hold with respect to this legislation. There is no nation on earth which gives away so much money per year under welfare programs as does the United States. Now, this program is going to call on people to start laying aside a little money in their employable years, to put aside funds for a rainy day, to become self-reliant in their later years. Is that not correct, Mr. Chairman?

Mr. MILLS. Yes; that is the way I look at it.

Mr. MOELLER. Now, Mr. Chairman, we are approaching the moment that I have dreamed of and worked toward for a long time. We are getting ready to pass the medical care program for the elderly—and I am confident that we are going to pass it by a truly fantastic majority.

This vote will serve unmistakable notice that the House of Representatives will not be and cannot be intimidated or

browbeaten by the ruthless cynics who control the American Medical Association.

Down through the years, the American Medical Association has spent countless millions of dollars to defeat urgently needed and compassionate health programs—to slam the hospital door in the face of the elderly—to throw up one roadblock after another in the steady march of medical progress.

I am talking now about the leadership of the American Medical Association, the little group of cynical men who have appointed themselves as would-be czars of the health and welfare of this Nation.

I know personally that many doctors are as contemptible of the leadership of the American Medical Association as I am; I have been personally assured by a large number of doctors in my 10th Congressional District that the bill we debate here today—H.R. 6675—is vastly superior and infinitely more desirable than the so-called eldercare proposal.

Mr. Chairman, the latest drive by the leadership of the AMA to retard medical progress was doomed to defeat from the start, for its slick propaganda campaign was built on a foundation of exaggerations, deceptions, and outright falsehoods. The truth crushed to earth, even by the officialdom of the AMA, always rises again.

I am not surprised in the least by the tactics employed by the American Medical Association against the medical care program for the elderly. It has a long and sorry record of blind opposition to any legislation, to any program designed to promote the health and welfare of the ordinary people of this Nation. Let us look at the record:

In 1930, the American Medical Association branded as "communistic" the Sheppard-Towner Act for maternal and child health, for crippled children, and for child welfare. For good measure, the AMA denounced this compassionate program as "Federal bureaucratic interference with the sacred rights of the American home."

In 1939, the editor of the Journal of the American Medical Association condemned the old-age assistance program as "a definite step toward either communism or totalitarianism." He charged that the social security program represented "the first breakdown of American democracy."

Later, the American Medical Association bitterly opposed the extension of social security benefits to the permanently and totally disabled at age 50. The AMA somehow managed to see this refinement as constituting "a serious threat to American medicine."

When Congress eliminated the means test in the crippled children's program the American Medical Association was beside itself in denouncing this step as "socialistic."

The American Medical Association fought against the creation by Congress of free diagnostic centers for tuberculosis and cancer. These centers were viewed by the AMA with its usual alarm as "unwarranted socialization" and "an encroachment upon the field of medicine."

We have heard a great deal from the American Medical Association about the virtues of voluntary health insurance. Such, of course, was not always the case.

The Journal of the American Medical Association, in 1933, condemned group hospitalization plans as "half-baked experiments in changing the nature of medical practices." The Journal also described voluntary health insurance as promoting "socialism and communism—inciting to revolution."

In 1950, an authorized spokesman for the American Medical Association denounced as "impractical and harmful to national defense" a plan before Congress to guarantee medical care for dependents of men in the Armed Forces, including those fighting in Korea.

The list of healthful and necessary medical programs that the American Medical Association has seen fit to brand as "socialistic" or "communistic" or "totalitarian" or "dangerous" goes on and on.

Fortunately, neither Congress nor the overwhelming majority of the American people have been taken in by these pronouncements of doom from the American Medical Association.

Mr. Chairman, I am especially glad today that my constituents saw fit to return me to Congress as their Representative. They have given me the opportunity to do what I said I would do in my campaigns of 1962 and 1964, and that was to help pass a medical care program for the aged.

I recall that in 1962, when I advocated a medical care program, I was attacked and vilified as a "Socialist," as one dedicated to destroying the freedom and liberty of our people. The campaign against me was so lacking in any semblance of fairplay that it attracted nationwide attention, as an example, I suppose, of the lengths that the AMA will go to punish anyone who refuses to kowtow to its dictates. In any case, Drew Pearson finally exposed those who were behind this scheme to destroy me.

It is with great pleasure, Mr. Chairman, that I repeat my firm support of H.R. 6675 and urge its passage. I am sure that this legislation will in a short time rank in acceptance and popularity with the Social Security Act and other measures that have contributed so much to the health, happiness, and security of the American people.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. KREBS].

Mr. KREBS. Mr. Chairman, during the course of the debate on this bill, we have heard from a few opponents to medicare legislation that this bill is not the right approach to this problem. Some of these remarks bring back to my mind my own campaign a few months ago in which I indicated my support of medicare. During the hectic days of campaigning we were told by the medicare opponents that this bill was not needed.

I replied that the 19 million elderly Americans are proof of the need. Approximately only half of those have hospitalization insurance, and half of those so insured hold policies that inadequately cover only hospital care.

It is no secret that 80 percent of the elderly suffer from chronic ailments; that these older citizens require at least three times as much hospital care as younger people; that 90 percent of those over 65 years of age require hospitalization at least once and their hospital stays are nearly double the duration of those for younger people.

Thus, today the person over age 65 can anticipate an average hospital stay of about 15 days as compared to the average 7 days for those under 65.

That the need for this legislation exists, therefore, cannot be doubted by any reasonable person who wants to look at the facts.

Looking further into the hard facts, we see that to pay for these inevitable hospitalization costs, at least 91 percent of the single, elderly persons have an income under $3,000. Among the married elderly couples, 29 percent are estimated to have less than $2,000 income, and 80 percent have less than $5,000.

When it is shown, as indeed it has been adequately demonstrated during this debate, that a full one-tenth of our population is directly affected by the ever-increasing health costs to be paid out of the ever-decreasing income, then I say it is time for the Nation to come to grips with this problem.

I believe this bill represents a sensible combination of social security experience with Kerr-Mills legislation, that in the past has received the support of important segments of the medical profession. The Ways and Means Committee is to be commended for the thoroughgoing work that went into the drafting of this bill, and I rise today in support of that bill which the gentleman from Arkansas, Chairman MILLS, has so ably guided through the debate.

I would say to my colleagues on the Republican side of the aisle who made reference to the negligible effect the amount of $4 could have, which would be given to the recipients, when you compare $4 to the millions of dollars the American Medical Association has spent in opposition to this legislation, and when you compare this $4 to the $74 received by recipients of social security, it represents a 5-percent increase, I say this 5 percent is equal to a pint of milk a day for everybody over 65, and I think this can very well make the difference between their good health or the lack of it.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 12 minutes to the distinguished minority leader, the gentleman from Michigan [Mr. FORD].

Mr. GERALD R. FORD. Mr. Chairman, I have listened with great interest to the debate on the measure now before us which would make many significant improvements in our social security system and which would also provide a three-tier approach purportedly to improve the health care security of our aged.

For the most part, the improvements that would be made under this legislation are meritorious and desirable. I am

sure that they have the support of virtually every Member of this body. Such improvements include the cash benefit increase, continuing benefits for young people up to age 22 who are in school, the liberalization in the retirement test so that our aged will have greater fredom in determining the extent to which they want to continue working, the changes in the coverage opportunities for certain of our citizens who are over age 72, the strengthening of the public assistance titles of the act, and the voluntary health insurance program.

Most, if not all, of these improvements were included in a bill introduced by the able ranking minority member of the Committee on Ways and Means early in January. These improvements could have been enacted long ago if the administration had not insisted that the controversial compulsory medicare plan had to be a part of any social security package. In fact, these specific improvements to which I have alluded largely could have been enacted last year with substantial Democrat and Republican support—and did in fact pass the House—but final action was thwarted by the advocates of compulsory medicare.

During the portion of the debate that occurred yesterday, there were some overtones of partisanship. They were few, but they did occur. When they did occur, I could not help but wonder whether the spokesmen were being more interested in politics than in people. To me, the legislation before us is not a political issue; it presents the honest question of how best to deal with a recognized problem in a manner that meets the tests of adequacy, fairness, and effectiveness. Compassion for the aged and concern for the taxpayers are without party labels. The entire membership of the Committee on Ways and Means—Republican and Democrat alike—warrants the commendation of the House of Representatives for the diligent effort that has been devoted to the development of this legislation. I believe it is also appropriate to recognize the fact that many other Members of the House who do not serve on the Committee on Ways and Means have made constructive contributions to this legislation by the thought and advocacy they have given to approaches to dealing with the problems of our aged.

Thus, in a short time we will vote. I would like to suggest that we recognize that our votes are not for or against an adequate social security system nor is there involved the question of: Should our aged receive adequate health care? Rather, the vote is on which alternative you prefer. It is with respect to those alternatives that I would like to address the balance of my remarks.

I have said that this bill would provide a three-tier program to finance the health care requirements of our aged. One tier involves the existing Kerr-Mills program and would strengthen it by adopting the essential elements of the eldercare proposal so that our needy aged can be assured of comprehensive medical assistance under State administered programs. This tier has virtually unanimous support.

A second tier is based on a plan originally advanced by the gentleman from Wisconsin [Mr. BYRNES] and his Republican colleagues on the Committee on Ways and Means. It would provide a voluntary system of health insurance available to the aged that would recognize ability to pay and not involve the imposition of a payroll tax on the working population. This second tier is taken from a Republican proposal, as I have said, and has been adopted by the Democratic administration, praised by the President, and approved by the members of the Committee on Ways and Means. In the order of things as this second tier appears in the committee's bill, it is referred to as the voluntary supplementary plan.

The third tier is referred to as the basic plan and it is the administration's so-called medicare proposal. It is compulsory, is financed by a payroll tax, and provides only limited benefits in a restricted range of health services.

Mr. Chairman, when it is realized that the proposal advocated by the Republican members of the Committee on Ways and Means would strengthen the existing Kerr-Mills program and would establish a more comprehensive voluntary system of health insurance for the aged, the question inescapably arises why are some people insisting on this third tier—the medicare approach? When that question is asked, the issue becomes clear. It brings into sharper focus what the proponents of medicare are really advocating. They are not advocating the only way in which the aged can be protected against the economic adversity of illness because the Republican alternative—which has been endorsed in principle by the Democrats—gives the aged more comprehensive protection. The medicare proponents are not advocating the only way to adequacy, economy, or efficiency in a health care program because I submit to you that the Republican alternative based truly on the insurance concept is the proven and timetested way. What then are the medicare proponents really advocating? They are proposing compulsion and higher payroll taxes and that alone. Compulsion and regressive payroll taxation are the essence of their approach to this matter.

If compulsion is so necessary, why do not the medicare proponents have the courage of their convictions and go all the way with it? Why should they tolerate any voluntary aspect in the program? If payroll taxation is so sound, why do not the medicare proponents go all the way with payroll taxation to finance the entire program? Under the dual hodgepodge system that the medicare advocates have put together, we are going to find our aged bewildered by a multiheaded bureaucratic maze of confusion over what program covers what and who is on first base. Many of the aged will learn too late that their health needs are being only partially met by the plan of so-called insurance imposed upon them under medicare. The compulsion in medicare can only mean compelled confusion rather than improved protection for the aged.

Mr. Chairman, during the past 2 years we experienced the pleasant novelty of witnessing the Democratic Party embracing the traditional Republican concept that lower taxation would encourage economic growth. The Congress was urged to approve a tax reduction program to advance the economy on the promise of spending restraint and we did, although the expenditure restraint has failed to materialize. Presumably, later this year we are going to have the opportunity to bring out a reduction in certain excise taxes—again as an economic stimulant. Just the other day, the distinguished new Secretary of the Treasury said that tax cuts can help our Nation solve its very serious balance-of-payments deficit.

I wonder if the Secretary of the Treasury knows about this bill. In significant part, this bill will be responsible for social security payroll tax collections for 1966 exceeding by almost $5 billion the amount to be collected with respect to the current year. These increased taxes will not be premised on any concept of ability to pay. They will be imposed at a higher rate applicable to a higher taxable base as virtually a gross income tax; they will be imposed at the low end of the income scale on the working population to pay health care expenses for the elderly population in total disregard of the substantial ability of many of the aged to provide for themselves. To the Secretary of the Treasury I say, "Mr. Secretary, what does the major tax increase under this bill do to your urgent endeavors to deal with our critical balance-of-payments situation?" We might also ask ourselves how the war on poverty will be advanced by increasing the cost of employment and do we really help Appalachia when we make it more costly and difficult for our domestic steel producers to compete with imports? I submit, Mr. Chairman, that we are rapidly reaching the point where we have more programs than we have policy, where we have more solutions than we have consistency.

Mr. Chairman, in attempting to justify the medicare approach, much is made of the fact that by imposing what will ultimately be a tax of up to $740 a year on a worker and his employer, we will have a funded system that provides for prepayment of protection. One need only read the Republican views in the committee report to recognize the fallacy in these assertions. The program is not funded and in fact medicare will add billions and billions of dollars to the already staggering unfunded obligations of the OASDI program of the social security system. There will be no prepayment because the taxes paid today will be used to provide benefits for those persons currently aged and the future security of the present working population will be contingent on the willingness of the workers at that time to bear the burden of the higher taxes we are imposing on them.

Much has been made of the fact that there is some magical safeguard involved in providing a separate payroll tax and a separate trust fund for the medicare program. Mr. Chairman, I submit that the exigencies of tomorrow arising from the expediency of today will prove these so-called safeguards mere myths. The

American people will not distinguish the OASDI cash benefits from the medicare service-type benefits. Both are being provided in the same bill. The taxes the people pay will apply to the same earned income and the debts we leave to the next generation will comprise one encumbering burden regardless of how we attempt to compartmentalize the debts by nomenclatures. Therefore, regardless of the various labels that we may subscribe to today to distinguish between the cash benefit program and the service benefit program, the danger that medicare poses to the ability of the OASDI program to meet its cash benefit obligations cannot be denied. In support of my contention that these trust funds are not inviolate, I need only point out to you that in this bill now before us is a provision increasing the allocation of funds to the disability trust fund to the detriment of the old-age and survivors trust fund.

Mr. Chairman, the arguments against the medicare approach and in favor of the approach contained in the Republican alternative could be discussed at considerably more length than I will take today. These arguments have been well stated by people who have preceded me in this debate and will also be discussed by those who follow me.

It does seem to me that with the Democrats having embraced the Republican approach in substantial part, they have an obligation to explain their apparent inconsistency in insisting on both the compulsory approach and the voluntary approach. They have an obligation to explain why they use payroll taxes in part and other financing methods in part. Some of the Members from the other side of the aisle have an obligation to explain why a proposal that seemed unsound last year is suddenly sound this year.

Mr. Chairman, it will be my purpose to support the Republican alternative embodied in the motion to recommit. It is to be recognized that on this particular issue under the existing parliamentary situation, such a vote in my judgment is not a negative vote but is, indeed, a positive vote for an improved bill that treats our retired people more adequately and our working citizens more equitably.

I conclude with these observations. The House Republican Policy Committee and the House Republican Conference have endorsed H.R. 7057, the Byrnes bill, as the motion to recommit. H.R. 7057 was unanimously endorsed by all of the Republican members of the Committee on Ways and Means. I commend the Republicans on the committee for their hard and constructive work. I especially commend the gentleman from Wisconsin, Congressman JOHN BYRNES, for his leadership in drafting H.R. 7057 which is constructive legislation, far preferable to the committee proposal.

As far as final passage is concerned, if the motion to recommit fails, neither the House Republican Policy Committee nor the House Republican Conference have recommended any guidelines. This is quite understandable. The committee bill, H.R. 6675, is to a substantial degree Republican legislation, except that part which incorporates the administration's King-Anderson proposal for hospital care financed by a payroll tax.

Many of my Republican colleagues, in weighing the Republican portions of H.R. 6675 against the administration's part of the same bill, with understandable logic will vote for the bill on final passage. On the other hand some of us, including myself, have strongly and consistently opposed the regressive payroll tax method of financing hospital care for the aged.

In my judgment that portion of H.R. 6675 which is unsound, outweighs the good. In the final analysis it is one's own conscience, not a Republican policy position, that will determine how Republicans will vote on final passage.

I conclude, however, by reemphasizing that the Republican motion to recommit is sound. It is our policy as a party. I urge that my colleagues support the Byrnes substitute, H.R. 7057.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma, the distinguished majority leader [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I join the distinguished and able Republican leader [Mr. FORD] in commending the outstanding performance of the members of the Committee on Ways and Means in preparing this bill and presenting it to the Members of this House and of this Committee. I doubt that in all the history of the Congress a bill has been more thoroughly considered or more thoroughly debated. I doubt that ever before the quality of debate on any bill has been more penetrating or more cogent than it has been on this bill.

The gentleman from Michigan [Mr. FORD] has properly paid tribute to all the members of this committee. The accolades which have been accorded to the distinguished chairman of this committee by Member after Member only begin to suggest the compliments which this House and this country owe him for the job he has done in shepherding this bill through the committee and through the House.

Typical of the work of the distinguished gentleman from Arkansas, this bill represents tremendous effort, matchless ability, and sincere dedication.

When I first came to the Congress I was told that back in the very early days of social security when a bill was tied up in the great Committee on Ways and Means, the rising star from Arkansas first demonstrated before the House his genius for handling difficult legislation. The distinguished gentleman from Arkansas [Mr. MILLS] worked out the solution which made possible the enactment of one of the great early social security bills. He has continued to develop these great skills and this body and the entire country have been well served as a result.

I cannot agree with my distinguished friend from Michigan on that portion of the bill which he opposes. I have heard this argument about the payroll tax being repressive ever since I can remember hearing about social security. I have heard the argument about its being involuntary ever since the first social security message was sent to the Congress. I have heard the argument, yes, although it has been softened somewhat, about its being socialistic. But I have never in my lifetime seen any senior citizen of this country drawing a social security check who did not believe that social security was one of the finest things the Congress of the United States ever did for the senior citizens of this country. Our citizens are willing, and I think the employers of this country are willing to increase the payroll taxes, through a new tax, under a separate account, in order to enact into law the benefits of that portion of the bill which come under the social security tax provisions. I am sure that all those who have given it reasonable consideration favor this proposal.

As for this matter having been properly considered, in the first place I know the extent to which the gentleman from Arkansas considers this type of legislation. I know how well he does his homework. When the gentleman from Arkansas brings out a bill it is well prepared and well considered. This was true of the tax bill last year. It was true of the trade bill. It has been true of every bill managed by the distiguished gentleman from Arkansas. He and his committee, in my opinion, have minutely examined every possible fiscal taxation, actuarial element involved in this measure. Knowing the chairman and his committee as I know them I am confident that they have consulted the Secretary of the Treasury, the Bureau of the Budget, the Social Security Administration, the President's economic advisers, and all those who could make contributions in this matter. This is a great, progressive bill. This is a bill for humanity. This is a bill for people. This is a bill which the American people want and they want it enacted in 1965.

This bill, I say to my colleagues, Republicans and Democrats alike, is a bill which in my opinion will serve well those of us who support it, politically and otherwise, through the years. This is landmark legislation which offers a truly unique opportunity to serve millions of older Americans.

Mr. Chairman, this legislation is sound. It is just. It is past due. I hope it will be enacted by an overwhelming vote.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. FISHER].

COMPULSORY TAX FEATURE OF MEDICARE BILL IS FRAUGHT WITH DANGER

Mr. FISHER. Mr. Chairman, I hold in my hand a letter from a Texas constituent, in which he states:

> I have a mother, mother-in-law, and an aunt, who have benefited under the Kerr-Mills plan. They do not have an income at all. Two of these are in a rest home. The other has had a major operation, in hospital for 15 days. Kerr-Mills takes care of these without expense to me. This plan helps those that really need it.

It would appear from this that the Kerr-Mills plan of aiding needy elderly people in meeting their hospital and medical costs is fairly adequate, or at least can be made that way if and when deficiencies arise.

We all recognize the obligation society owes to elderly people who are faced with hospital and medical bills they are unable to pay. And there should not, of course, be any semblance of a "pauper's oath" required in order to get it. That objective is attainable under the Kerr-Mills plan. Because of that sense of obligation to these people, I voted for the Kerr-Mills Act when it was approved in Congress 5 years ago. Under it the Federal Government makes substantial grants to the States to help finance the cost. It is administered by the various States which choose to make use of it.

This approach appeals to me because it divorces the Federal Government from the management and operation of the program, and when properly implemented by the States it can function successfully and adequately. That fact has been demonstrated. The very manner of its administration constitutes a built-in guarantee against the socialized medicine concept. And it is much less expensive than what is now being proposed.

Then why the necessity for another approach, costing the taxpayers billions of dollars? Can we afford the luxury of financing two of these health programs at the same time? The taxpayers I hear from seem to think the cost of Government is already too high. They would like to see tax reductions, not tax increases. Someone suggested that the increase in social security taxes under the pending bill would be about like increasing personal income taxes by 10 percent on the average taxpayer—perhaps even more.

Now what will this new concept cost? There are around 20 million people over 65 who would benefit from the pending bill. This number includes the rich, the poor, and those with moderate incomes. Yet whether they need it or not, everyone will get the same benefits. Official estimates are that it will cost $35 billion to finance hospitalization for these elderly people.

This program is to be financed by a compulsory increase in the payroll taxes. Under the pending bill that tax will gradually increase until it reaches the total of 11.2 percent. This is an alarming increase, and undoubtedly puts the stability of the social security system in jeopardy.

This payroll tax will be applied to the first $6,600 of income from wages. Even the wage earner who makes only $3,600 a year will find his social security taxes exceed his income tax each year. That wage earner, with a wife and two children, will pay a total of $250 a year in 1966, including income and payroll taxes, of which $162 will be on the wages and $18 of it will apply to hospitalization.

It is pointed out in the committee report that under the pending bill, a worker entering the work force at the age of 21 will pay his tax for 44 years—matched by his employer. The actual cost of the hospitalization program per worker, of this 21-year-old person, with interest at 3½ percent per annum, will total $8,590. That will be paid, under compulsion, to help finance hospital benefits for those already retired. And it is pointed out that the same amount invested in private health insurance would provide the worker with far more extensive benefits than are provided under the hospital program as contained in this bill.

Another significant point that is made refers to the prepayment concept in the bill, which the minority characterizes as a myth. It is pointed out that when the 21-year-old worker becomes 65, there will not be $8,590 waiting for him, to finance his hospital needs. That money will have been used to pay benefits for those who preceded him. Indeed, the estimated set-aside will cover the cost of only 1 year's benefits.

The most serious and dangerous aspect of the medicare proposal, as I see it, is the financing method. This follows the pattern employed to finance socialized medicine in Britain, France, Holland, and elsewhere. That method of financing has weakened the integrity of the social security systems in some of those countries. The Minister of Health in France, for example, recently said their system was facing bankruptcy because of the burden of the medicare feature.

It has been the history of these programs, financed through social security taxes, that they start out on a modest basis, then grow and grow until there is coverage for everybody—rich and poor, sick and well. And along with the strain of finances there has been a deterioration of the quality of both medical and hospital services in practically every country that has gone in for state medicine. Will history repeat itself in this country? This will, of course, depend largely upon how much expansion there is to be in the future. That calls for an examination of the motivations of the architects of this compulsory system.

Former Congressman Aime J. Forand, a chief supporter of this method of financing hospital costs, explained the ultimate goal in January of 1961, in these words:

> If we can only break through and get our foot inside the door, then we can expand the program after that.

Walter Reuther, another of the prime architects of this method, said in Atlantic City last year, he favored "a national health plan to provide comprehensive medical care for all Americans without regard to their ability to pay for it."

Former Postmaster General Edward Day, who was in the Kennedy cabinet, who opposes the pending method of financing health care, in an article in Nation's Business last year, foresaw pressures to expand coverage once the compulsory financing scheme is put into effect.

A spokesman for the Socialist Party in the United States was recently quoted as saying such a system would be "capable of indefinite expansion until it includes the entire population."

Mr. Chairman, I certainly do not question the motives or the good faith of the members of the Ways and Means Committee who reported this bill. I am sure they would not want the coverage to expand in the manner proposed by Mr. Forand, Mr. Reuther, and others. But these members will not always be around to act as watchdogs. In the natural evolution of things we simply must assume that once the compulsory feature is adopted, there will be constant pressures to expand it. The Assistant Secretary of Health, Education, and Welfare, Mr. Wilbur Cohen, now in office, an advocate of this method of financing medicare, once told a Senate committee that he favored a social security payroll tax of 20 percent on a wage based on $9,000 per year.

Once this compulsory tax method is adopted, we must assume that there will in the future be candidates for Congress who will say to voters: "Look, you are paying heavy taxes for medicare. You pay it every year, whether you want to or not. If you do not pay it they will put you in jail. Yet, if you get sick the Government will not pay a dime on your hospital and doctor bills unless you are at least 65 years of age. You are paying for it now and you are entitled to the benefits now. Elect me to Congress and I will go to Washington and try to get some justice for you."

Reacting to pressure groups, political platforms of both major parties will probably soon begin to include planks calling for expansion of medicare coverage in the future.

Mr. Chairman, there is no point in belaboring this issue. It is so important that we take this step with our eyes open. We have in this country the most advanced and efficient medical and hospital service in the world. We know from the experience of others that political medicine is not good medicine. We know something of the risks that will be taken by getting the foot inside the door. We will be embarking on a dangerous course, despite good intentions, which can be quite disastrous. Because of my opposition to the medicare feature of this bill I shall be constrained to vote against it.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I would echo the sentiment of the majority leader expressing a certain satisfaction with the method in which the debate on this bill has proceeded, and I think it has been on a very high level.

Mr. Chairman, I am not too sure how much that debate, however, has influenced any votes. But I think it has made a clear record of the issues and of the problems and of the area of agreement that are involved in the legislation that is now pending before us.

Mr. Chairman, the gentleman from Arkansas [Mr. MILLS], chairman of the Committee on Ways and Means, however, has suggested a short while ago that I still had not convinced him, and apparently I had not convinced some others with respect to how we could present, as we do in the alternative program, a better medical package at less cost to the general taxpayers.

Mr. Chairman, if I might borrow, therefore, from the words of our President which I believe are words taken from the Bible, "Let us reason together," I would like in these few remaining minutes of this debate to try to reason with

the gentleman from Arkansas and some others as to how this is possible.

Let me to say to all of my colleagues that I have been as interested in getting the true cost of both programs as anyone could be, because I believe that is an important element. I am fearful, however, that there are some who while professing to be interested in the costs involved, have been a little more concerned with trying to blow up the cost of the substitute proposal simply as a means of discrediting it. As a fundamental proposition I believe they will have difficulty in discrediting it in vew of the fact that the majorty on the committee have accepted the underlying principles of the substitute bill, that of being voluntary and that of being contributory. These are fundamental parts of the committee bill. They have adopted from us—and I support them in doing so—a proposal to take care of supplemental medical benefits under a voluntary contributory system. But while adopting these principles, they point to the overall cost of the substitute package as being the inherent evil.

We had for instance, Mr. Chairman, a very odd situation yesterday where we had been given an official, and what I thought was a final estimate, by a recognized actuarial expert as to cost of my bill.

We had up until yesterday what we thought was a firm and a final estimate from the chief actuary of the Social Security Administration as to the cost of the proposal I had made. That estimate was submitted in a letter of February 26, a little more than a month ago. But then, yesterday I was informed, and this body was informed by the chairman of the Committee on Ways and Means, that as late as the day before, on April 5, he had obtained a new memorandum containing a new estimate of the cost of my bill. I must confess that this came as a surprise to me because I have been trying to keep close to this legislation, hoping to make some contribution to it, and I did not know that information would be presented here that had not been made available to the rest of the members of the committee.

Even yesterday, I thought when the chairman called my attention to that memorandum of April 5, that this would be the last word; that the actuary had finally made up his mind as to what the substitute proposal would cost.

But, lo and behold, in this morning's RECORD we find a further revision of the estimate in the form of a memorandum from the chief actuary of the Social Security Administration, dated April 7—that is yesterday. Whether the chairman had that memorandum during the course of our debate yesterday or whether that memorandum was prepared after the debate, I do not know, but to my great surprise in the RECORD this morning I find even a later estimate. Whether I will find another estimate after today's debate, when I read tomorrow morning's RECORD, or a couple of days from now, I do not know.

At the close of my remarks, Mr. Chairman, I will place in the RECORD a copy of the letter which I directed to the chief actuary under date of February 12, this year, and a copy of his reply under date of February 26.

You will note in that letter I sought to clarify the prior estimates and asked him to give me an estimate of what he in his judgment, not mine, estimated the cost of my bill would be during the first full year of operation. I did not give him any assumptions because he is the expert, not I. I did not ask him for any self-serving estimate. I wanted to know as near as the actuary could tell me what my bill would cost during the first year it was fully operative.

Here is what he said:

> If there were 100 percent participation, the Federal cost for the first full year of operation (which could be assumed to be fiscal year 1966–67) is estimated at $2.4 billion, while the participants themselves would contribute about $1.25 billion. With 80 percent participation, the Government cost would be $1.9 billion, while the participants would pay $1 billion, and with 50 percent participation the corresponding figures would be $1.2 billion and $0.6 billion, respectively.

I should point out here also that in a prior estimate he recognized that complete participation, that is 100 percent, wil never come about because of the parallel existence of other health insurance plans for persons under the Civil Service Retirement Act, health insurance for retirees provided by their former employers, and for other reasons. Of course, you are not going to get 100 percent participation. With that in mind, the $2.4 billion, which he estimated as the cost to the general revenue, was high.

I do not know what assumptions the chairman of the committee requested the actuary to make in estimating the cost under H.R. 6675, or what assumptions he asked him to make with respect to his later estimates of the substitute bill. I do not know in fact whether the same assumptions would be valid to the proposal I made because there are different approaches which the committee bill takes as compared to my bill. All I can say is that I left the whole question of actuarial estimating of the cost of the actuary of HEW. He made the assumptions. I did not know and I do not know what assumptions he would make with respect to the cost of H.R. 6675—or with respect to the cost of my bill.

The fact of the matter is, however, it is acknowledged that the committee bill will cost the taxpayers about $2.8 billion, and the actuary estimates our bill will cost the taxpayers about $2 billion.

Let me go into the question of why there is that difference. Maybe we can get an understanding here between ourselves where there will be recognition of the fact that the substitute proposal costs less. There has to be a difference in the cost of the two bills.

While the insurance benefit package of the two bills differ, I have been reliably informed that the cost of the two benefit packages, as insurance packages, was approximately the same. There are some benefits in the committee bill that will cost more, frankly, than in the substitute bill. There are some items in the substitute bill that will cost more, such as the item of drugs.

For instance, even as to the hospital benefit, after the payment of the deductible under the committee bill, their program pays the full hospital cost for a longer period than does the substitute bill. The committee bill pays all of the costs for 60 days. The substitute bill, however, does not have a cutoff point. We continue to pay hospital benefits beyond 60 days, but after the first $1,000 of benefits the hospital cost is financed on a coinsurance basis, with the patient paying 20 percent and the insurer paying 80 percent.

But if we could come to an understanding, and I think we could, Mr. Chairman, that there is not a great deal of difference as far as the cost of the benefit package is concerned, even though our plan is more comprehensive in scope, and covers the catastrophic illness because we do not have the 60-day limitation that is contained in the committee bill, if we could reach this understanding, then you are faced with the fact that as far as the benefit package is concerned, there will be no substantial difference in the premium that will be required to provide the combined package of the committee bill or the package in the substitute bill. If we could get an agreement on that point, then I think we could proceed with the understanding as to why the difference.

In the first place, since the committee bill provides a higher ratio of Government subsidy—and let me make this clear, both proposals provide a governmental subsidy—but the Government's subsidy under the committee bill is a higher percent of the total cost than the subsidy provided by the substitute bill. Why? Because the hospitalization package in the committee bill is subsidized 100 percent. It is financed by the payroll tax on today's worker to pay 100 percent of the cost of the benefit for today's retired people, namely those over 65 drawing benefits. For the supplemental insurance the committee bill provides a 50-percent subsidy. But when you combine the two, the basic subsidy in the committee bill is higher—substantially higher—than the basic subsidy in the substitute bill.

As I said in my remarks yesterday which appear in the CONGRESSIONAL RECORD, under the committee bill the Government subsidy represents about five-sixths of the cost in those instances where the individual takes the voluntary program in addition to the compulsory hospitalization program. In other words, if the individual takes the full package of benefits provided by the committee bill, the Government pays five-sixths of the cost of that policy.

Under the substitute proposal I will offer, the Government subsidy is about two-thirds or four-sixths of the cost of the benefit package. That is one of the reasons why it costs the Government less. It cannot help but be less costly. The degree of subsidization is lower. In other words, there is a difference of about 16 percent in the amount of the subsidy as between the two bills.

And, let us remember this always—the proposal that will be offered in the motion to recommit is a voluntary proposal. My difference with the committee in this matter was not solely the matter of financing. That is the important difference—financing through a payroll tax as opposed to financing through the general funds on an ability to pay basis.

But there is also a very serious distinction in the matter of whether the program should be voluntary or whether it should be compulsory. I say it should be voluntary; that those who have satisfactory coverage from other sources should not automatically be blanketed in. We should make the health insurance available to everybody over age 65—without discrimination—which the committee bill does not do, and I believe it should be made available to everybody without discrimination. But let the individual make the basic choice as to whether he wants the insurance.

Now how many will participate under the bill I offer? It is acknowledged that you would not have 100-percent participation because you have people who already have adequate protection at no expense to them. You have, for instance, the automobile workers who have policies furnished by their employers. You have others. You have those who are opposed to the idea of insurance or to medical practice. They would not necessarily desire to be covered and they need not be covered. I use the same assumption that is used by the committee with respect to participation under the voluntary proposal in the committee bill—which they recognize as profitable—participation would be somewhere between 80 and 95 percent. Using that same assumption, we must recognize that we would not have 100 percent and that our participation probably would be within the same range.

Mr. Chairman, as we reason together, let us just recognize when we get to the fundamentals involved that this is a subsidized policy that is being offered. For those people who do not elect to participate, there is a saving to the Government as compared to what the cost would be on the basis of a 100-percent participation. The committee bill does not have this saving as far as its fundamental basic program is concerned. It automatically attains a 100-percent participation. There can be no savings because there is no election.

Since our whole program is voluntary, for every person who does not elect to participate there is a saving. For each of those we save the amount of the Federal subsidy for that individual policy. There is the difference in cost.

I do not see how anybody can have any difficulty in understanding how we can offer a more comprehensive package and do so at a lower cost to the taxpayers because those two factors taken together are bound to give you a reduced cost, and the actuary admits it.

Let me say this, in conclusion, as we come to the end of this debate. I would repeat what I said in opening the debate on yesterday that it is regrettable that this bill could not have been broken up into at least two packages. This is a monumental bill. We all acknowledge that. The chairman acknowledges that it is really four monumental bills in one.

It would only be my hope that we would divide it into two monumental bills, so at least we would have had the chance to vote intelligently on those sections which have to do with the basic social security system, the old age and survivors and disability insurance system, and let the House work its will on the medical aspects of the program. There is no difference fundamentally so far as the need and the advisability of the basic social security amendments that are contained in those sections of the bill. The difference is only in the medical aspect and fundamentally, Mr. Chairman, I cannot quarrel with you on the voluntary part of that program.

I would have great difficulty voting against it, because it accepts the basic fundamental premise of the bill I proposed earlier this year, which is contained in the substitute to be offered in the motion to recommit.

This brings me to the compulsory hospitalization program. Why am I opposed to that? First, because of the compulsion. I think we serve a much better purpose when we move into the health field if we limit ourselves to voluntary contributory programs.

As we further reason together, my major disagreement is with respect to the use of the payroll tax to finance these benefits. I would say to my friend the majority leader, that I do not say the payroll tax is inherently a bad tax. When it is used for the purpose of financing benefits that are wage-related benefits, it is a good and a sound source of raising revenue. Up to this point that is what we have reserved the payroll tax for. We have used it for that purpose, and for that purpose only—for wage-related benefits.

We use the payroll tax to provide unemployment compensation, where the recipient receives a benefit based on his wage record. It is wage related.

We used the payroll tax for the cash benefits of the social security system. How do we figure the cash benefit? The cash benefit a person receives is related to the wages he has earned and on which the tax has been applied.

But now, for the first time, we are departing from that concept, and that is what I warn is a dangerous departure. Now we are not going to use the payroll tax for a wage-related benefit, but we are going to use it for a fixed service with no relationship to wages at all. The same package of benefits is to be provided no matter what the wage level.

Of course we should not tailor medical benefits to what the wage level of the individual has been. We should have a package that is the same for everybody. But when we do that we should not finance it on a payroll tax which is related to wages. That is the most regressive tax we have. It is a tax, I remind the Members, that applies to the worker the first day he goes to work as a young boy, on the first dollar he earns. There are no exemptions and no deductions. It is a gross income tax on the lowest level of income in our country.

That is what I object to and that is why I say we are making a very serious mistake. I do not object to the payroll tax, but I object to perverting it and using it for a purpose of providing benefits that are not wage related.

I suggest that we have no justification for imposing a liability on today's workers to the degree—to the extent—that we are under the committee bill through a regressive tax. We are imposing on today's generation of workers a liability of some $40 billion as we enact the hospitalization program under the committee bill and say to our older people, "This is yours as a matter of right."

Do we have a right to impose that liability and then say it shall be paid for with a regressive payroll tax? I do not believe we do. If we wish to provide these benefits, we should impose that liability on the country as a whole, and say that the society of the United States should take care of these older people and assume that liability. Then the burden will rest on all of the people, and it will be borne in relation to ability to pay.

That is why, Mr. Chairman, I shall offer a motion to recommit, offering a substitute on a voluntary and contributory basis.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Louisiana, the majority whip [Mr. BOGGS] 10 minutes.

Mr. BOGGS. Mr. Chairman and Members of the Committee, we have come to the end of truly a historic debate. It has been, as many Members have said heretofore, a very good debate on both sides of the aisle, and on both sides of the aisle there has been recognition of the truly phenomenal job performed by the great chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS]. I have served on this committee for many years now, and I have followed this particular legislation with tremendous interest, because I do not think that there is anything we will do here this year or, for that matter, within this generation, of more importance than what we are about to do now. I must say to you, Mr. Chairman, that there has never been a more thorough, a more conscientious job done than has been done by the Committee on Ways and Means under the direction of the gentleman from Arkansas [Mr. MILLS].

As we come to the end of the debate, let me try, if I can, to put in perspective what we are about to vote on. At the outset, social security is a part of our economy today. Now, it was not always so. Thirty years ago—and I say this without any reflection upon anybody, because one of the great privileges of being an American and the high privilege of being in this body is the right to disagree—in 1935, when this monumental piece of legislation had its inception there was vast disagreement over it among my Republican colleagues. Whereas today I hear expressions about the validity of the payroll tax, at that time it was described by some as dictatorship, socialism, the chaining of the American society and the American economy. Today, however, everyone recognizes that in this society of ours, which is becoming increasingly

urbanized, where we have become more and more interdependent upon one another, that the social security system is absolutely essential to the people of our country and to the economy of our country. Today we have 94 million people insured under the program. We have 20 million people drawing social security benefits in the United States today. Now we have something like 9 out of every 10 people who reach the age of 65 who are qualified for social security benefits.

Now with H.R. 6675 we come to another milestone in this program. Let me try, if I may, to answer just a few arguments which have been advanced here. No. 1, I have not heard very much talk today, by anyone who studied this legislation, about socialized medicine. I can remember for 15 years every time we had a piece of legislation that sought to do something in this area we heard "socialized medicine." We do not hear that on this floor today, and I can tell you the reason why. I mean, we do not hear it from Members of this body who have studied this matter and who are familiar with what is being debated here. The reason is that these bills, the bill from the committee and the substitute offered by our distinguished friend and able colleague from Wisconsin, Mr. BYRNES, insofar as the medical profession is concerned, are almost identical. There is no difference from their point of view. And I might say that under each proposal there is no compulsion of any kind, either involving the medical profession in the practice of medicine or in the historic doctor-patient relationship throughout our country. I might say in passing that in recent campaigns I have had some friends of mine in the profession, who were misinformed—let me put it that way—who fought me rather vigorously. I never engaged in a counteroffensive against this great profession. I know of no finer men individually than members of the medical profession. I took the position that I was not an expert on how to operate on a patient or how to treat an illness and by the same token some public relations firm was not an expert on how to draft or pass legislation or on what ought to be in the legislation.

And I predict that within a relatively short period of time, as the medical profession understands this bill, it will become not only acceptable to the profession but very popular, indeed, with the profession.

Nobody on the Democratic side of the aisle, despite the heat of campaigns, in my judgment, has ever engaged in any controversy with the American Medical Association or with any members of the medical profession. I have a profound respect for the American medical profession. I do not think there is any profession in the world comparable to it in the advances it has made for the benefit of all of our people. This is a tribute that it deserves, and we want it to continue in that tradition.

Let us look at the bill and let us see what is really before us. There is no question about socialized medicine. Let us get that out of our minds. As a matter of fact, the program advanced and advocated by the American Medical Association, as advertised by the public relations firm, was critical of the bill before our committee, H.R. 1, because they said it did not do enough, not that it did too much. I saw some advertisements on television and in the newspapers where they had checkmarks—"check off here"—and they said, "This is what we do under our proposal and this is what the King bill fails to do." They had boxes checked off.

Then my dear friends on the minority side quite properly said, "We must make recommendations in this field," and they came up with a program which is essentially the motion to recommit on which you will be called upon to vote in a matter of a few minutes.

Let me try to analyze these two proposals. First let us analyze them from the historic concept of social security. What is that concept? Well, it is the insurance concept. I buy insurance and you buy insurance; and I hope I never will have to use it. I have insurance on my house, on my automobile, on my life. I hope none of them will ever have to be used; of course, I know at least one of them will be. The man who insures his house pays for the insurance of the man whose house is destroyed. The whole theory of insurance is that you spread the risk.

Historically, when we adopted social security we had this basic argument. We had people come in and say, "Take the money out of the general fund and let the county and the State and the municipality run these programs on a welfare basis." We said, "No, the American worker, the American businessman, ultimately the American professional man—practically everyone is covered now—has the right to participate in the program."

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOGGS. Then, Mr. Chairman, we had advocates of various proposals here when I first came to Congress—we had a petition filed here on the Speaker's desk every year to discharge the Townsend bill, for example.

Now, Mr. Chairman, the Townsend bill was a general pension paid out of the general revenues of the Government of the United States. They had steering committees for the Townsend plan, and so on.

The reason you do not hear about the Townsend plan any more is because the social security program founded on insurance principles has filled that gap.

Now, Mr. Chairman, let us see what is the more fiscally responsible proposition, whether you pay for it on a payroll basis as you go along in an orderly fashion or whether you pay for it out of the general fund of the United States.

Now, Mr. Chairman, the proposal of the Townsendites was that you pay for it out of the general fund of the United States. I must say that the proposal which has been offered by my distinguished friend, the gentleman from Wisconsin [Mr. BYRNES] is based on just exactly the same concept. Somehow or other the impression has been left here that you are going to get the Byrnes proposal for nothing.

Well, let me give you the figures. Incidentally, the discussion that the gentleman made here a moment ago about cost, I am not going to try to go into it, but if you will take a look at the RECORD for yesterday on page 7210 and on page 7226, you will find that the distinguished chairman of the committee, the gentleman from Arkansas [Mr. MILLS], put all of these figures into the RECORD. What happened was that we had three estimates of the cost. We had a high estimate which was considered the maximum, we had an intermediate estimate which was neither high nor low, and we had a low estimate.

Incidentally, the gentleman from Wisconsin referred to two different recent estimates, one dated April 5 and the other dated April 8. The only difference in those two estimates is that the later one is based on the average contribution from the participants of $6.50 per month, as stated frequently by the gentleman from Wisconsin, whereas the earlier one used a figure of $6 which is believed to be a better figure.

Mr. Chairman, what did we do? We took the highest estimate, because we wanted the system to be completely actuarially sound so there would not be a deficit in the trust fund created under this proposal.

So, Mr. Chairman, if you want to talk about fiscal responsibility, if you want to be against deficit financing, if you believe in the pay-as-you-go principle, then you will vote for the committee bill and you will vote against the substitute.

Now, let us talk about what happens as the taxpayer is concerned. He has been talked about here a great deal yesterday and today, and properly so.

Let me give you the cost figures.

The best estimates that we have are that the Byrnes proposal will cost $4.08 billion per annum. Now, that will be paid for with $2.75 billion out of the general fund of the Treasury of the United States. I hope that you heard that figure, $2.75 billion.

Now, let us transfer that again in terms of what the recipient pays for it, as to whether or not he himself is going to be better pleased with this plan.

Aside from what he pays in higher income taxes to finance the general revenues, he would also pay according to Mr. BYRNES, when he reached the age of 65, $6.50 per month under the voluntary plan; whereas, under the committee supplementary plan he would pay $3, or he would pay under the Byrnes plan over twice as much as he would pay under the committee plan.

Now, Mr. Chairman, under the Mills plan, under the committee plan, $2.3 billion will be financed by a payroll tax.

But let us translate this into terms of percentages of payroll. Remember, we are talking about millions and millions and millions of people, so that we spread this risk across the Nation.

What does the hospital insurance tax actually amount to as far as the worker is concerned? In 1966 it will amount to

.35 percent, translated into terms of dollars of $1.63 a month if he earns the maximum amount. In 1987 and thereafter—this is a few years down the road—our best estimates show that the tax will be .80 percent, still less than 1 percent on the worker.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I will be happy to yield to our distinguished Speaker.

Mr. McCORMACK. Mr. Chairman, we are coming to the close of a dramatic and historic debate. In this Chamber within the past 10 days we have seen the elementary and secondary school education bill, which was a historic measure, passed. Today we are concluding another historic debate.

I can remember over 30 years ago, reference having been made by a number of speakers to the original Social Security Act, when I was one of the members of the Committee on Ways and Means that drafted the original Social Security Act. I can remember the opposition on that occasion, and the difficulty we had in getting a bill through.

We are now debating this bill today. It is constructive democracy in dynamic action in accordance with the economic conditions that exist today, and will confront our people in the decades that lie ahead.

We have two bills, one the committee bill, which has been well considered for many years under the able and brilliant leadership of the gentleman from Arkansas, which as it came out of the committee contains a comprehensive plan, joining with him and the other members of the committee, and countless talented persons throughout the country in bringing about this contribution. It is a fiscally responsible bill. The substitute represents fiscal irresponsibility.

In voting for the substitute bill, those who vote for it are voting for a measure that will bring about fiscal irresponsibility as compared with the bill reported out by the committee, and now before the House.

I heartily favor and support the bill reported by the committee, and I hope that the substitute offered by the gentleman from Wisconsin [Mr. BYRNES] will be defeated. In passing the committee bill we will make another historic contribution in the course of the consideration of this great body.

Mr. BOGGS. Mr. Chairman, let me say in conclusion that the Speaker has succinctly defined the issue as far as the substitute is concerned. The substitute in essence says that we would take $2.75 billion out of the general fund of the United States. My Republican colleagues have always pointed with considerable alarm to the deficit position of the Treasury, but now they would increase that deficit position by $2.75 billion. In the process, the committee bill, in fact, will certainly make it possible for the American worker to have an insurance program which he so desperately needs in this area as well as in the area in which he is already protected.

Mr. Chairman, I have the great honor and high responsibility, as Speaker Rayburn used to say, of having served in this body for well over 20 years—I do not know of any piece of legislation involving the people of the United States that I consider more important, in the years I have been here, than this pending legislation. For me this is going to be a proud and happy vote to cast, because I know when this becomes the law of the land it will do more to lift the burdens off the old people in our country, whose numbers are increasing twofold every decade, and more to help the young people who themselves are struggling to rear, house, educate, and take care of growing families and at the same time care for aged parents.

I hope the substitute will be rejected, and that this body will pass the committee bill by an overwhelming majority.

Mr. ROYBAL. Mr. Chairman, today is a historic occasion for the people of Los Angeles, the State of California, and, indeed, in the life of our Nation.

I would like to take this opportunity to congratulate the leadership, as well as the individual Members of the House, on both sides of this debate, on the statesmanlike manner in which we have considered and now overwhelmingly approved, on a nearly 3-to-1 vote of 313 to 115, the landmark Medicare and Social Security Amendments of 1965.

As one of the bill's original sponsors, I am proud to have offered my full support and to have played some part in the passage of this progressive and forward-looking legislation.

The measure not only contains the most comprehensive medicare health insurance plan for America's senior citizens ever adopted by either House of Congress, but it also includes the largest increase in social security benefits approved since the program was started 30 years ago.

We owe a special debt of gratitude to both President Lyndon Johnson and former President John Kennedy for the outstanding national leadership they demonstrated in the long struggle to bring this urgent matter before the people of the country and before their elected representatives here in the Nation's Capital.

The historic action we have taken today is of particular benefit to California's 1½ million elderly citizens, as well as the 17 million other Americans over the age of 65, for it will enable them to prepay in their earlier, more productive working years, most of their own hospital and related health expenses during retirement.

In addition, the bill provides an optional supplementary health insurance plan available at minimum cost to all persons over 65 and designed to cover their major medical and doctor bills.

Finally, the measure includes a long-overdue 7-percent across-the-board cost-of-living increase in social security benefits for some 20 million Americans—a real help to them by raising the minimum level of their basic economic protection.

These three key provisions of the Medicare and Social Security Amendments of 1965, plus several other substantial improvements in current federally assisted health programs, make this bill the most significant piece of health and social welfare legislation in American history.

Mr. Chairman, I have always been convinced that the elderly are not asking for charity.

But they do want and deserve, and I believe this measure will help give them, a system offering an opportunity to plan for the future—to permit them to live their remaining years in earned dignity, secure in the knowledge that they have provided adequately for their own needs during retirement years.

Because of the tremendous importance of this legislation to every citizen, I will insert at this point in the CONGRESSIONAL RECORD information outlining its provisions.

The first statement, entitled "A Brief Overall Summary," is a short description of the bill, and the other article, entitled "A Summary Analysis of Major Provisions," contains a more detailed explanation of the Medicare and Social Security Amendments of 1965.

The statement and article follow:

BRIEF OVERALL SUMMARY

The bill establishes two coordinated health insurance programs for persons 65 or over under the Social Security Act: (1) a "basic" plan providing protection against the costs of hospital and related care, financed through a separate payroll tax and trust fund; and (2) a voluntary "supplementary" plan covering payments for physicians' and other medical and health services financed through small monthly premiums by individual participants matched equally by a Federal Government general revenue contribution.

Undergirding the two new insurance programs would be a greatly expanded medical care program for the needy and the medically needy. This program would combine all the vendor medical provisions for the aged, blind, disabled, and families with dependent children now in five titles of the Social Security Act under a uniform program and matching formula in a single new title. The Federal matching share for cash payments for these needy persons would also be increased; services for maternal and child health, crippled children, and the mentally retarded would be expanded; a 5-year program of "special project grants" to provide comprehensive health care and services for needy children of school age, or preschool, would be authorized; and present limitations on Federal participation in public assistance to aged individuals in tuberculosis or mental disease hospitals would be removed under certain conditions.

With respect to the old-age, survivors, and disability insurance system the bill would increase benefits by 7 percent across the board with a $4 minimum increase for a worker, cover certain currently uncovered occupations and wages (doctors, and income from tips), continue benefits to age 22 for certain children in school, provide social security tax exemption of self-employment income of certain religious groups opposed to insurance, provide actuarially reduced benefits for widows at age 60, and pay benefits, on a transitional basis, to certain persons currently 72 or over now ineligible; liberalize the definition for disability insurance benefits, increase the amount an individual is permitted to earn without suffering full deductions from benefits, revise the tax schedule, and increase the earnings counted for benefit and tax purposes so as to fully finance the changes made, and make certain changes in allocations to the old-age and survivors insurance and disability insurance trust funds.

SUMMARY ANALYSIS OF MAJOR PROVISIONS—H.R. 6675—MEDICARE AND SOCIAL SECURITY AMENDMENTS OF 1965 (HOUSE VERSION, APRIL 1965)

This analysis of the medicare and social security amendments of 1965 (H.R. 6675), as acted on by the House is in the three tables—(1) a description of the basic hospitalization program; (2) a description of the optional supplementary medical program; and (3) a description of amendments to the Social Security Act, the Kerr-Mills law, and other miscellaneous provisions.

TABLE 1—BASIC HOSPITALIZATION PROGRAM (UNDER SOCIAL SECURITY SYSTEM)

Eligibility: All persons aged 65 years or over who are now, or will in the future, be entitled to monthly social security or railroad retirement benefits (except Federal employees who retired after 1959).

All persons aged 65 years or over, or who will reach age 65 before 1968, who are not eligible for monthly social security or railroad retirement benefits. This part of the program to be paid for from general revenues of the Federal Government, not paid for out of social security trust funds.

Effective date: July 1, 1966, except for services in extended care facilities, which will be effective January 1, 1967.

Enrollment: No enrollment necessary. Coverage is automatic to those eligible.

Cost to the individual: Benefits extended to eligible persons without cost as a matter of right; no "needs test" required.

Benefits:

1. Inpatient hospital charges for up to 60 days of hospitalization in each spell of illness, subject to a $40 deductible amount.

2. Twenty days of nursing home care in each spell of illness, after transfer from hospital; 2 additional days of nursing home care (if needed) can be added for each day that the patient's hospital stay was less than 60 days, to a maximum total of 100 days.

3. Outpatient hospital diagnostic services, subject to a $20 deductible amount for such services furnished by the same hospital during a 20-day period.

4. Posthospital home health services for up to 100 visits after discharge from hospital or nursing home (when patient is under care of physician).

Financing: Through the social security system—payroll taxes from employee, employer, and by self-employed persons. Taxes paid into separate hospital insurance trust fund to assure that actuarial soundness of trust funds and the entire social security system is safeguarded. Tax rates for employee (matched by employer) will be: 1966, 0.35 percent; 1967–72, 0.50 percent; 1973–75, 0.55 percent; 1976–79, 0.60 percent; 1980–86, 0.70 percent; 1987 on, 0.80 percent.

These amounts would be automatically deducted from payroll check (as at present) on first $5,600 earnings a year during 1966–70 period. Thereafter, they would be based on first $6,600 of annual earnings. Program will cost each employee, employer only 38 cents a week, rising to about 54 cents a week for each during 1967–72 period.

TABLE 2—OPTIONAL SUPPLEMENTARY MEDICAL PROGRAM (UNDER PRIVATE INSURANCE CARRIERS)

Eligibility: All persons age 65 or over, on an optional, voluntary basis, regardless of whether or not they are eligible for social security, railroad retirement, or other benefits.

Effective date: July 1, 1966.

Enrollment: Enrollment for persons age 65 years or over before January 1, 1966, will begin 2 months after enactment of bill and continue to March 31, 1966. Regular enrolling periods thereafter.

Cost to the individual: If person chooses to participate in this program, it will cost him $3 per month. Amount would be automatically deducted from monthly benefit check of those persons receiving social security or railroad retirement benefits. Others would pay their contribution into special trust fund directly.

Benefits: In addition to the benefits listed in table 1, those choosing to participate in the supplementary medical program would be entitled to:

1. Physicians' and surgical services furnished in a hospital, clinic, office, or in the home.

2. Hospital care for 60 days in a spell of illness in a mental hospital (180-day lifetime maximum).

3. Home health services (without regard to hospitalization) for up to 100 visits during each calendar year.

4. Additional medical and health services, provided in or out of a medical institution, including diagnostic X-ray and laboratory tests, electrocardiograms, basal metabolism readings, and other diagnostic tests; X-ray, radium, and radioactive isotype therapy; ambulance services (under limited conditions); surgical dressings, splints, casts, iron lungs, oxygen tents, artificial limbs, eyes, etc.

Benefits under this program are subject to an annual deductible amount of $50. Then the program will pay 80 percent of the patient's bills (above the $50 deductible).

Financing: Persons participating in this program will pay $3 a month ($36 a year).—An additional $3 per person per month will be paid into fund by Federal Government out of general revenues.

TABLE 3—OTHER PROVISIONS

Social security benefits: Increases by 7 percent (with a minimum increase of $4 a month) all old-age, survivors, and disability insurance benefits. Increases would be retroactive to January 1, 1965. Now minimum benefit raised from $40 to $44 a month. Will benefit an estimate 20 million persons.

Child's insurance benefits: A child's insurance benefits would continue to be paid until the person reaches age 22 (instead of age 18) if child is attending accredited school or college as a full-time student after he reaches age 18. Will be effective as of January 1, 1965, and benefit estimated 295,000 young people.

Optional benefits for widows at age 60: Widows may have option of receiving social security benefits at age 60, with actuarial reduction of benefits they would otherwise receive at age 62. Effective for second month after enactment of bill, benefiting estimated 185,000 widows.

Disability insurance amendments: Liberalizes eligibility requirements and waiting period for persons covered by disability insurance provisions of Social Security Act. Will benefit estimated 155,000 disabled workers.

Benefits to persons at age 72 or over: Liberalizes eligibility requirements by providing a basic benefit of $35 a month at age 72 or over to certain persons with a minimum of three quarters of coverage under the Social Security Act, acquired at any time since the beginning of the program in 1937. Will benefit an estimated 355,000 persons.

Retirement test: Liberalizes the social security earned income limitation. Beginning in the 1966 tax year, a person receiving benefits will be able to earn $1,200 a year without having his benefits reduced; earnings between $1,200 and $2,400 a year would be subject to a $1 reduction in benefits for each $2 of earnings up to $2,400; a $1 reduction in benefits for each $1 of earnings above $2,400 would take place. Existing law limits this provision to $1,700 instead of $2,400.

Miscellaneous amendments: Other amendments to the Social Security Act authorize benefits to certain divorced women, coverage of self-employed physicians and interns, amendments affecting annual gross earnings of farmers, coverage of cash tips received by an employee after 1965, and an exemption from social security taxes of self-employed persons of the Amish and other religious sects.

Improvement of Kerr-Mills program: Extends the provisions of expanded State medical assistance programs not only to the indigent aged, but also to needy persons who are part of the dependent children, blind, and permanently and totally disabled programs. Establishes a single and separate medical care program to replace the differing provisions for the needy in other parts of the Social Security Act. Provides a level of medical services States must offer to receive Federal payments. Requires States to provide a flexible income test for eligibility.

Other provisions

Public assistance amendments: Increases the Federal share of payments under all State public assistance programs, effective January 1, 1966. Contains other amendments providing Federal incentive to States to benefit aged persons in tubercular and mental institutions.

Child health program amendments: Increases Federal authorization for maternal and child health services and for crippled children services. Authorizes grants to higher education institutions to train professional personnel for health and related care of crippled children, particularly mentally retarded children with multiple handicaps. Authorizes a new 5-year program of special project grants to provide health care and services for children from needy areas. Authorizes grants to help States, to implement mental retardation plans.

Financing improved social security benefits: Improvements in the regular social security program and increased benefits provided in the bill would be financed through a revised payroll tax schedule. Taxes on employees, employers, and self-employed persons are paid into social security trust fund as in the past 30 years. Rates of tax are designed to guarantee the actuarial soundness of the social security system.

The revised tax schedule and the rates under existing law are:

[In percent]

Years	Employee and employer tax rate (each)		Self-employed tax rate	
	Existing law	Proposed in bill	Existing law	Proposed in bill
1965	3.625	3.625	5.4	5.4
1966–67	4.125	4.0	6.2	6.0
1968	4.625	4.0	6.9	6.0
1969–72	4.625	4.4	6.9	6.6
1973 on	4.625	4.8	6.9	7.0

As in the past, these amounts would be automatically deducted from payroll check. Tax would be paid on first $5,600 (instead of present $4,800) during the 1966–70 period. Thereafter, they would be paid on first $6,600 of annual earnings.

Mr. DONOHUE. Mr. Chairman, it is my very deep and earnest conviction that H.R. 6675 should be overwhelmingly approved.

In a prudent comprehensive design this measure projects three new programs for health insurance and medical care for the aged under the Social Security Act by establishing, first, a fundamental hospital insurance plan to help meet the burdensome costs of hospital and posthospital treatment; second, it establishes a voluntary plan through which doctors' and other medical services are paid for by monthly premiums of $3 matched by an equal Government

payment; thirdly, it establishes an expanded Kerr-Mills program for the needy which will combine all the existing medical programs for this group into a single new program with greater Federal financial participation.

This measure before us also is designed to more realistically improve our current social security and public assistance programs. The provision to grant a 7-percent increase in social security benefits not only takes into account the advanced living costs that have occurred over the past several years but it will also help to finance the cost of the new voluntary supplementary insurance plan. Indeed a special phase of the bill is to permit an automatic $3 a month deduction from the social security benefits if the individual chooses such coverage.

Other vitally important features of this measure are, in my judgment, the continuation of benefits for children attending school beyond the age of 18 up to the age of 22, as well as the desperately needed liberalization of the earnings limitation, so long overdue.

Mr. Chairman, the most distinguished chairman and diligent members of the House Ways and Means Committee have, after extended hearings and studied deliberations, provided us with a prudent, sensible, modern, and acceptable solution to a most difficult and longstanding problem that is of imperative urgency to an increasing number of older citizens and, indeed, younger ones, in this country. This House and this Nation owes them a great debt of patriotic gratitude.

Not the least of the reasons to influence us toward approval of this measure is our common knowledge of the legendary scholarship, prudence, and patriotic dedication of the esteemed committee chairman who has presented this measure to us and recommended its passage after so many years of conscientious scrutiny and judgment of this controversial subject. He has told us that he advocates approval of this bill and I quote his words, "with every bit of energy at my command."

Mr. Chairman, the President himself has perhaps summed up better than anyone else the sense and the substance of this measure when he said:

> Compassion and reason dictate that this logical extension of our proven social security system will supply the prudent, feasible and dignified way to free the aged from the fear of financial hardship in the event of ailments.

Mr. Chairman, in the firmest belief that this measure is "good for all Americans" I urge my colleagues here to resoundingly adopt this landmark legislation without further delay.

Mr. DINGELL. Mr. Chairman, it is with a great deal of pleasure that I observe the House today considering legislation to provide for hospitalization through the framework of the social security system and for payment of other medical, surgical, and auxiliary services from the general fund. I know this legislation is going to pass, and it is my principal regret that my beloved, deceased father, former Congressman John D. Dingell, is not with us today to see the House of Representatives take this great step. It was he who joined with the beloved late Senators Wagner and Murray in sponsorship of the first legislation to accomplish this end in the 78th Congress back in the year 1943.

What we are doing today is adequate proof that high pressure lobbying tactics and huge expenditures of funds cannot prevail against the will of the American people where the need is as clear as that which cries for enactment of H.R. 6675.

Our senior citizens have the highest incidence of medical need in every category. Their hospitalization is over twice as long and vastly more frequent than other segments of the society. Their bills for payment of doctors and surgical care and for hospital stays are far in excess of that faced by the usually more affluent younger members of our society. Their ability to meet this crushing burden of health care is less than any other segment of the society. Their median income, per capita income, and liquid assets are far below that of other segments in the society. They fear illness, but they live more in fear of being pauperized by the high cost of illness.

Their circumstances jeopardize their slender savings every time they go to the doctor or to the hospital.

The aged are often preyed upon by predatory and unscrupulous sellers of relatively valueless health insurance. Often, responsible insurers will not accept them. They often find premiums of worthwhile health insurance far beyond their limited means. Where they are able to maintain a policy of health insurance they ofttimes find the policies canceled at the first real evidence of heavy medical need.

I rejoice at the other features of the bill. It is most desirable that we participate in the education of the children of our social security beneficiaries; it is vitally important that we permit earlier retirement at age 60 for widows who might otherwise agonize in a limbo of unemployment and deprivation while awaiting that milestone of age 62 to qualify for benefits.

The social security increases are of great importance; the moneys for liberalization of other parts of the Social Security Act are greatly needed. However, Mr. Chairman, nowhere in the history of the whole amendatory process since the original enactment of the Social Security Act has there been a measure so desperately and vitally needed by the senior citizens of this Nation as that providing for Federal payment of hospitalization and medical care for the aged.

Our whole society and whole economy will benefit.

Our aged will have an opportunity to have adequate hospitalization and medical care. Our young people will know that the health needs of their parents and loved ones are adequately cared for in retirement.

Our private insurance plans, like the great Blue Cross-Blue Shield system and many of the other fine private plans, will be able to offer all a better standard of health, hospitalization, and medical-surgical protection at a lesser cost. They will no longer need to subsidize the high risk cost of the aged, who cannot afford decent insurance.

Doctors and hospitals can eliminate now for the first time a large portion of their so-called charity patients. Ratepayers and beneficiaries of hospital and doctor and nursing home benefits will know that their payments do not go, in large part, to subsidize the cost of some unfortunate aged person cared for as a part of the regular charity load of the individual or institution.

My old dad would be proud that the legislation that he fought for since the original H.R. 2861 of the 78th Congress is well on the way to enactment. My dear dad reintroduced that measure in each Congress until his death. This partial realization of his dream means protection of our aged from the most desperate need faced by them.

Mr. MILLS. Mr. Chairman, that concludes the general debate.

The CHAIRMAN. Does the gentleman from Wisconsin have any further requests for time?

Mr. BYRNES of Wisconsin. I have no further requests for time, Mr. Chairman.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

No amendment shall be in order to the bill except amendments offered by direction of the Committee on Ways and Means.

Are there any committee amendments?

Mr. MILLS. There are no committee amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DINGELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6675) to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, to improve the Federal-State public assistance programs, and for other purposes, pursuant to House Resolution 322, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BYRNES of Wisconsin. I am, Mr. Speaker, in its present form.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. BYRNES of Wisconsin moves to recommit the bill (H.R. 6675) to the Committee on Ways and Means, with instructions to report the same back to the House forthwith with the following amendment:
>
> Strike out all after the enacting clause and insert the text of H.R. 7057, with an

amendment striking out (in H.R. 7057) line 12 on page 34 and all that follows down through line 24 on page 36 and inserting in lieu thereof the following:

"PAYMENT OF PREMIUMS

"Deductions from social security benefits; transfers from Federal Old-Age and Survivors Insurance Trust Fund

"SEC. 119. (a)(1) In the case of an individual who is entitled to a benefit for any month under title II of the Social Security Act, his monthly premium for such month under the insurance program established by this title shall (except as provided in subsection (d)) be collected by deducting the amount of such premium from the amount of such benefit. Such deduction shall be made in such manner, and at such times, as the Secretary shall by regulations prescribe.

"(2) The Secretary of the Treasury shall, from time to time, transfer from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund to the Comprehensive Health Insurance Fund for the Aged the aggregate amount deducted under this subsection for the period to which such transfer relates from benefits under title II of the Social Security Act which are payable from such trust funds. Such transfer shall be made on the basis of a certification by the Secretary of Health, Education, and Welfare and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"Deductions from railroad retirement annuities or pensions; transfers from railroad retirement account

"(b)(1) In the case of an individual who is entitled to receive for a month an annuity or pension under the Railroad Retirement Act of 1937, his monthly premium for such month under the insurance program established by this title shall (except as provided in subsection (d)) be collected by deducting the amount of such premium from such annuity or pension. Such deduction shall be made in such manner, and at such times, as the Secretary shall by regulations prescribe after consultation with the Railroad Retirement Board.

"(2) The Secretary of the Treasury shall, from time to time, transfer from the Railroad Retirement Account to the Comprehensive Health Insurance Fund for the Aged the aggregate amount deducted under this subsection for the period to which such transfer relates. Such transfer shall be made on the basis of a certification by the Railroad Retirement Board and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

"Individuals entitled to both social security and railroad retirement benefits

"(c) In the case of an individual who is entitled both to monthly benefits under title II of the Social Security Act and to an annuity or pension under the Railroad Retirement Act of 1937 at the time he enrolls pursuant to section 116 in the insurance program established by this title, subsection (a) shall apply so long as he continues to be entitled both to such benefits and to such annuity or pension. In the case of an individual who becomes entitled both to such benefits and to such annuity or pension after he enrolls pursuant to section 116 in such insurance program, subsection (a) shall apply if the first month for which he was entitled to such benefits was the same as or earlier than the first month for which he was entitled to such annuity or pension, and otherwise subsection (b) shall apply.

"Payment of premiums where benefits are insufficient for deduction

"(d) If an individual to whom subsection (a) or (b) applies estimates that the amount which will be available for deduction under such subsection for any premium payment period will be less than the amount of the monthly premiums for such period, he may (under regulations prescribed by the Secretary) pay to the Secretary such portion of the monthly premiums for such period as he desires.

"Other individual participants

"(e) In the case of an individual who participates in the insurance program established by this title but with respect to whom neither subsection (a) nor subsection (b) applies, the premiums shall be paid to the Secretary at such times, and in such manner, as the Secretary shall by regulations prescribe.

"Deposit in trust fund

"(f) Amounts paid to the Secretary under subsection (d) or (e) shall be deposited in the Treasury to the credit of the comprehensive health insurance fund for the aged.

"Premiums during waiting period

"(g) In the case of an individual who enrolls pursuant to section 116 in the insurance program established by this title, monthly premiums shall be payable commencing with the month immediately preceding the beginning of his benefit period; except that this subsection shall not apply to (1) any month before 1966, or (2) the month in which the individual attains age 65."

Mr. BYRNES of Wisconsin (interrupting the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent that further reading of the motion to recommit be dispensed with and that it be printed in the RECORD at this point, inasmuch as it was explained earlier.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 191, nays 236, answered "present" 1, not voting 5, as follows:

[Roll No. 70]

YEAS—191

Abbitt	Broyhill, N.C.	Dague
Abernethy	Broyhill, Va.	Davis, Ga.
Adair	Buchanan	Davis, Wis.
Anderson, Ill.	Burleson	de la Garza
Andrews, George W.	Burton, Utah	Derwinski
	Byrnes, Wis.	Devine
Andrews, Glenn	Cahill	Dickinson
	Callan	Dole
Andrews, N. Dak.	Callaway	Dorn
	Carter	Dowdy
Arends	Casey	Downing
Ashbrook	Cederberg	Duncan, Tenn.
Ashmore	Chamberlain	Edwards, Ala.
Baring	Chelf	Ellsworth
Bates	Clancy	Erlenborn
Battin	Clausen, Don H.	Findley
Beckworth		Fisher
Belcher	Clawson, Del	Flynt
Bell	Cleveland	Ford, Gerald R.
Bennett	Collier	Fountain
Berry	Colmer	Frelinghuysen
Betts	Conable	Fulton, Pa.
Bolton	Conte	Fuqua
Bonner	Cooley	Gathings
Bow	Corbett	Gettys
Bray	Cramer	Goodell
Brock	Cunningham	Griffin
Broomfield	Curtin	Gross
Brown, Ohio	Curtis	Grover
Gubser	Martin, Mass.	Scott
Gurney	Martin, Nebr.	Selden
Hagan, Ga.	Mathias	Shriver
Haley	Matthews	Sikes
Hall	May	Skubitz
Halleck	Michel	Smith, Calif.
Hansen, Idaho	Minshall	Smith, N.Y.
Harsha	Mize	Smith, Va.
Harvey, Ind.	Moore	Springer
Harvey, Mich.	Morse	Stafford
Hébert	Morton	Stanton
Henderson	Mosher	Stephens
Herlong	Natcher	Stubblefield
Hosmer	Nelsen	Talcott
Hull	O'Konski	Taylor
Hutchinson	O'Neal, Ga.	Teague, Calif.
Jarman	Passman	Thompson, La.
Johnson, Pa.	Pelly	Thomson, Wis.
Jonas	Pickle	Tuck
King, N.Y.	Poff	Tupper
Kornegay	Pool	Tuten
Kunkel	Quie	Utt
Laird	Quillen	Waggonner
Langen	Reid, Ill.	Walker, Miss.
Latta	Reifel	Watkins
Lennon	Reinecke	Watts
Lipscomb	Rhodes, Ariz.	Whalley
Long, La.	Rivers, S.C.	White, Tex.
McClory	Robison	Whitener
McCulloch	Rogers, Fla.	Whitten
McDade	Rogers, Tex.	Widnall
McEwen	Roudebush	Williams
McMillan	Rumsfeld	Wilson, Bob
MacGregor	Satterfield	Wyatt
Marsh	Saylor	Wydler
Martin, Ala.	Schneebeli	Younger

NAYS—236

Adams	Giaimo	Matsunaga
Addabbo	Gibbons	Meeds
Albert	Gilbert	Miller
Anderson, Tenn.	Gilligan	Mills
	Gonzalez	Minish
Annunzio	Grabowski	Mink
Aspinall	Gray	Moeller
Ayres	Green, Oreg.	Monagan
Bandstra	Green, Pa.	Moorhead
Barrett	Greigg	Morgan
Bingham	Grider	Morris
Blatnik	Griffiths	Morrison
Boggs	Hagen, Calif.	Moss
Boland	Halpern	Multer
Bolling	Hamilton	Murphy, Ill.
Brademas	Hanley	Murphy, N.Y.
Brooks	Hanna	Murray
Brown, Calif.	Hansen, Iowa	Nedzi
Burke	Hansen, Wash.	Nix
Burton, Calif.	Harris	O'Brien
Byrne, Pa.	Hathaway	O'Hara, Ill.
Cabell	Hawkins	O'Hara, Mich.
Cameron	Hays	Olsen, Mont.
Carey	Hechler	Olson, Minn.
Celler	Helstoski	O'Neill, Mass.
Clark	Hicks	Ottinger
Clevenger	Holifield	Patman
Cohelan	Holland	Patten
Conyers	Horton	Pepper
Corman	Howard	Perkins
Craley	Hungate	Philbin
Culver	Huot	Pike
Daddario	Ichord	Pirnie
Daniels	Irwin	Poage
Dawson	Jacobs	Powell
Delaney	Jennings	Price
Dent	Joelson	Pucinski
Denton	Johnson, Calif.	Purcell
Diggs	Johnson, Okla.	Race
Dingell	Jones, Mo.	Randall
Donohue	Karsten	Redlin
Dow	Karth	Reid, N.Y.
Dulski	Kastenmeier	Resnick
Duncan, Oreg.	Kee	Reuss
Dwyer	Keith	Rhodes, Pa.
Dyal	Kelly	Rivers, Alaska
Edmondson	Keogh	Roberts
Edwards, Calif.	King, Calif.	Rodino
Evans, Colo.	King, Utah	Rogers, Colo.
Everett	Kirwan	Ronan
Evins, Tenn.	Kluczynski	Roncalio
Fallon	Krebs	Rooney, N.Y.
Farbstein	Landrum	Rooney, Pa.
Farnsley	Leggett	Roosevelt
Farnum	Lindsay	Rosenthal
Fascell	Long, Md.	Rostenkowski
Feighan	Love	Roush
Fino	McCarthy	Roybal
Flood	McDowell	Ryan
Fogarty	McFall	St Germain
Foley	McGrath	St. Onge
Ford, William D.	McVicker	Scheuer
	Macdonald	Schisler
Fraser	Machen	Schmidhauser
Friedel	Mackay	Schweiker
Fulton, Tenn.	Mackie	Secrest
Gallagher	Madden	Senner
Garmatz	Mahon	Shipley

Sickles	Thomas	Walker, N. Mex.
Sisk	Thompson, N.J.	Weltner
Slack	Thompson, Tex.	White, Idaho
Smith, Iowa	Todd	Willis
Staggers	Trimble	Wilson,
Stalbaum	Tunney	Charles H.
Steed	Udall	Wolff
Stratton	Ullman	Wright
Sullivan	Van Deerlin	Yates
Sweeney	Vanik	Young
Teague, Tex.	Vigorito	Zablocki
Tenzer	Vivian	

ANSWERED "PRESENT"—1

Hardy

NOT VOTING—5

Ashley	Jones, Ala.	Toll
Baldwin	Mailliard	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Mailliard for, with Mr. Ashley against.

Mr. Hardy for, with Mr. Jones of Alabama against.

Mr. HARDY. Mr. Speaker, I have a live pair with the gentleman from Alabama [Mr. JONES]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 313, nays 115, not voting 5, as follows:

[Roll No. 71]

YEAS—313

Adams	Dague	Greigg
Addabbo	Daniels	Grider
Albert	Dawson	Griffin
Anderson,	de la Garza	Griffiths
Tenn.	Delaney	Grover
Annunzio	Dent	Gubser
Ashmore	Denton	Gurney
Aspinall	Diggs	Hagen, Calif.
Ayres	Dingell	Haley
Bandstra	Donohue	Halpern
Barrett	Dow	Hamilton
Bates	Dowdy	Hanley
Beckworth	Dulski	Hanna
Bingham	Duncan, Oreg.	Hansen, Iowa
Blatnik	Dwyer	Hansen, Wash.
Boggs	Dyal	Hardy
Boland	Edmondson	Harris
Bolling	Edwards, Calif.	Harvey, Mich.
Bonner	Evans, Colo.	Hathaway
Bow	Everett	Hawkins
Brademas	Evins, Tenn.	Hays
Brooks	Fallon	Hechler
Broomfield	Farbstein	Helstoski
Brown, Calif.	Farnsley	Henderson
Broyhill, N.C.	Farnum	Herlong
Burke	Fascell	Hicks
Burton, Calif.	Feighan	Holifield
Byrne, Pa.	Fino	Holland
Cahill	Flood	Horton
Callan	Fogarty	Howard
Cameron	Foley	Hull
Carey	Ford,	Hungate
Cederberg	William D.	Huot
Celler	Fountain	Hutchinson
Chamberlain	Fraser	Ichord
Chelf	Frelinghuysen	Irwin
Clark	Friedel	Jacobs
Cleveland	Fulton, Pa.	Jennings
Clevenger	Fulton, Tenn.	Joelson
Cohelan	Gallagher	Johnson, Calif.
Conable	Garmatz	Johnson, Okla.
Conte	Gettys	Johnson, Pa.
Conyers	Giaimo	Karsten
Cooley	Gibbons	Karth
Corbett	Gilbert	Kastenmeier
Corman	Gilligan	Kee
Craley	Gonzalez	Keith
Cramer	Goodell	Kelly
Culver	Grabowski	Keogh
Cunningham	Gray	King, Calif.
Curtin	Green, Oreg.	King, N.Y.
Daddario	Green, Pa.	King, Utah
Kirwan	Olsen, Mont.	Sickles
Kluczynski	Olson, Minn.	Sikes
Krebs	O'Neill, Mass.	Sisk
Kunkel	Ottinger	Slack
Landrum	Patman	Smith, Iowa
Leggett	Patten	Smith, N.Y.
Lindsay	Pelly	Stafford
Long, Md.	Pepper	Staggers
Love	Perkins	Stalbaum
McCarthy	Philbin	Stanton
McClory	Pike	Stratton
McCulloch	Pirnie	Stubblefield
McDade	Powell	Sullivan
McDowell	Price	Sweeney
McEwen	Pucinski	Talcott
McFall	Purcell	Taylor
McGrath	Race	Teague, Calif.
McVicker	Randall	Tenzer
Macdonald	Redlin	Thomas
Machen	Reid, N.Y.	Thompson, La.
Mackay	Reifel	Thompson, N.J.
Mackie	Reinecke	Thompson, Tex.
Madden	Resnick	Todd
Martin, Mass.	Reuss	Trimble
Mathias	Rhodes, Pa.	Tunney
Matsunaga	Rivers, Alaska	Tupper
Matthews	Roberts	Tuten
Meeds	Robison	Udall
Miller	Rodino	Ullman
Mills	Rogers, Colo.	Van Deerlin
Minish	Rogers, Fla.	Vanik
Mink	Rogers, Tex.	Vigorito
Minshall	Ronan	Vivian
Moeller	Roncalio	Walker, N. Mex.
Monagan	Rooney, N.Y.	Watkins
Moore	Rooney, Pa.	Watts
Moorhead	Roosevelt	Weltner
Morgan	Rosenthal	Whalley
Morris	Rostenkowski	White, Idaho
Morrison	Roush	White, Tex.
Morse	Roybal	Whitener
Mosher	Ryan	Widnall
Moss	St Germain	Willis
Multer	St. Onge	Wilson,
Murphy, Ill.	Saylor	Charles H.
Murphy, N.Y.	Scheuer	Wolff
Murray	Schisler	Wright
Natcher	Schmidhauser	Wyatt
Nedzi	Schneebeli	Wydler
Nix	Schweiker	Yates
O'Brien	Scott	Young
O'Hara, Ill.	Secrest	Zablocki
O'Hara, Mich.	Senner	
O'Konski	Shipley	

NAYS—115

Abbitt	Davis, Wis.	Martin, Ala.
Abernethy	Derwinski	Martin, Nebr.
Adair	Devine	May
Anderson, Ill.	Dickinson	Michel
Andrews,	Dole	Mize
George W.	Dorn	Morton
Andrews,	Downing	Nelsen
Glenn	Duncan, Tenn.	O'Neal, Ga.
Andrews,	Edwards, Ala.	Passman
N. Dak.	Ellsworth	Pickle
Arends	Erlenborn	Poage
Ashbrook	Findley	Poff
Baring	Fisher	Pool
Battin	Flynt	Quie
Belcher	Ford, Gerald R.	Quillen
Bell	Fuqua	Reid, Ill.
Bennett	Gathings	Rhodes, Ariz.
Berry	Gross	Rivers, S.C.
Betts	Hagan, Ga.	Roudebush
Bolton	Hall	Rumsfeld
Bray	Halleck	Satterfield
Brock	Hansen, Idaho	Selden
Brown, Ohio	Harsha	Shriver
Broyhill, Va.	Harvey, Ind.	Skubitz
Buchanan	Hébert	Smith, Calif.
Burleson	Hosmer	Smith, Va.
Burton, Utah	Jarman	Springer
Byrnes, Wis.	Jonas	Steed
Cabell	Jones, Mo.	Stephens
Callaway	Kornegay	Teague, Tex.
Carter	Laird	Thomson, Wis.
Casey	Langen	Tuck
Clancy	Latta	Utt
Clausen,	Lennon	Waggonner
Don H.	Lipscomb	Walker, Miss.
Clawson, Del	Long, La.	Whitten
Collier	McMillan	Williams
Colmer	MacGregor	Wilson, Bob
Curtis	Mahon	Younger
Davis, Ga.	Marsh	

NOT VOTING—5

Ashley	Jones, Ala.	Toll
Baldwin	Mailliard	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Toll with Mr. Ashley.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that Members desiring to do so may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DUMPING FEED GRAIN SURPLUSES

Mr. QUIE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, Agriculture Secretary Orville Freeman has now made an unprecedented and rare admission that he manipulated farm prices by dumping Commodity Credit Corporation feed grain surpluses on the market over the past 4 years to hold down farm prices.

I have suspected this for a long time and have said so many times, but I almost fell off my chair when the Secretary testified to it before the House Agriculture Committee.

Secretary Freeman made the voluntary admission in testimony April 6 before the House Agriculture Committee.

It was certainly discouraging to learn that the agriculture programs are being administered in such a way that they do not benefit the farmer but are used to promote the extension of costly bureaucratic machinery.

The Secretary testified that the CCC dumped some 500 million bushels of wheat and 30 million tons of feed grains on the market and that this tended to keep prices below support—to make the program effective.

To make it worse, the Secretary charged that Congress had "intended" and "directed" that this be done. Now, I am in Congress and I remember that we even took some of the authority away from him in section 3 of that bill. In fact, I have joined with my colleagues many times in asking the Secretary to stop this practice after that bill was passed.

I have introduced a bill to prohibit the Commodity Credit Corporation from making domestic sales of feed grain commodities at prices less than 125 percent of current support prices. This bill is supported by such diverse groups as the Farmers Union and the Farm Bureau.

The Secretary said, in his testimony: "We must not yield to the temptation to make prices so high the programs become unworkable. The feed grain program has worked excellently. It has been well worth the cost. But the cost

has been high and if it goes higher, the program will be gravely threatened."

In 1961, the Secretary promised that farm prices would rise to 90 percent of parity under his administration. Parity has never reached 90 percent since he took office, and in fact, today is at 75 percent. Now he tells us that we cannot "yield to the temptation" of letting prices go up, because his farm programs might not work. The Secretary of Agriculture has now made this startling admission. The Budget Director wrote in his annual report that he thinks 2.5 million farm families could not be supported on the land. The President, in his state of the Union message, said nothing at all about the farmer. Farm income is nowhere near the 90 percent of parity promised. I intend to work harder than ever for passage of my bill to raise the resale formula to 125 percent, thus stopping the Secretary from further surplus dumping to hold farmers' prices down.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5721) entitled "An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

NATIONAL ARTS AND CULTURAL DEVELOPMENT ACT OF 1964

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 325, Rept. No. 229) which was referred to the House Calendar and ordered to be printed:

H. RES. 325

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4714) to amend the National Arts and Cultural Development Act of 1964 with respect to the authorization of appropriations therein. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

REORGANIZATION ACT OF 1949

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 326, Rept. No. 230), which was referred to the House Calendar and ordered to be printed:

H. RES. 326

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4623) further amending the Reorganization Act of 1949. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AGRICULTURAL ADJUSTMENT ACT OF 1938 AMENDMENTS

Mr. COOLEY submitted the following conference report and statement on the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes:

CONFERENCE REPORT (REPT. NO. 228)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 7, 8, 9, 10, 11, 13, 15, and 17 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "supplies to the reserve supply level. Any such downward adjustment shall not exceed 15 per centum of such estimated utilization and exports"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "like manner, except that the five years 1960 to 1964, inclusive, may be used instead of the period 1959 to 1963, as determined by the Secretary"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment insert the following: "the sum of 50 per centum of the average of the three highest years and 50 per centum of the national average yield goal but not less than"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken by the Senate amendment insert the following: "except that in lieu of the five consecutive crop years beginning with 1959 the years 1960 to 1964, inclusive, may be used, as determined by the Secretary"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "120 per centum in the case of Burley tobacco for the first year for which marketing quotas are made effective under this section"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"'(h) Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for Burley tobacco—

"'(1) the farm acreage allotment for Burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) five-tenths of an acre, or (C) 10 per centum of the cropland; and

"'(2) the farm marketing quota for Burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm.'

"Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f).

"The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

"'Whenever the Secretary proclaims a quota on an acreage allotment basis (in lieu of on an acreage poundage basis)—

"'(A) the minimum acreage allotment for Burley tobacco for any farm shall be determined under the provisions of the Act of July 12, 1952, as amended (7 U.S.C. 1315) instead of under the preceding provisions of this subsection;

"'(B) clause (1) of the Act of July 12, 1952, shall for such purpose read as follows: "(1) the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis"; and

"'(C) the proviso of that Act shall for such purpose read as follows: "*Provided, however,* That no allotment of seven-tenths of an acre or less shall be reduced more than one-tenth of an acre below the allotment established for the farm for the last preceding year for which a quota was proclaimed on an acreage allotment basis";'; and the Senate agree to the same."

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "120 per centum in the case of Burley tobacco for the first year for which marketing

quotas are made effective under this section"; and the Senate agree to the same.

HAROLD D. COOLEY,
JOHN L. MCMILLAN,
W. M. ABBITT,
FRANK A. STUBBLEFIELD,
PAUL B. DAGUE,
Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
B. EVERETT JORDAN,
MILTON R. YOUNG,
JOHN SHERMAN COOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill, H.R. 5721, to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The Senate made 17 numbered amendments to the House bill, most of which are of a technical nature.

The conferees agreed to accept 10 of the Senate amendments without change and to the revision and acceptance of the other 7 amendments.

Following is an explanation by number of the amendments agreed to by the conferees:

(1) Prevents downward adjustment of the national marketing quota under section 317(a) either (i) by more than 15 percent of estimated domestic consumption and exports, or (ii) so as to reduce supplies below the reserve supply level.

(2) Provides for use of the 1965 (instead of 1964) farm acreage allotment in computing the 1965 Flue-cured farm acreage allotment for the purpose of the acreage-poundage quotas.

(3) Provides that the "community average yield" shall be determined for other kinds of tobacco in the same manner as for Flue-cured except that the 5 years 1960–64 may be used instead of 1959–63.

(4) This Senate amendment made 120 percent of the community average yield the upper limit on preliminary farm yields (striking out the downward adjustment provided in the House bill for yields above that level). The revised amendment agreed to by the conferees makes no change in the House provisions on preliminary farm yields up to 120 percent of the community yields and will permit preliminary farm yields above that level based on 50 percent of the farm yield plus 50 percent of the national yield goal.

(5) Provides for use of the base period 1959–63 or 1960–64 in determining preliminary farm yields for kinds of tobacco other than Flue-cured.

(6) Permits the Secretary to conduct the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965) as long as 45 days after proclamation of the quota.

(7) Makes it clear that quotas on an acreage basis continue in effect if quotas on an acreage-poundage basis are disapproved under section 317(c).

(8) Provides that insofar as practicable notices of farm marketing quotas shall be mailed at least 15 days prior to the first referendum on acreage-poundage quotas for any kind of tobacco (except Flue-cured in 1965).

(9) Limits the farm yield for new tobacco farms to not more than the community average yield.

(10) Makes it clear that the bill does not grant authority for leasing allotments for burley or other tobacco not now covered by section 316.

(11) Provides for increasing acreage allotments transferred prior to the date the acreage-poundage quotas become effective for 1965 in the same proportion that acreage allotments are increased for 1965 under the acreage-poundage provisions.

(12) Provides that in the case of burley tobacco for the first year that acreage poundage quotas are in effect, the amount which may be marketed without penalty and be accorded price support shall be 120 (instead of 110) percent of the farm marketing quota.

(13) Technical. Strikes out quotation marks.

(14) Under existing law, burley allotments of one-half acre or less are protected from general acreage cuts. The amendment provides similar protection under acreage-poundage for small burley farms. Acreage allotments and poundage quotas for the first year under acreage-poundage would be established for all old burley farms on the same basis. For subsequent years, the farm acreage allotment would not be less than the smallest of that first-year allotment, five-tenths of an acre, or 10 percent of the cropland; and the farm marketing quota would not be less than that minimum allotment times the farm yield established for the farm the first year that acreage-poundage is in effect. The minimum allotments would be subject to adjustment due to overmarketing, on the same basis as all other farms. As amended, the amendment also provides that if quotas are later returned to an acreage basis, the farm's minimum allotment would again be based on the act of 1952 and its acreage allotment the last year the acreage program was in effect, before shifting to acreage-poundage. It is the purpose of the amendment to provide an acreage and poundage floor for small burley farms—fixed at one-half acre or 10 percent of the cropland, as in present law, or the first year's acreage and poundage established for the farm, whichever is smallest.

(15) Provides that if acreage-poundage quotas are approved for the 1965 Flue-cured crop, the Secretary will consult with representatives of the tobacco industry concerning each kind of tobacco, conduct a study, and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry, recommending any modifications needed to improve the program and adapt it to other kinds of tobacco.

(16) Technical. To conform to amendment No. 12.

(17) This amendment is intended merely to preserve the status quo in a court action now pending. It is the understanding of the conferees that the adoption of the Senate amendment incorporated as section 4 in the bill as it passed the Senate would in no way add to or detract from any of the rights of the parties in the case of *Brown et al.* v. *Freeman* now pending in the courts and would not add any factor which the courts could take into consideration in deciding that case.

HAROLD D. COOLEY,
JOHN L. MCMILLAN,
W. M. ABBITT,
FRANK A. STUBBLEFIELD,
PAUL B. DAGUE,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, and to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. Mr. Speaker, reserving the right to object, are the amendments to this bill, if any, germane to the bill?

Mr. COOLEY. All of them.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so have permission to extend their remarks in the RECORD on the conference report just adopted.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HECHLER. Mr. Speaker, on behalf of the many small growers of burley tobacco in the State of West Virginia, I would like to say we are very pleased with the fact that an amendment was added in the other body, and adopted by the conference, for the protection of small burley growers. There are many such tobacco growers in my district, and for them this is their only source of cash income. I have discussed this amendment with the gentleman from North Carolina [Mr. COOLEY], and also discussed the amendment with Senator JOHN SHERMAN COOPER, of Kentucky, and I am gratified that the provisions of this acreage-poundage bill contemplate future protection of the small growers of burley tobacco. It is in my district of West Virginia that the preponderance of burley tobacco is raised, and my many tobacco farmers are grateful for this protection.

TENTH ANNIVERSARY OF SALK'S DEVELOPMENT OF VACCINE AGAINST POLIOMYELITIS

Mr. ALBERT. Mr. Speaker, I offer a resolution (S. Con. Res. 30) and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

S. CON. RES. 30

Whereas April 12, 1965, is the tenth anniversary of one of the most significant medical achievements of our time, Doctor Jonas Salk's development of a successful vaccine against poliomyelitis; and

Whereas in the ten years since the introduction of the Salk vaccine, there has been

a 99 per centum reduction in the number of cases of polio in the United States; and

Whereas this dread disease which once attacked as many as fifty-seven thousand Americans in a single year and made the summer months a time of fear and apprehension for parents across the Nation has now been eliminated as a public health problem; and

Whereas this great medical victory was won through a unique partnership between the American people and medical scientists like Doctor Salk, under the auspices of the National Foundation March of Dimes, and with the outstanding cooperation of the United States Public Health Service; and

Whereas a leading example of how this partnership is continuing and expanding is the Salk Institute for Biological Studies in La Jolla, California; and

Whereas this institute was conceived as a research center where scientists of international reputation could come and map out the high strategy of man's fight for health; and

Whereas Doctor Salk and his colleagues from all over the world are now at work on projects aimed at discovering the basic concepts of life itself; and

Whereas from this research can flow the specific methods to control disease and to promote the health and better understanding of man and his full potential: Now be it

Resolved by the Senate (the House of Representatives concurring), That Doctor Jonas Salk and the National Foundation March of Dimes be congratulated on this 10th anniversary of the announcements of the world's first effective vaccine against polio, that the Nation express its gratitude to Doctor Salk and to his colleagues concerned with this historic discovery and to the Foundation and that our confidence be expressed that the work of the National Foundation March of Dimes—especially its fight against birth defects—and of the Salk Institute for Biological Studies will bring about the blessings of better health for our society and all its citizens.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

UNITED STATES ROLE IN SOUTH VIETNAM

Mr. CRALEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CRALEY. Mr. Speaker, I should like to extend my congratulations to President Johnson for his lucid, penetrating, and convincing presentation of the United States role in South Vietnam.

More than that, and I think I speak for many of my fellow Congressmen, I should like to express my deep gratitude and intense enthusiasm for his projected policies in southeast Asia.

President Johnson has indicated that while we will keep the sword bared, we will carry in the other hand the olive branch; that we welcome negotiation, an "unconditional discussion," with many or few, now or later, on the basis of old or new treaties. As he reminds us this is the only path of reasonable men and we would be reasonable men. We are, in other words, anxious and ready for peace in that far off land where our young men are dying, but if peace is to be negotiated, the interests of that helpless and hapless nation of southeast Asia, namely, South Vietnam, to which we are and remain committed, must be preserved. We will not embrace a peace that requires a desertion.

Moreover, I should like to applaud particularly and concur in President Johnson's positive program for southeast Asia. Not only are we endeavoring to terminate the use of military arms as rapidly as possible, but to commence an all-out war on poverty in that vast area of underprivileged human beings, deprived not of the comforts of life alone, but of the necessities of human existence. The President perceives that our "weapons are symbols of human failure" necessary, but to be decried; that they should be supplemented, ultimately, and hopefully replaced, with the symbols of the greatness of our civilization, namely, material aboundance, health, education. Specifically, his request for disbursement of food and clothing by means of our farm surpluses is a recognition of both a waste, on the one hand, and a want, on the other. Finally, his request for $1 billion as an investment in southeast Asian peace and progress appears to me as both judicious and enlightened.

The breadth and deep humanity of this message reminds one of the phrase, "no man is an island," a truism carrying with it profound responsibilities for all of us. The policy project for southeast Asia gives credit to the President and his administration whose chief concern is with unity, harmony, both at home and abroad; with peace, progress, humane enrichment for all men. In this view we become what we are, or let me say we acknowledge what is a fact, that we are citizens of the world, keepers of our brother, fellows of the human race.

We Americans do have a dream. Sometimes we forget to advert to it, but it is always there. It is our real "manifest destiny." It is this we must carry first and foremost to all the world; it is what makes food and money and volunteers significant. It is what this strong, wealthy, powerful Republic is really all about. The American dream is ancient in origin, but young in execution, in fact, it remains to be completed. This dream pictures all men as equal before their Creator and the law; as reasonable and perfectible, although weak and fallible. It draws no national boundaries, it knows no discrimination. The speech of President Johnson last night at Johns Hopkins University recaptures and recalls to us these principles, embodied in our Declaration of Independence and in the constitutional endeavors of the founders of this Nation.

The early settlers in America looked upon this New World as a city seated upon a hill, as a leader and an example to all the world. It is a long way from the Atlantic coast to Asia, but that far the American dream reaches today.

My colleagues, in the light of President Johnson's excellent and exceptional address, may I present to you a telegram and a suggestion which I received from one of my constituents, Mr. Peter Wambach of radio WCMB in Harrisburg, Pa. The message reads:

Congratulations on Johns Hopkins speech. It indicates once again that our President has the vision, the humanity and human kindness necessary in this time to bring men to peaceful existence one with another. Any program to accomplish its purpose must have a spark to lend interest to its promotion. I respectfully submit that your suggestions, in the committee headed by Eugene Black, be labeled the SAVE program—southeast Asia victory endeavor. To build, to aid and help is virtually to save and the word fits the purpose you have unfolded for this endeavor. The non-English interpretation of the word, Latin, Spanish, et cetera is "knowledge" or "to know" or "connotes wisdom" and it would be so accepted in non-English speaking countries. I am hopeful indeed that this program will save southeast Asia and bring it to the future for which all men pray. Please accept this suggestion with my compliments and highest regards and let us get forward with the work.

I should like at this time to endorse and support this commendable recommendation from my fellow Pennsylvanian. I find it eminently suitable, imaginative, and meaningful. I should like to propose acceptance of this suggestion and that any ensuing legislation, forthcoming project, office, bill or otherwise be given the title of SAVE, embodying, as it does, the full meaning of our commitment in southeast Asia.

JOHNSON PLAN FOR PEACE IN VIETNAM

Mr. WOLFF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Speaker, last night the President presented the Johnson plan for peace in Vietnam. The initiative taken by the President clearly poses a set of reasonable and constructive goals which would brighten the lives of all the peoples of southeast Asia, a ray of hope in a cauldron of trouble that has known the scourge of war for decades. The President has offered an economic bread and butter olive branch. The Johnson plan delineates the peace as an alternative to war.

If those who have been involved in aggression in southeast Asia are genuinely concerned with the welfare of the people, they cannot but join in support of the President's proposals.

The President's speech was evidence of our resolve both to persevere against aggression in Vietnam and project our primary aim of peace, order, and a decent standard of living for all the peoples of southeast Asia.

BILLION-DOLLAR BOONDOGGLE

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, President Johnson has done well to clarify the position of his administration before the American people and the world. I approve of the declaration—with one exception, however, and that is his proposed new $1 billion boondoggle to aid southeast Asia.

We should have long since discovered that money does not buy friends. We have already expended $7,701 million in southeast Asia—without winning friends or influencing people.

To suggest that private enterprise invest its money, at its own risk, in such an uncertain area, is one thing, but to dump more millions of the American taxpayers' money over there, on top of what we have already done, means, it seems to me, that we will be going from bad to worse.

In addition to the amount quoted above, an unitemized $2,304 million has been spent in the Far East.

FUNDS FOR MEDICAL EDUCATION BUT NOT FOR HEALTH CARE?

Mr. SCHISLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SCHISLER. Mr. Speaker, I would like to call attention to a rather ironic situation. The AMA News published by the American Medical Association has been filled with articles denouncing the administration's proposed program of medical care for our senior citizens. All of us are familiar with the dire warnings issued by this official AMA publication of the dreadful results of Federal programs.

Yet in the February 22, 1965, issue of AMA News, there is a report of the great benefits derived from Federal funds in support of medical education in this country. The article quotes from a speech made before the 61st Annual Congress on Medical Education by C. Arden Miller, M.D., dean of the University of Kansas Medical School.

According to the report in AMA News, Dr. Miller told 1,000 educators at the conference that the Federal Government has been the most potent external force affecting medical education during the past 20 years. Dr. Miller said quite frankly:

> Medical schools could not function without the financial support provided by Federal agencies in the name of research and research training.

The doctor also said "fear of Government control appears to have waged a poor contest against the need for increased funds" in our Nation's medical schools. He even went on to say that the hazards which some individuals and organizations predicted would accompany Federal funds for medical education, have not materialized.

The AMA News also puts Dr. Miller on record as saying:

> Freedom of medical schools has increased as the limitations of relative poverty has eased; medical schools and medical education have not been sacrificed to external controls; and within recent years a new degree of autonomy has been introduced by general research support grants.

Mr. Speaker, in the face of the national campaign being waged by the AMA against a Federal health care plan, it is refreshing to discover in the AMA's own publication firm evidence that something good can come from Federal funds, even in the field of medicine.

It seems to me, Mr. Speaker, entirely proper to ask a question. If Federal funds can be used in the field of medical education, is it too much to ask why Federal funds cannot also be used to provide better care for elderly patients who visit these doctors who are trained in medical schools which benefit from Federal funds? Why should not the "most potent external force" in medical education also be available for use in meeting the health needs of our senior citizens?

There are, Mr. Speaker, 18 million senior citizens in our Nation awaiting the answers to these questions. They know that the training of doctors is essential to the well-being of our people, but they also know that their own health problems deserve proper attention.

If our doctors are receiving good training, Mr. Speaker, then surely their patients are entitled to the good care which the high standards of our medical profession demand but which the financial burden of high costs too often denies.

SNOOPERS IN YOUR MAIL

Mr. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, if anyone in this House has ever doubted that this Federal bureaucracy is now so large, so complex, and so confused, that the right hand does not know what the left hand is doing, a story in this morning's Washington Post confirms this suspicion to a degree never before experienced.

On Monday of this week, during the House action on the Post Office and Treasury Departments appropriations, I placed in the CONGRESSIONAL RECORD a letter from the General Counsel's office of the Post Office Department, confirming my charge that there have been 14 seizures of first-class mail since December of 1962, under an agreement between the Post Office Department and the Internal Revenue Service.

Furthermore, the General Counsel confirmed that the last seizure took place on October 27, 1964, and that the Department is continuing to seize mail whenever requested to do so by the Commissioner of Internal Revenue.

Now comes Postmaster General Gronouski, presumably addressing a ladies' tea, since the story of his remarks is carried on the society page, and our Postmaster General says he learned about this innocuous practice of violating the fourth amendment to the Constitution, and ordered it stopped after a phone call to the Secretary of the Treasury last August.

Mr. Speaker, I suggest that the Postmaster General and his General Counsel need to communicate. The General Counsel says the last seizure occurred in October, 3 months after the Postmaster General says he ordered it stopped. Furthermore, the General Counsel says seizures of first-class mail are still being done when requested by the Commissioner, while the Postmaster General says they are not.

I hope we can get to the bottom of this, and toward that end, I have been invited to appear before the Senate Subcommittee on Administrative Practices and Procedures, which has been conducting hearings on mail cover. I look forward to doing so next Tuesday.

The editorial from yesterday's Washington Daily News on this subject, follows:

> SNOOPERS IN YOUR MAIL
>
> Since the U.S. postal service began, it has been axiomatic that first-class mail en route to its destination cannot be seized and opened without a search warrant.
>
> First-class mail, we have been assured over and over by postal authorities, is private property belonging to the person to whom it is mailed. It is protected against "unreasonable searches and seizures" by the fourth amendment to the Constitution—just as private households are.
>
> Unfortunately, it now turns out, this is so much hot air.
>
> Through a tortuous interpretation of two separate legal codes, attorneys for the Post Office Department and the Internal Revenue Service have decided that IRS does, in fact, have the right to open first-class mail.
>
> And for some time postal authorities have been intercepting the mail of certain tax delinquents and passing it on to the revenue boys, who search it to see if it contains anything on which they can levy to collect the taxes overdue.
>
> This has been brought to light by Representative DURWARD G. HALL, Republican, of Missouri, who put into the CONGRESSIONAL RECORD an admission from the Post Office Department that there have been at least 14 such cases in the last 2 years.
>
> The Department's legal eagles agreed with Representative HALL that the seal on first-class mail is supposed to be sacred. But, they explained, Congress also had passed the Internal Revenue Code. And in that code, nothing was said about exempting mail from seizure for tax collection purposes. So the Government lawyers decided this gave tax agents the right to ignore the fourth amendment and snoop into private mail.
>
> Representative HALL doesn't think this is what Congress intended at all. Neither do we. And we think the appropriate House and Senate committees should look into the matter with a view to correcting the loophole in the law.

LEGISLATIVE PROGRAM FOR THE WEEK OF APRIL 12

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I asked for this time for the purpose of inquiring of the distinguished majority leader concerning the schedule for next week.

Mr. ALBERT. Mr. Speaker, will my distinguished friend yield to me?

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. ALBERT. First, I advise the House that we have completed the legislative business for this week and it will be our purpose to ask unanimous consent to go over after the announcement of the program for next week.

Mr. Speaker, Monday is District day. There are no bills scheduled for consideration.

Tuesday and Wednesday there will be for consideration House Joint Resolution 1, the Presidential inability and vacancy in the office of the Vice-Presidency legislation, which is to be considered under an open rule, with 4 hours of general debate.

The program for Thursday is undecided.

For Friday and the balance of the week there will be no legislative business.

Mr. Speaker, may I advise also that pursuant to a previous announcement, there will be no legislative business during the week of April 19.

This announcement, of course, is made subject to the usual reservation that any further program may be announced later and that conference reports may be brought up at any time.

Further, Mr. Speaker, I will advise the House that we expect to have up the conference report on the manpower retraining bill on Tuesday.

Also, I advise the House that Wednesday is Pan-American Day.

ADJOURNMENT TO MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY RULE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AUTHORIZATION TO RECEIVE MESSAGES AND TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk may be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found duly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE DISPOSAL OF MUNICIPAL SEWAGE

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SAYLOR. Mr. Speaker, on March 24 the Committee on Government Operations issued House Report No. 204, "The Disposal of Municipal Sewage," a publication that merits close scrutiny at this time in view of impending consideration of the water pollution control bill recently reported out of the House Committee on Public Works.

Based on a study by the Natural Resources and Power Subcommittee, whose chairman is the gentleman from Alabama [Mr. JONES], Report No. 204 states without qualification that America's streams are no longer able to cope with the ever-increasing loads of pollutional materials discharged into them. It points out that municipal pollution has increased substantially as a result of growing population, obsolescence of older treatment plants, failure to construct needed sewage treatment plants, increased interception of industrial wastes by municipal sewers, and the ever-increasing number of water-using devices—multiple baths, garbage grinders, automatic laundries, and so forth—in the home.

The report quotes testimony of Assistant Secretary of Health, Education, and Welfare, James Quigley, our former colleague from Pennsylvania, who recommends a step-up in research by his Department's regional laboratories as well as in universities and research centers.

Mr. Speaker, I have for some time recommended emphasized research in the field of water pollution, for the people in our part of the country have long realized that adequate supplies of fresh water are slowly being depleted and that a long rainless period could bring hardship and even tragedy into the homes of our area. I have proposed that the techniques of desalination might be applied to our brackish water problem, and last year I arranged for Dr. H. Beecher Charmbury, secretary of the Department of Mines and Mineral Industries of Pennsylvania, to visit the U.S. Navy desalination plant at Guantanamo Bay in Cuba with a team of experts in the interests of such a project.

Inasmuch as one of the specific recommendations of Report No. 204 is increased emphasis in research on municipal sewage treatment techniques, and because the water pollution bill as finally adopted will no doubt provide for expanded research under the auspices of HEW, Congress should be reminded of a project currently in process under sponsorship of the Office of Coal Research. Secretary of the Interior Stewart L. Udall announced on November 16, 1963, that an 18-month contract had been consummated between OCR and a Cleveland, Ohio, firm for the use of coal in treating sewage and industrial waste.

As author of the legislation establishing OCR, I have, of course, been acutely interested in all activities of that Office, and I was intrigued with the plan to explore the utilization of the properties of coal as an absorbent, settling agent, flocculent, and filter aid for removal of sewage and industrial wastes from water. It is now my understanding that the experiment has already provided remarkable findings and that responsible officials in Cleveland are elated at the possibilities that may develop out of the project. Polluted water filtered through a bed of coal is shown to become crystal clear and free of visible impurities, after which the heating value of the coal combined with the intercepted solids may be used to provide incineration heat or to generate steam for use in other phases of the treatment process or for other purposes. Thus, while developing the use of coal as an agent in removing pollutants from water, the experimentation may provide a new market for as much as 10 million tons of coal annually.

With the 18-month life of the contract approaching expiration, it would seem important for both Congress and HEW to study whatever progress reports OCR may be able to provide. For this reason I am today inviting representatives of HEW and OCR to meet with me to discuss the most effective approach to expediting research in the field if indeed acceleration is feasible.

NEW ENGLAND GOVERNORS IN WASHINGTON IN SEARCH OF SOLUTIONS TO THEIR ECONOMIC PROBLEMS

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SAYLOR. Mr. Speaker, Tuesday was a busy occasion for six New England Governors who came to Washington in search of some solutions to their economic problems. Theirs was a trying time—trying to walk both sides of "international commerce street."

For a visit with the Honorable Buford Ellington, head of the Office of Emergency Planning, the six distinguished chief executives assumed a most elegant international appearance—each a bon

vivant in his own right whose tastes cannot be possibly satisfied with the prosaic products of one's native land.

They are extremely concerned over the decision to retain controls on residual oil imports, the suave New England delegation explained in most articulate global grammar. The Government's lid on incoming shipments from alien refineries tends to open domestic fuel markets to coal produced in this country, a condition that is counter to the philosophy of the New England Governors when they speak in behalf of world commerce and industry.

According to the distinguished gentleman from New Hampshire [Mr. CLEVELAND], the Governors also had an important mission with Federal executive departments and with their delegations in Congress. By now—wearing their other hats, American made I hope—the Governors had suddenly turned protectionists, alarmed at the economic injury created by imported products. Their chore is recorded on page 7182 of the CONGRESSIONAL RECORD for April 6:

> One of the leading subjects of their concern is the problem of low-cost woolen imports, which are taking a heavy toll of jobs in New England.

There followed in the RECORD a presentation by Gov. John H. Chaffee, of Rhode Island. One point that should concern every Member of Congress is that in the past 10 years imports have taken a toll of 15,000 jobs in Rhode Island alone.

I abhor the trade policy which is so disdainful of American jobs, Mr. Speaker, and I agree that limitations should be made on wool imports to protect industry and labor in this country. Our New England friends should similarly object to the policy that permitted residual oil imports to increase by 167 million barrels in the past 10 years. That volume is equivalent to more than 40 million tons of coal in energy value, and to produce that amount could provide jobs for many more than 15,000 miners and railroad workers.

I only regret that the Governors could not have stopped in to see some of the coal area delegations so that we might have been able to learn more of their hybrid foreign trade theory.

In view of this unfortunate anomalous position, it appears that America's fuel producers are not going to receive from the New England Governors any semblance of the treatment they seek for their own area. For the time being, then, it is evident that we who are sympathetic to the domestic coal and oil industries will have to continue our stand without the support of our good friends from that part of the country.

But we have another ally which the wool interests, alas, may not be able to claim, and which must decide the issue in our favor in the weeks ahead. I refer to the interest of national security, and I consider President Johnson's speech of last night a most forceful argument in favor of continued and more rigid controls on foreign residual oil moving into this country. With the international situation so critical in view of Communist aggression in Asia and Communist agitation in Europe, it is mandatory that the Federal Government undertake at once to guarantee fuel sufficiency for our defense structure.

I trust that the Office of Emergency Planning which has been charged with the responsibility of making a determination—or at least a recommendation—on the oil import control program, will lose no time in providing the answers to these questions:

First. What military bases and defense plants are using foreign residual oil, and in what volume?

Second. Which are not equipped to convert on short notice to a substitute fuel in an emergency?

Third. Is there assurance of ample supplies of substitute fuels, and is there assurance that transportation facilities would be available to move those fuels?

I am confident that the Director of the OEP will seek the answers without delay, for he understands the vital issue involved in fuel security. If there is also some doubt about the availability of an adequate supply of wool for a military effort, the matter can be taken up in its order of importance.

HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES TO INVESTIGATE THE KU KLUX KLAN

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. YOUNGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. YOUNGER. Mr. Speaker, recently a friend of mine sent me the ADA legislative newsletter of March 2, 1965, because the letter so clearly sets forth the ADA policy relative to the House Un-American Activities Committee, with which I disagree. It occurred to me that the letter should receive wide circulation so I have asked permission to insert the entire letter in the RECORD. As I understand the situation the President has expressed satisfaction that the House Un-American Activities Committee is going to investigate the Ku Klux Klan. The letter follows:

[ADA legislative newsletter]

HOUSE UN-AMERICAN ACTIVITIES COMMITTEE APPROPRIATION

Under the leadership of Congressman DON EDWARDS, Democrat, of California, liberals registered the most votes against the House Un-American Activities Committee since 1946: 58 Congressmen supported recommitting the House Un-American Activities Committee authorization; 6 Congressmen paired for recommital; 29 Congressmen opposed the authorization on the final vote; 3 were paired against it. ADA and ACLU worked in close cooperation with Congressman EDWARDS.

A. NEED FOR RECOMMITTAL MOTION

The basic strategy to increase opposition to House Un-American Activities Committee necessitated concentrating on the motion to recommit. A motion to recommit is a parliamentary device open to opponents of the pending bill or resolution. The motion is usually made by the most senior minority party member of the legislation's parent committee opposed to the pending issue. Next the most senior member of the minority party opposed to the bill may offer the recommital motion. Since no Republican opposed the House Un-American Activities Committee appropriation on final passage, the recommital motion had to be offered by a Democrat.

Congressman EDWARDS' recommittal motion referred the House Un-American Activities Committee authorization back to the House Administration Committee with instructions to hold public hearings on House Un-American Activities Committee's budget. If the motion carried, the committee's opponents and supporters could document their case on whether or not House Un-American Activities Committee should exist.

In previous years liberals have opposed authorizing funds for House Un-American Activities Committee. In 1963 Congressman ROOSEVELT, Democrat, of California, and LINDSAY, Republican, of New York, proposed transferring House Un-American Activities Committee's jurisdiction to the House Judiciary Committee. The Rules Committee rejected the proposal 12 to 1. When the issue came to the House floor, no alternatives to opposing the authorization were presented.

Congressmen are reluctant to oppose funding House Un-American Activities Committee. Their reluctance is not limited to fearing political repercussions from an anti-House Un-American Activities Committee vote. Indeed, some Congressmen argue that a standing committee of the House is entitled to receive funds. To these Congressmen the appropriate means of depriving House Un-American Activities Committee of its funds is to abolish it at the opening of Congress when Congress adopts its rules.

The difficulty with abolishing House Un-American Activities Committee on opening day is that in order to propose a rules change, the Speaker must recognize the maker of the change. Both this year and in 1963 this was impossible since efforts were concentrated on rules reform and enlarging the Rules Committee. At any rate it is highly unlikely that the Speaker would permit this issue to be voted on at the opening of Congress unless a majority of the House Democrats supported abolishing the committee in their caucus. At this point abolition of House Un-American Activities Committee lacks sufficient support to make this approach possible.

To maximize the vote against House Un-American Activities Committee liberals evolved the recommittal strategy as the principal vote. This would encourage senior Democrats to oppose House Un-American Activities Committee by voting for the recommittal motion even though many would vote for the funds on final passage. The liberal strategy worked; the recommittal became the key vote.

One alternative open was to recommit the House Un-American Activities Committee authorization by slashing its funds. In the 88th Congress, House Un-American Activities Committee had the third largest staff of any standing committee. However, Government Operations and Public Works Committees, which have larger staffs, have 31 and 32 Congressmen respectively, while House Un-American Activities Committee only has 9 members. House Un-American Activities Committee has the largest staff per member of any committee.

Since its inception in 1945, only three bills have become law, and one of these bills was a minor correction of an existing law. The House Un-American Activities Committee staff files long reports which basically expose individuals' political activities for the sake of exposure.

On February 8 Congressman CURTIS, Republican, of Missouri, a senior conservative Republican on the House Ways and Means Committee, delivered a major speech on the House floor in which he said: "It would be

helpful if the House Administration Committee would hold public hearings at the time the budget of the House Un-American Activities Committee is under consideration and invite the critics of the House Un-American Activities Committee to be heard in full." The importance of CURTIS' remarks was its conservative source rather than its substance. Liberal strategists agreed that the best strategy would be a recommittal motion incorporating CURTIS' ideas for opening hearings.

B. LIBERAL GROUNDWORK LAID FOR HOUSE UN-AMERICAN ACTIVITIES COMMITTEE OPPOSITION

Congressman EDWARDS began making preparation for the fight against the House Un-American Activities Committee shortly after the November elections. Meetings were held with other liberal Members. Speaker MCCORMACK was fully informed of the thoughts and plans of the anti-House Un-American Activities Committee Congressmen.

Once the recommittal strategy was formed, a letter was sent to all potentially interested House Democrats and Republicans, explaining the strategy.

Congressmen were asked to be on the House floor and to support a rollcall vote on the recommittal motion. Opponents of the House Un-American Activities Committee appropriation were not going to request a rollcall vote on the final authorization although it was expected that Chairman WILLIS would make such a request since he expected, as did the liberals, that many Congressmen who voted for the recommittal motion would also vote for the final authorization.

Liberals made additional preparations. A number of liberal Congressmen introduced resolutions which would eliminate the House Un-American Activities Committee and would give to the Judiciary Committee expressed jurisdiction over "sabotage and other overt acts affecting internal security." As Congressman BINGHAM, Democrat, of New York, said on the House floor, "such a change would be logical, since it would give the Judiciary Committee the power to make investigations and recommend legislation dealing with all crimes, instead of having a limited number of crimes handled in a different fashion. It would also remove the temptation to investigate thought and discussion which is now embodied in the broad and highly questionable jurisdiction of the House Un-American Activities Committee."

These resolutions have been referred to the House Rules Committee, and are not expected to be seriously considered by that committee. Although the House will not have an opportunity to vote on diminishing the House Un-American Activities Committee's jurisdiction and transferring it to the Judiciary Committee, the liberals strengthened their case by proposing alternative options.

To further build the liberal case, Congressman EDWARDS presented documented and effective testimony before the Subcommittee on Accounts of the House Administration Committee against the need for the House Un-American Activities Committee's authorization.

For the first time in the House Administration Committee an attempt to reduce funds was made. Congressman THOMPSON, Democrat, of New Jersey, moved to cut the committee's budget from $370,000 to $170,000. While the motion failed, he gained the support of Congressmen BINGHAM, Democrat, of New York, and BRADEMAS, Democrat, of Indiana. On the committee's final vote the House Administration Committee was prompted to cut the House Un-American Activities Committee budget by $10,000. While this is a piddling sum, it marks the first time that the House Administration Committee has voted to cut the House Un-American Activities Committee budget.

C. FLOOR DEBATE

Floor debate was instructive. The normal hour was given for debate, divided between supporters and opponents of the House Un-American Activities Committee. In the allotted time the liberals organized the debate to establish their essential points. Speaking on the floor in support of EDWARDS were Congressman O'HARA, Democrat, of Illinois; ROSENTHAL, Democrat, of New York; MINK, Democrat, of Hawaii; CONYERS, Democrat, of Michigan; FARBSTEIN, Democrat, of New York; HAWKINS, Democrat, of California; MOORHEAD, Democrat, of Pennsylvania; WOLFF, Democrat, of New York; BROWN, Democrat, of California; BINGHAM, Democrat, of New York; TENZER, Democrat, of New York; SCHEUER, Democrat, of New York; BURTON, Democrat, of California, RYAN, Democrat, of New York, and LINDSAY, Republican, of New York.

The heart of the constitutional case against the House Un-American Activities Committee was developed by Congressman EDWARDS in opposing such investigations of Ku Klux Klan and minutemen beliefs.

"It is expected that my committee, the Judiciary Committee, will be considering amendments to the Civil Rights Act of 1964. Should we also contemplate as extension of the Federal law to punish individuals who violate the civil rights of others, then it might be appropriate to subpena witnesses who are members of the Ku Klux Klan, or a bill to proscribe private armies might require hearings at which minutemen are called to testify.

"But there is no congressional power under the Constitution that would license the Judiciary Committee or any other committee to subpena Ku Klux Klan members for purposes of exposing them to the country as members of this primitive sect and to bring upon them the disgrace and calumny associated with membership.

"Our Constitution is explicit. Only the courts can punish and only then pursuant to due process. The legislative branch has no power to punish. Only in totalitarian countries can this awesome power be found in the legislature.

"This House of Representatives, through its authorized committee, the House Committee on Un-American Activities, punishes citizen after citizen for prior actions, opinions and associations which are not crimes, but which the committee considers so distasteful that the citizen must be punished regardless, and by the committee, not the courts."

The effect of the liberal fight against the House Un-American Activities Committee should result in the committee's being more contained and quiescent in its investigations. While the ultimate goal of abolishing the House Un-American Activities Committee seems out of reach, the strong liberal fight has helped remind both the committee and the public that the day of total political fear by legislators in opposing the House Un-American Activities Committee is at end.

JOB OPPORTUNITIES AND PUBLIC POLICY

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS. Mr. Speaker, it has long been my feeling that certain public policies, such as the minimum wage and the rapidly growing payroll tax burden, have an adverse effect on employment opportunities for young people as well as other inexperienced or unskilled individuals. In order to determine whether these programs, which serve useful social ends, have such unwanted and harmful side effects, I wrote 66 leading corporations on January 15, 1965, asking whether their experiences indicated a relationship between such public policies and the apparent decline in job opportunities for the unskilled and the acceleration in the introduction of laborsaving equipment. Of the 23 replies received, 15 supported to some degree the contention that certain public policies tend to reduce employment opportunities for the marginal worker and to cause a speedup in the process of automation. I ask unanimous consent that a copy of my letter appear in the RECORD at the conclusion of these remarks.

The points of view most commonly expressed with regard to the minimum wage laws are twofold. Companies whose lowest wages are in excess of the minimum wage required by law find that any increase in the minimum wage inevitably brings upward pressure to bear on the general level of wages. This is so because of efforts to maintain the relative wage differentials now prevailing for varying degrees of skill.

The second point concerns the fact that the services of the unskilled and/or uneducated worker are often not worth the minimum wage. Faced with this problem, companies often increase their investment in labor-saving devices rather than hire new workers. The substitution of capital for labor renders unemployable a further segment of the labor market—particularly the poorly trained and educated. W. S. Vaughn, president of Eastman Kodak summarized the problem as follows:

> In the second place, raising the minimum wage would tend to widen even more the existing gap between such a wage and the relative value of the work which can be performed by many unskilled or inadequately educated individuals. The value of the work which such individuals are able to perform must be related realistically to current employment needs and conditions. Since minimum wage laws deny an employer the right to hire a person whose services are not worth the statutory minimum to him, it seems to us that then the difficulty is compounded, and the problem accentuated, by an increase in the statutory minimum which, in effect, renders virtually unemployable a further segment of the poorly trained and poorly educated.

An adjunct to the above argument is the degree to which continuing increases in the minimum wage rate may inhibit on-the-job training programs. The cost of these programs is directly affected by changes in the minimum wage, and any increase would force industry to raise their hiring requirements.

Socially desirable goals, such as job training, are also impeded by the burden of reporting and Federal regulation which certain policies impose on the businessman. As Andrew Parker, president of Woodward & Lothrop, pointed out:

> The employer is hesitant to participate in Government-sponsored training programs

due to the restrictions placed on the discharging of unsatisfactory trainees. The Secretary of Labor has the right to review all discharges.

The amount and complications of reporting necessary to establish and maintain an apprenticeship or other training programs discourage many employers from undertaking these.

There is general agreement among employers that any increase in the overtime premium as provided for under the Fair Labor Standards Act would not force employers to hire more people, as it is designed to do. Instead, an increase in the overtime penalties would encourage either greater mechanization or a reduction in output. This is especially true of the steel industry where a large proportion of overtime cannot be converted into steady jobs for new workers. Moreover, in areas of labor shortages qualified people simply are not available to fill many of the jobs that might be created by a reduction in overtime. Job vacancies and unemployed people are frequently hard to match. President Vaughn writes:

The purpose behind the double overtime premium is clearly punitive and conceived with the idea that, by deterring employers from scheduling overtime work, it would force them to hire additional people. I believe this reasoning is largely fallacious even though it might be true in some marginal instances. The argument in support of this proposed legislation ignores that fact that, as a matter of good business practice, every employer tries to develop a full-time force which can handle normal operations in his business on a regular 40-hour schedule. Overtime work is usually a response to an emergency situation; the employer tries to avoid such situations, but he would rarely resort to the extreme of hiring people whose services would be required only for a temporary situation.

The payroll tax and the increasing amount of Federal paperwork clearly increase the costs of doing business. Either the consumer must bear the burden of the increased cost, or the company must introduce laborsaving devices. One retail food company reports that the cost of placing people on the payroll and of removing them at the end of any period of employment is likely to total $250, entirely aside from the carrying costs during the time they worked.

Other opinions on this issue follow:

Charles Pfizer, Inc.: "With regard to the Federal paperwork burden created by the Government regulations, coupled with the paperwork burden created by State and local regulations, the business community has certainly felt the impact. Much time and effort is expended in complying with Government regulations. This is not limited to clerical effort to prepare reports and other documents, but a good deal of middle and top management time is spent on interpreting and complying with such regulations."

Beers Construction Co.: "As to the paperwork imposed in connection with any employment, it has long since been a burden which the small firm, without benefit of advanced computer accounting, has to reckon."

On the question of the payroll tax, I would like to draw your attention to a recent colloquy I engaged in with the Director of the Bureau of the Budget, Kermit Gordon, before the House Ways and Means Committee. I refer you to the March 22 issue of the RECORD in which this colloquy appears, starting on page 5609. Basically, I believe, as the discussion shows, that an increase in the payroll tax above the 10-percent level and/or an expansion in the $5,600 base will accelerate automation, thus creating greater unemployment as the results of the survey indicate.

At the same time, we should be aware of the mounting burden of other nonwage costs faced by employers. It has been estimated that supplementary wage costs now amount to nearly 25 percent of total employee compensation. As John Whitlock, assistant to the president of Gerber Baby Foods, said:

We should not lose sight of the fact that the minimum wage requirement is only a part of the total cost of labor. Various fringe benefits—insurance, hospitalization, vacations, holidays—as well as payroll taxes for social security and workmen's compensation add to labor costs. In our own company, this amounts to an average of 79.8 cents per hour per employee.

Most employers feel that the impact of the payroll tax, minimum wage, overtime premium, et cetera, would fall heaviest on small businesses engaged in providing services and those businesses which cannot substitute additional capital to overcome higher labor costs. H. W. Beers, Jr., president of Beers Construction Co., writes:

The construction industry, which has long lagged behind other segments of the economy in automation, is finally being driven to it by virtue of the high wages and high cost of administration. In any given situation where we can replace two men with a machine, it would not only cut labor costs but also the cost of administration since the machine enjoys no payroll deductions.

And on the same subject A. H. Galloway, president of R. J. Reynolds, comments:

I feel that the impact of the factors that you have enumerated fall heaviest upon the small businessman, particularly businesses engaged in providing services, and those businesses which cannot substitute additional capital to overcome higher labor costs.

The most commonly proposed solution to the problem of unemployment among the young and poorly trained was more education and better training. Decisions on such policies as the minimum wage, overtime penalty, and payroll tax are hard to reverse, as certain employers pointed out. Justin Dart, president of Rexall Drug & Chemical Co., wrote:

Technological advancement, the growth of services industries, public policies such as the minimum wage and the introduction of labor-saving equipment are conditions of our time from which we cannot very well retreat.

Assuming then, that the minimum wage, overtime penalties, payroll taxes, and Federal paperwork are here to stay, the need is to control the size and proliferation of these policies. At the same time, much greater efforts must be undertaken to further educate and retrain the disadvantaged and unskilled worker, whom automation and increasing costs have made virtually unemployable. John D. Gray, president of Hart Schaffner & Marx, said:

However, it is my own opinion that this trend will be most difficult to arrest and that the only solution to this problem lies in education. A comprehensive educational program needs to be developed to provide training for unskilled labor. Each potential worker should be trained to produce to maximum capacity in our economy. It is also my opinion that any investment made in a training program would be much more productive than having a work force on relief.

Mr. Speaker, I think it is clear that any action which tends to raise wage costs too rapidly tends to eliminate job opportunities for certain citizens, particularly those with little experience, education or skills. High wage rates have an unfavorable effect on some of those who need jobs the most. Even the Department of Labor has noted the displacement effects of minimum wage extension and admitted that these are likely to be "concentrated among unskilled and inexperienced workers, including teenagers."

Several steps are called for. In the first place, collective bargaining contracts should permit lower wage rates for unskilled teenagers. Secondly, a broadening of training exemptions under the minimum wage laws should be granted by the Federal Government. Finally, as recommended by the minority members of the Joint Economic Committee, a careful study is needed of the entire system of the Nation's economic security programs, both public and private, on an integrated basis and with particular emphasis on the employment consequences of these programs. In the Government sector, particularly, study is needed on the economic impact of the social security payroll tax and the level at which the payroll tax begins to act as a deterrent to adding new employees and as an incentive for the introduction of labor-saving machinery and equipment.

Until this administration displays a greater willingness to consider this aspect of the unemployment problem, we are unlikely to have much success in getting the chronically jobless back to work.

My letter referred to previously, follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 15, 1965.

DEAR ———: During my years of service as ranking minority member of the Joint Economic Committee and as a member of the House Ways and Means Committee, I have developed a deep concern about the high level of unemployment among teenagers as well as among other relatively unskilled and uneducated members of the labor force. Today's problem is likely to persist far into the future—and may even grow more severe—as a tidal wave of teenagers, including many dropouts, floods the labor market in the coming years.

It seems clear that one cause of the problem is the fact that accelerating technological advancement and the rapid growth in the service industries are creating a demand for more educated and more highly skilled workers. At the same time, many job opportunities on the lower rungs of the skill ladder are not expanding and may even be

declining. Considerable thought has been devoted to this aspect of the problem.

However, too little attention has been paid to the degree to which certain public policies may act as impediments to the employment of unskilled and uneducated workers. Increasingly, economists are beginning to ask whether the minimum wage and the payroll tax, and perhaps even the Federal paperwork burden, may not have an important effect in reducing employment opportunities for the marginal worker and in speeding the introduction of labor saving equipment.

I am writing you and a number of other business leaders in the hope that your experience and that of your company might provide some badly needed insight into the relationship, if any, that exists between public policies, such as those I have mentioned, and the apparent decline in job opportunities for the unskilled and uneducated and the introduction of labor saving equipment. Any information or experience on labor practices which have a bearing on this problem, even though not directly involving public policies, would also be appreciated.

Your comments would prove helpful to me in my own work on this problem as well as to my colleagues on some of the other committees that have jurisdiction in this area. If you wish, I would, of course, keep your comments confidential.

With appreciation for any assistance you can give me in this project,

Sincerely,

THOMAS B. CURTIS.

SECRETARY OF AGRICULTURE FREEMAN ADMITS DUMPING

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NELSEN. Mr. Speaker, yesterday, Secretary of Agriculture Orville L. Freeman testified on the Food and Agriculture Act of 1965 before the House Committee on Agriculture. I suspect that millions of farmers like myself will wonder who has been getting all the money Mr. Freeman said we are making. I was so happy to learn that we farmers have been rolling in clover since 1961.

However, I discovered several startling admissions in the testimony. Mr. Freeman disclosed that out of 3 million farmers—we apparently lost another one-half million farmers since the January administration figures—only 400,000 earn even close to parity of income. It must sound impossible to anyone not connected with agriculture that such a low percentage of our farmers are earning a decent income, but Mr. Freeman went on to explain the reasons. In a rare admission of a practice long suspected, it was proudly proclaimed that the Commodity Credit Corporation has dumped some 500 million bushels of wheat and 30 million tons of feed grains on the depressed market in the last 4 years. I thank the Secretary for these figures and inform him that I have more exact figures if he wants them. Almost all of these sales have been at prices well below both parity and market prices. I might comment that the Secretary of Agriculture must consider 75 percent of parity as being adequate for the farmer since that is where he has kept it this past year with his dumping policy.

The sparkling climax of the Secretary's testimony came with this justification for these dumping practices. It was admitted that dumping depressed the market price for this reason:

> We must not yield to the temptation to make prices so high the (Government) programs become unworkable.

So now in formal testimony we learn that the agriculture programs are being designed not to improve the welfare of the farmers, but to promote the extension of the costly bureaucratic machinery. I am sure that my colleagues on both sides of the aisle will be interested in this philosophy of empire building within the executive branch.

INCENTIVE TAX TREATMENT FOR TEACHERS

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NELSEN. Mr. Speaker, today I have introduced a bill to correct certain inequities in current rulings by the Internal Revenue Service relating to tax deductions for educational expenses of teachers.

Under the current rulings, a teacher may deduct expenses incurred to maintain his position, but no deduction is allowed if the additional education would lead to a promotion. In other words, the rulings discourage those teachers who would voluntarily return to college for the purpose of becoming a better qualified teacher.

If my bill were enacted, all deductions now available to teachers would be continued. In addition, my bill would provide important improvements in the present tax treatment of teachers.

First. Teachers would no longer be required to rely upon Internal Revenue Service rulings. Their claims would be based on precise language in the Revenue Code.

Second. Deductible expenses would include: tuition and fees, expense of travel away from home, and up to $100 per year for books and related materials.

Third. It would no longer be necessary for a teacher to be threatened with the loss of his or her position in order to qualify for a deduction.

Fourth. These deductions would be extended to include part-time teachers, thus easing the burden on many assistant college teachers.

Fifth. The travel expenses deduction would be extended to include travel necessary to pursue a course of study or to work on an academic degree. This would help the teacher working on a thesis or dissertation which requires out-of-school experimentation and fieldwork.

Mr. Speaker, I believe this legislation is necessary to encourage the better qualified teachers to improve their skills and remain within their profession. At a time when our Nation is becoming increasingly aware of the need for more and better trained teachers, our tax regulations actually penalize the very teachers who are most interested in self-improvement and advancement. I believe that this bill should have the support of my colleagues who are seeking to improve our educational system. Surely, there is no better way to improve the quality of our children's education than to encourage their teachers to continue their professional training.

TRIBUTE TO AIRMEN FROM KANSAS FOR BRAVERY IN VIETNAM

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SHRIVER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHRIVER. Mr. Speaker, today as we contemplate the significance of the President's remarks on United States policy in Vietnam, it is important that all Americans recognize that our Nation is engaged in an undeclared war against the Communists in southeast Asia.

Americans are dying and many are missing or wounded in this war which the President last night described as "dirty and brutal and difficult." Approximately 400 American military men have paid the supreme sacrifice in defense of peace and freedom for the people of South Vietnam.

I rise today to pay special tribute to three young men from my congressional district who have died or are missing in recent actions in Vietnam.

The United States is indebted to Maj. Frank E. Bennett, 1418 Community Drive, Derby, Kans., who was killed in action Sunday during an air raid on a bridge and power station at Thanh Hoa, south of Hanoi. Major Bennett, a native of Providence, R.I., is survived by his widow, Dorothy, and five children. He was on temporary duty in Vietnam from McConnell Air Force Base in Wichita, Kans.

As a result of that same air action on Sunday, Capt. James A. Magnusson, Jr., 878 English Court, Derby, Kans., is reported missing. He also is permanently assigned to McConnell Air Force Base. Captain Magnusson, a resident of Mesa, Ariz., has a wife, Marian, and two children.

On March 11, 1965, another young Air Force officer, Capt. Richard D. Smith, 737 South Green, Wichita, was reported missing in action in Vietnam. Captain Smith's status is still listed as "missing in action" today. His wife, Sally, resides in Wichita and his mother, Mrs. Georgia E. Smith, resides at 807 South Crestway.

Mr. Speaker, we extend our heartfelt sympathy to Mrs. Bennett and her family and we pray that Captain Magnusson and Captain Smith will be found alive and returned to their families.

We have a solemn responsibility and a huge debt to these men—and to all Americans who are on the frontlines in the fight against communism. We must make certain that the sacrifices which have been made, and will yet be made by Americans in southeast Asia, shall not have been in vain.

Our goal must be peace with honor, and not peace at any price.

THE SHIFT OF POLICY IN VIETNAM

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. CALLAWAY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CALLAWAY. Mr. Speaker, early in February the United States began retaliatory attacks against North Vietnam. Greatly encouraged, I wrote to the President on February 8, supporting these moves and expressing the hope that they were an indication of America's firm purpose in dealing with the Communist threat in southeast Asia.

On February 25 Secretary of State Rusk said:

> What is still missing is any indication that Hanoi is prepared to stop doing what it is doing * * * against its neighbors. The absence of this crucial element affects the current discussion of negotiations.

On March 13 the President restated those exact words, and on March 25 said:

> We seek no more than * * * a reliable agreement to guarantee the independence and security of all in southeast Asia. At present, the Communists have given no sign of any willingness to move in this direction.

And now comes word that the Chinese Communists have ceased putting obstacles in the way of Soviet arms shipments to North Vietnam. And that North Vietnam has just appointed as its new Foreign Minister a Chinese Communist sympathizer whose appointment may well bring a more militant stand by Hanoi. And further that the Vietcong is today holding an American hostage, and threatening to kill him if the United States executes the terrorist who bombed our embassy on March 30.

Are these the friendly indications for which President Johnson was waiting before announcing our decision to negotiate?

For last night, the "paper tiger" indeed materialized with the President's announcement that he was ready to begin without prior conditions, diplomatic discussions to end the war in Vietnam, and that he would ask Congress for a $1 billion American aid investment in southeast Asia that could eventually include North Vietnam.

Overnight we have changed our 2-month-old policy of firmness based on strength to one of weakness based on buying friendship. The problem is compounded by the fact that it comes at the very time that the Communists are again testing our resolve on the access rights to Berlin.

At the same time, the President stated that American "patience and determination" in prosecuting the war were unending.

I suggest, Mr. Speaker, that we try telling this to the half-million Vietnamese soldiers who are vitally dependent on our aid to carry on their fight. For I am afraid that they might say, as I do, that American "patience and determination" ran out last night.

SEGREGATION IN THE SOVIET UNION—THE TRUTH VERSUS PROPAGANDA

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the problems encountered by the United States in its drive for equal rights are spread the world over by the active Soviet propaganda mechanism. Stories of brutality and unequal treatment in the United States are sent out by the Communists as examples of the failure of our society. How people of other races are treated in the Soviet Union however, we seldom learn from the controlled Soviet press.

An article on the front page of the New York Times puts an interesting light on the situation behind the Iron Curtain. It is reported not by the official voice, but by 29 Negro students who felt the brunt of brutality and segregation at its worst. News items such as this one, based on real experiences within the Soviet Union, are small voices against the roar of propaganda, but however faint these voices, they provide the world with the truth about life on the other side.

[From the New York Times, Apr. 7, 1965]

KENYANS CHARGE SOVIET BRUTALITY; STUDENTS FLY HOME AND TELL OF RACIAL DISCRIMINATION

(By Lawrence Fellows)

NAIROBI, KENYA.—Twenty-nine Kenyan students told today after their return from the Soviet Union of misery, hostility, and beatings suffered while at a university in Baku.

"It was more of an indoctrination camp than a university," one student said. "Most of our studies were taken up with brainwashing and learning the Communist doctrine."

"It was hell," another exclaimed. "May God let us all forget that place."

"All the people hated us," one student said. "They just didn't like black people. If we went into restaurants, they refused to serve us. They don't allow you to dance with white women and if we tried to dance with a Russian girl in a club we were beaten up."

He pulled up the sleeve of his jacket to show a scar he said was inflicted during an attack on him by a group of Russian youths.

Cut off from the world and unwilling to stay in Baku unless they were given better protection, they said, the students staged a 2-week strike at the university.

When that failed to get results, the students moved in a body to the Baku railway station and camped on wooden benches there for 8 days. Finally Soviet authorities put the students, hungry and cold, aboard an Aeroflot plane for home. Two of them were women.

None of the African students at Baku were pleased with their lot, those who returned said, and the strike had been kept from growing larger because the African groups at the university were kept from communicating with one another.

The strike had begun with 84 students and was pared down by sickness to 77 students by the time they moved to the railway station.

There, in freezing weather and with only enough money to buy a few soft drinks and cakes at the station, many of the students fell ill and returned to the university. Others were bribed away with money or promises of women, they said.

By Sunday, when authorities gave them an ultimatum to return to the university or suffer the consequences, the 29 remaining students stood firm and were given 50 minutes to prepare for the flight home.

The Kenyan Government, which had been notified of the expected arrival of the students only after they were underway, had some officials on hand at the airport to meet the students and to rush them off to a dormitory at the Kenya School of Administration at Kabete, on the edge of Nairobi.

This morning, John Ole Konchellah, Assistant Minister of Education, met with students in a closed session for about 4 hours.

Afterward, Mr. Konchellah said: "The problem arose at Baku when the students wanted a transfer to any other university in the Soviet Union. There were allegations that they were beaten up, that the population was savage, hostile, would attack anybody among the students."

LEGISLATION TO DESIGNATE VIETNAM AS A COMBAT ZONE FOR FEDERAL TAX PURPOSES

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MINSHALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MINSHALL. Mr. Speaker, I am today introducing a bill to amend section 112 of the Internal Revenue Code to designate Vietnam as a combat zone for Federal tax purposes.

Our men who served in Korea were granted tax exemption on their gross income. I am disturbed that the same consideration is not been accorded to our American military now involved in the ugly and brutal Vietnamese conflict.

Legislation has been pending in the Committee on Ways and Means since February 22 to amend the code and correct this injustice. As of today, the committee has not acted. I am hopeful my bill will recall this unfortunate oversight to the committee's attention.

It is my understanding that the same action can be achieved through an Executive order issued by the White House. Accordingly, I have written to the President as follows:

APRIL 8, 1965.

THE PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: Today I have introduced legislation designating Vietnam as

a combat zone for Federal tax purposes. My bill is identical to a measure introduced on February 22 which has not yet been accorded action by the Committee on Ways and Means, and it is my hope that my action today will help arouse interest which will spur the committee to favorable consideration.

It is my understanding, however, that the President can accomplish the same ends by issuing an Executive order declaring the area as a combat zone. In view of the committee's delay, I would respectfully urge you to exercise this prerogative. I am sure you agree that it is unrealistic and unjust to deprive those serving in our Armed Forces the same tax relief granted to our military during the Korean conflict.

I know of your deep concern for our men in this critical matter, and am certain of your desire to relieve them of at least this much of the burden they are carrying.

Respectfully,

WILLIAM E. MINSHALL,
Member of Congress.

Let us hope that the Congress and the White House will show an equal concern in this matter.

The Cleveland Plain Dealer summed the situation up in an excellent editorial on April 6:

VIET INEQUITY

Denial to American military personnel in Vietnam of income tax exemptions that historically have been allowed in combat zones is one of the sillier examples of Government refusal to face the facts.

A request by Senator JOHN L. MCCLELLAN that Vietnam be designated a combat zone for income tax purposes has been made to President Johnson.

Section 112 of the Internal Revenue Code provides for the exclusion of gross income pay received by members of the Armed Forces while serving in a combat zone. But the President has not designated Vietnam such a zone.

Thus Americans being ambushed in jungles, shot down in low-flying helicopters and bombed in quarters within civilian areas are losing hundreds of dollars because the miserable conditions under which they are serving their country do not have the proper label.

Senator JOHN TOWER introduced a bill in January to designate Vietnam a combat zone for tax purposes. Regardless of how it is accomplished—by congressional action or Presidential directive—the same tax break that was given to Americans who served in Korea should be given to those risking their lives in Vietnam.

MEDICARE FOR THE AGED UNDER SOCIAL SECURITY

Mr. REID of New York. Mr. Speaker, I ask unanimous consent that the gentlewoman from Illinois [Mrs. REID] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. REID of Illinois. On March 24, the House Committee on Ways and Means reported out H.R. 6675—a 296-page bill placing medicare for the aged under social security and containing many other amendments to the Social Security Act, with a total estimated annual cost of $6 billion. No public hearings whatsoever were held on this far-reaching measure by the committee during this Congress. Furthermore, it was brought to the House floor under a closed rule which prevented any amendments being made by Members of the House of Representatives. In other words, the bill had to be accepted or rejected as a whole—with no chance for improvement or rejection of any single part.

Many of the provisions of this bill, such as the liberalization of benefits for which I voted last year and which I still support, have great merit.

Also, I feel that action is necessary to provide adequate medical care for our senior citizens who need assistance, as evidenced by the fact that I personally introduced an alternative plan to meet the need. I am convinced, however, that placing medical care for the aged under social security does not offer the proper solution to the problem. This feeling seems to be shared by the overwhelming majority of residents of my congressional district. Individual letters have been running 100 to 1 against the administration's medicare proposal, and 85.7 percent of the residents of my congressional district who answered my recent questionnaire expressed opposition to the administration's plan to place medicare for the aged under social security.

I plan to vote for the Republican motion to recommit H.R. 6675 with instructions to the Committee on Ways and Means to report out an alternative and more acceptable plan offered by the gentleman from Wisconsin, Congressman BYRNES, ranking Republican on the House Ways and Means Committee. This vote will not be a vote against either medical care or liberalization of social security benefits. In voting for this recommittal motion, I am voting for the following:

First. A voluntary and more comprehensive program of medical insurance available to all persons over 65 without regard to social security coverage to be financed partly through premium contributions and partly from general revenues rather than through the regressive payroll tax called for by H.R. 6675. The Republican program covers the catastrophic illness up to a lifetime maximum of $40,000 in benefits—and covers prescribed drugs which are excluded in H.R. 6675.

Second. A 7-percent across-the-board increase in social security cash benefits.

Third. Extension of benefits from age 18 to age 22 for certain children in school.

Fourth. Social security benefits for widows at age 60 rather than at age 62, and benefits—on a transitional basis—to certain persons currently 72 or over now ineligible.

Fifth. Liberalization of the definition for disability insurance benefits.

Sixth. Increase in the amount an individual is permitted to earn without suffering full deductions from benefits.

If this recommittal motion fails, I will have no alternative but to vote against final passage of H.R. 6675 in accordance with my convictions—and in so doing, I shall be voting against:

First. A compulsory program of limited medical care benefits for the aged under social security which I feel will surely lead to complete socialized medicine which has proven a failure in so many other countries.

Second. A threat to the very financial soundness of the social security system.

Third. A greatly increased tax burden on individuals still working and paying into social security to finance the medicare program for those already retired and who did not contribute to such program.

Fourth. A greatly increased tax burden on employers as their share of payments to the social security fund—the cost of which eventually must be passed on to the consumers in the form of higher prices on products.

DR. JOHN H. BUCHANAN, OF BIRMINGHAM, ALA.

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Alabama [Mr. BUCHANAN], is recognized for 60 minutes.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the RECORD on the subject I am about to discuss.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, 13 years ago, in 1952, my father, Dr. John H. Buchanan, of Birmingham, delivered a speech entitled "America at the Crossroads" which later in that year won a Freedom Foundation Award. His words have proven prophetic and particularly pertinent at this point in our Nation's history.

This is my father's 79th birthday, and I have therefore chosen this day to request unanimous consent to include his speech at this point in the body of the RECORD.

AMERICA AT THE CROSSROADS

(By Dr. John H. Buchanan)

I come to you today not primarily as a minister. I come to you as an American citizen, speaking to American citizens. I hope the day will never dawn in this country when a man responding to a call of duty and entering the ministry feels by that decision he is disposed of any responsibility of citizenship in the land which he calls his own. I come representing no group. I come representing no political party. I come championing the cause of no political personality. I have the right, I think, as an American citizen—thank God, we still have that right—to stand on my feet anywhere and give voice to the convictions of my own soul.

I am the son of a poor Baptist preacher who left the practice of medicine to enter the ministry and gave his life in serving the smaller churches in the Southland. Since the day I was 17 years old, I have had to make my own way, pay for my own education. And, therefore, by the furthest cry I cannot be identified with any class other than the middle-class American. I am proud of the fact that I am an American. I look back with a degree of pardonable pride that from the Revolutionary War until this conflict that rages now in Korea members of my family have been on the battlefields of every war in which this country has engaged since its beginning. My wife went to Mississippi just a few weeks ago to bury the body of my

nephew who was killed in Korea. It was on Sunday and my duty held me here. I think by virtue of the traditions of my family I have a right to speak my convictions as one American to another. Coming back in these recent years from tours abroad—summer before last from a visit to South America, Africa, and Europe, and this last summer again to Europe and the Middle East—to this blessed land, I have thanked God for the heritage that has been mine. A land where the fullest measure of freedom enjoyed on this earth is a heritage of every citizen.

It didn't just happen, gentlemen. In 1776 our Founding Fathers instituted on these shores a new political philosophy, a new conception of the relation of government to its citizens. For the 6,000 years of recorded history mankind had lived under the domination of some form of statism; but there was created here what was called in those early days "a noble experiment," a government organized not to control, not to direct the citizen, not to be his master, but rather a government to be his servant. A government whose only function would be to protect him in his right in the pursuit of liberty, of prosperity, of happiness. It was something new. In one form or another through 6,000 years man had been the vassal of the state until they founded this Nation. You and I have enjoyed in the span of our lives the fruits of their wisdom. We have demonstrated that here in this blessed land the individual can come to his finest fruition when he is left free, untrammeled, unregimented, uncontrolled by the statism that held mankind in a partial slavery for 6,000 years. And, therefore, we've made more progress, and humanity has made more progress, under the guidance of freemen since the birth of our Nation than in all the combined 6,000 years that preceded its birth.

But having said that, may I say to you, although you may not agree with me, yet we'll still be friends if you do not agree with anything I say, there is just one thing you cannot question, my sincerity. I come with but one sincere motive—to awaken you, if you are not already aroused, to the fear and the apprehension that fills my own heart and mind today. In my judgment, this blessed America of ours faces right now the greatest threat that it has faced in all of its history. It is not a threat from forces without, but its jeopardy, in my judgment, lies in the threat of forces within our own Nation. I still have faith to believe that we have reservoirs of manhood, of material and of ingenuity which can be marshaled and organized and trained to successfully resist the invasion of any foreign foe. This, of course, will be a tremendous price. There is that danger and of it we are all aware. However, that does not, in my judgment, present the supreme threat to America in the year 1952.

We have already fought within the span of my generation two global wars. We may be on the threshold of a third world war. We have spent more billions of dollars and have sacrificed more millions of lives in these global conflicts than in any century of recorded history preceding our generation. The Congress that adjourned last December passed the largest appropriation bill in the history of this Nation, a defense bill to prepare us against the threat of a third world war. From what and from whence has come the thing that has plunged our world into two global conflicts? They came because of the clash of two ideologies, two philosophies of government, two ways of life.

There has been revived on European shores the old statism that kept mankind in the thralldom of semislavery to the state for 6,000 years. A philosophy known as the totalitarian form of government. Already it has taken into its fold 800 millions of people of our earth. Its aim and objective is to dominate the whole world. We have gone with our allies and joined battle against this philosophy. We have spent these billions of dollars and sacrificed these millions of lives to maintain the other ideal, which ideal is a philosophy of government and way of life that recognizes the dignity and the worth of the individual and guarantees to him the fullest measure of freedom. I am sure that none of us regrets the sacrifice we've made in the past in defeating the triumph of this totalitarian philosophy. We rejoice in the fact that there are still free peoples left on the earth. But, gentlemen, as certain as you listen to my voice today, there are certain trends and tendencies infiltrating our American life that if they go unchecked and unhindered, are as certain to destroy our democracy as the night follows the sunset.

I want to read an extract from a speech made by Lenin. You know who Lenin was. He, together with Trotsky, implemented Karl Marx's philosophy of the socialistic, totalitarian state. They helped to produce in Russia, in Germany and in Italy the totalitarian form of government. I quote from Dr. Preston Bradley, pastor of the People's Church of Chicago, who delivered this address on October 8, 1951. I haven't checked it in the library yet but I have checked with some people who know Dr. Bradley and they tell me that he is a man of absolute, unquestioned intellectual integrity and if he gives this as an authentic quotation, it is documented. He said, speaking to a national convention, "Did you read the address that Lenin gave outside the walls of the Kremlin in the city of Moscow? Of course, you didn't. It is in English and it is published. That address outlined the pattern, and everything that Lenin said outside the walls of Moscow has worked out according to the pattern, and what was it?" He concluded that address by saying, "We will win the Western World for communism without shedding a drop of a single Russian soldier's blood." And he said, "How?" and he went on with his unprecedented eloquence before a quarter of a million Russians who were underpaid and were hungry and were in revolt, and said, "We will create fear, suspicion; we will work inside by creating racial hatreds, religious antagonisms; we will pit father against son; wife against husband; we will inaugurate campaigns to hate Jews and to hate Catholics and to hate Negroes; we will inspire strikes and riots; we will plant the seeds of turmoil and we will cover it all with an inflation which will lead to economic disaster until we have 14 million unemployed people on the streets of the democratic country of imperialistic America. We will break their economy; we will send their dollar down until it is not worth 10 cents. We will destroy the future security from life insurance, from old-age pensions, until a life annuity that someone felt would be substantial for the last of life will buy but a loaf of bread. We will break their currency; we will break their spirit. We will frighten them; we will scare them. We will create political chicanery; we will confuse international diplomacy; we will do these things."

Remember, my friends, that this statement was made by Lenin outside the walls of the Kremlin. He indicated this would be the pattern by which they would wreck our Western World by working from within.

I have some friends who are far better capable of reading and interpreting history than I, who have given me 20 characteristics which they find as they go back and read the history of the lands where the totalitarian form of government has come into existence. Twenty trends, twenty characteristics that obtained in those lands; that produced or created eventually the totalitarian pattern of government. I'm going to read them. I suggest you go back and read your history and check for yourself to see if these historians have been accurate in their diagnosis. As I read them, I want you to make a diagnosis of our own Nation to note the trends that are current here and see how many of these characteristics have already infiltrated our American way of life. If human experience has taught us anything, it has taught us that there are some laws that are inexorable in their working. One of them is this: We have discovered that certain causes always produce the same effects. That law of cause and effect cannot be legislated out of existence or out of life. If these things produced as an effect the totalitarian form of government in the other places of the earth, what hope have we if they continue to infiltrate our American way of life, to escape the same effect here? Now what are the 20 characteristics which these historians tell me produced the totalitarian states in the premise?

The 20 trends are: (1) excessive borrowings; (2) a huge national debt; (3) unbalanced budgets; (4) deficits piled upon deficits; (5) confiscatory taxation; (6) extravagant public works; (7) subsidies to various groups of citizens; (8) concentration of powers in the chief executive; (9) sapping the independence of the courts; (10) administrative laws, regulation by men rather than by written statutes; (11) a planned economy for the nation; (12) a greatly enlarged bureaucracy; (13) private investments restricted; (14) individuals denied the freedom to own gold; (15) subversive forces encouraged; (16) class conflicts stimulated; (17) thousands of publicity experts to carry out the government's program of indoctrination; (18) encroachment upon freedom of the press ending in complete control of the press; (19) attacks upon industry which destroyed its morale and created antagonisms on the part of consumer and worker; (20) gained control of educational system.

Now these historians tell me that these are the 20 characteristics that spawned, that produced the totalitarian state in the lands where it has now come into power.

I ask you to examine carefully, critically, without prejudice the recent decades of American political life and seek to discover for yourselves how many of these characteristics have already infiltrated our own way of life. Now, gentlemen, Joe Stalin, who has already gathered into his fold 800 million people of the earth, has never been able to invade and take over any country of the world until the economic structure of that country has been destroyed. Communism makes no headway with prosperous nations. It moves in and capitalizes on the economic disaster of a nation. I'm no businessman. I do not profess to be. But I have enough horsesense to know this: It matters not whether it be John Buchanan, the individual; Southside Baptist Church, of which I am pastor; the First National Bank of this city; the Tennessee Coal and Iron Co., our strongest corporation; or any individual or corporation, when it reaches the point where its liabilities exceed its assets, it is on the brink of bankruptcy. This statement applies with equal force to government.

The national debt is already $258 billion. According to the present program if it continues even at a reduced rate, by 1956 it will be $300 billion. When we reach $300 billion indebtedness in this Nation, we've come dangerously near the saturation point where our liabilities would exceed the assessed valuation of everything we own. When we reach that point, we may be able to stave off by legislation for a brief period the inevitable; but as certain as God is on his throne, we cannot reverse the verdict of an inexorable law of economics.

Now, maybe it doesn't give you any concern that the Truman administration in 6 years has raised by taxation more billions of dollars and more billions of dollars have been appropriated by the Federal Government in these 6 years than the Federal Government spent from the days of George Washington through Roosevelt's administration. As I said to the Rotarians, Roose-

velt was no piker in his spending during his 16 years in Washington. I'm concerned about it. For if history can teach us anything, it is this: when the economic strength of this Nation is destroyed, we wreck the foundations upon which our homes, our businesses, our schools, and our churches rest. In that event, we can but expect to reap what has transpired in these totalitarian sections of our world.

I stood on the corner of First and 20th Streets a few weeks ago talking to a gentleman of this city—a very fine gentleman—about my concern. He said, "Well, what are you worried about? You're getting a good salary, and I'm making more money than I've ever made in my life. In the last 3 years I have made more money than ever before. I'm not worried." But I said, "May I ask you a question? How many children do you have?" He said, "I have three." "How many grandchildren?" He said, "I have five." And I said, "I want you to go home tonight and before you go to sleep, I want you to turn this over in your pure mind. I'll grant you that you may be making more dollars than you've ever made in your business before, but I want you to ask yourself this question: If the prosperity that you are now enjoying may not be at the expense of those children and those grandchildren, if you are not binding about their necks a millstone of indebtedness which will keep them in economic slavery throughout their lives even if this country survives. A debt thrust upon them by a prodigal government of your day and mine." He saw me a day or two after that. He said, "Doctor, I didn't sleep much that night. I thought it through and I've come back to tell you I think perhaps you're right. We'd better stop and take notice where we're going."

Gentlemen, I have but one boy, and I want that boy to have just the same chance I had; no one to give him anything; no one to plan his life; no one to guarantee his security economically, but rather let him live in the kind of land in which I have lived where he will be left free to bring to its finest and fullest fruition the possibilities of his own personality and his character. But that way of life is threatened as certain as you listen to me today. We can lose it by attrition. We'll lose it by continuing to listen to the siren voice of politicians whose objectives are ulterior and selfish, who have put political objectives above the well-being and security of the Nation that gave them birth.

It is time for you and me, who love this land and who have no political aspirations, to rise up and face a crucial hour and say to those on any level of government: "You must stop and think before you lead us further down the path which will inevitably bankrupt this Nation." You ask me what we as individuals can do? I answer, "The first thing you can do, along with every other American citizen, is to register and vote." No citizen of Birmingham has a right to throw any stones at Washington, Montgomery or any group occupying political office if that citizen did not exercise his God-given right and his sacred duty as a good citizen in casting his ballot. When only a little more than 50 percent of the qualified voters of this Nation go to the polls in a national election, it is time for us all to be concerned. This is our duty. Then there are certain qualities that you and I must develop within our own personal character. After all, no organization—international, national or domestic—can be builded stronger and more enduring than the strength of the personalities that make up the brick and mortar of the structure.

Republican self-government has always depended upon six elements of personal character. What are they? First, self-reliance; second, personal responsibility; third, thrift; fourth, courage; fifth, individual initiative; and sixth, and most important, spiritual faith. Our system of constitutional government cannot exist without citizens who still hold in their character these six elements of strength: self-reliance, personal responsibility, thrift, courage, individual initiative and spiritual faith. Death of a free government will come when any policy is introduced which weakens any of these six elements, causing them to decay.

There's your job. There's my job. To see that we develop within our own personality and character these six elements upon which, and upon which alone, a free government can exist.

I made this speech at Rotary day before yesterday. They were gracious enough to applaud me most generously. The next day a friend of mine said, "Well, John, I came down the steps yesterday with two Rotarians who had applauded very vigorously your speech. I happened to hear them as they talked. One said, 'Have you the papers with you? If so, we had better go at once to see about that $5 million Federal grant.' I said to them, 'I thought you applauded John Buchanan's speech.' And they replied, 'Oh, we did.' And I said to them, 'And here you're going right out to try to get $5 million more from the Federal Government.' They replied, 'Somebody is going to get it and we want to get our share.' "

Now, gentlemen, there's the crux of the whole thing. There is an individual responsibility resting upon you and upon me to check Government expenditures. There is also the responsibility upon you and upon me to go to the polls this year, disregarding personalities and disregarding political parties but putting America first.

God grant that we may keep for ourselves and children and our children's children the most blessed way of life that has yet been evolved in the history of mankind. It is our glorious heritage. God give us courage, God give us strength, God give us wisdom to keep what our fathers have bequeathed to us, the most glorious heritage that any people have enjoyed on this earth.

Mr. GLENN ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Alabama.

Mr. GLENN ANDREWS. Mr. Speaker, I take this opportunity to congratulate Dr. John H. Buchanan on his 79th birthday, and it has been a pleasure for me to read the wonderful speech that gentleman made which won the Freedoms Foundation Award some few years back.

I am delighted to sit with his son in this body. I am beginning to understand where some of the great ideas his son expresses came from, and this is an opportunity to honor him again on his birthday.

Mr. BUCHANAN. I thank the gentleman for his remarks.

Mr. CALLAWAY. Will the gentleman yield?

Mr. BUCHANAN. I gladly yield to my colleague from Georgia.

Mr. CALLAWAY. Mr. Speaker, as a member of the board of directors of the Freedoms Foundation at Valley Forge, Pa., I am especially pleased today to join with those honoring the 79th birthday of Dr. John Hall Buchanan, winner of the Freedoms Foundation 1952 George Washington Medal of Honor. Dr. Buchanan is the father of Congressman JOHN BUCHANAN, of Alabama, who is as justly proud of his father as his father is of him. It is therefore fitting today that we review the honors and achievements of Dr. Buchanan.

Dr. John Hall Buchanan, born 1887, in Blue Mountain, Miss., was graduated from Mississippi College with a bachelor of arts degree in 1910.

Following a tour of duty with the U.S. Army as chaplain during World War I, he returned to finish his studies for the degree of Th. M at Southern Baptist Seminary in 1921.

He has served as pastor of the Booneville Baptist Church, Mississippi, the Finchville Baptist Church, Kentucky, the Paris Baptist Church, Tennessee, the First Baptist Church of Meridian, Miss., the First Baptist Church of El Dorado, Ark., the First Baptist Church of Lynchburg, Va.

In 1937, he accepted a call to the Southside Baptist Church of Birmingham. His retirement from the church in 1957 marked 20 years of devoted, progressive leadership. As a counselor, as a teacher, as a pastor, he has led his church and his community through calm and crisis, and has earned a place of high respect within the city and the State.

Dr. Buchanan has assumed leadership in all phases of Southern Baptist work. As an educator, he has served as trustee of Union University, Tennessee, Ouachita College, Arkansas, Averett College, Virginia, and Howard College, Birmingham.

He holds the honorary degree of doctor of divinity from Ouachita and Howard Colleges.

He is a member and past president of the Birmingham Rotary Club, and of the Protestant Ministers Association; a trustee of the Young Women's Christian Association and the Young Men's Christian Association, and a vice president of the community chest. A member of the executive committee of the Birmingham Sunday School Council, he has also served on the board of the Jefferson County Chapter of the American Red Cross.

He served as president of the city parole board. He has had formal citations from the city commission for his civic leadership and from the Jefferson County Coordinating Council of Social Forces. The U.S. Treasury Department recognized his outstanding work in the war finance program with the award of honorable mention in 1945.

In recognition on the part of his community, he was chosen Man of the Year by the Young Men's Business Association in 1956.

Among the present positions held by Dr. Buchanan, are a trusteeship of the YWCA, and one of eight life memberships on the board of directors of the community chest.

Indeed this gentleman is an outstanding southerner and an outstanding American. I am sure that all who know him join with me today in congratulating him both on his 79th birthday and on his long and brilliant career.

Mr. BUCHANAN. I thank the gentleman for his remarks.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I gladly yield to my colleague, the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Speaker, having grown up in Birmingham and lived there for 25 years, I have

known Dr. John Buchanan, both personally and by reputation.

I do not know of any one man who has had a greater influence for good on the people of Birmingham than Dr. Buchanan. Although I am not a Baptist, I can well remember how many times my fellow Presbyterians and Methodists would slip away from our own churches as youngsters just to hear Dr. Buchanan preach.

Whenever there has been a need for spiritual leadership in the city of Birmingham, Dr. Buchanan has been in the forefront, leading his people in the right direction.

Because of his own exemplary life, he has led untold thousands to follow in the path of righteousness, one of whom is his own son, the Honorable JOHN BUCHANAN, JR., the gentleman who is ably representing the Sixth Congressional District of Alabama in this great body of the Congress. Congressman BUCHANAN, like his father, served as a Baptist minister prior to assuming the high and noble position of a Member of Congress.

So, today I join in the salute to Dr. John Buchanan, a man who has led a superior life, a man who has been a credit to his high calling, a man who has given tirelessly of his time, talent, and energy to his fellow man.

We can say no more of any man than this: "Because he passed our way, the world is now a little better." Dr. John Buchanan fits this description perfectly.

Mr. BUCHANAN. I am very grateful for the gentleman's contribution.

Mr. GEORGE W. ANDREWS. Will the gentleman yield?

Mr. BUCHANAN. I yield to the distinguished dean of the Alabama delegation.

Mr. GEORGE W. ANDREWS. Mr. Speaker, under leave to extend my remarks I am privileged to use this means of extending warmest birthday greetings to a very distinguished gentleman, Dr. John Hall Buchanan, who is 79 years old today. Dr. Buchanan has assumed leadership in all phases of Southern Baptist work, serving pastorates in Tennessee, Mississippi, Arkansas, Kentucky, Texas, Virginia, and Alabama. As an educator, he has served as trustee of Union University, Tennessee, Ouachita College, Arkansas, Averett College, Virginia and Howard College, Birmingham, Ala.

In recognition of his devoted interest in community affairs and civic leadership he has received various commendations. The U.S. Treasury Department recognized his outstanding work in the war finance program with the award of honorable mention in 1945. He was given a Freedom Foundation Award in 1952 and was chosen Man of the Year by the Young Men's Business Association in Birmingham in 1956, to name a few.

Dr. Buchanan is the proud father of my colleague, JOHN H. BUCHANAN, JR., who represents the Sixth District of Alabama in this Chamber of Congress. Dr. Buchanan's daughter married an outstanding Baptist preacher, J. Sherrill Jones, who was formerly pastor of the First Baptist Church in my hometown of Union Springs, Ala.

It is indeed a pleasure for me to extend to him my warmest personal greetings and best wishes that he will have many more happy birthdays.

Mr. MARTIN of Alabama. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I gladly yield to my distinguished colleague.

Mr. MARTIN of Alabama. Mr. Speaker, I am honored and indeed consider it a rare privilege to join with my worthy colleague and friend from Alabama, Congressman JOHN BUCHANAN, JR., in paying tribute to his father, Dr. John Hall Buchanan.

I would like to express, as I know thousands of his friends are expressing today, best wishes to Dr. Buchanan on his 79th birthday. Here is a man of God who has truly been an inspiration to generations of Americans. He is a noble son of the South whose life has reflected in every detail his deep religious convictions and his patriotism.

It has been my good fortune to know Dr. Buchanan and because I have known him and have been privileged to hear him speak and to read his sermons, I am a better Christian, a better American.

I wish all Americans, in this trying hour in our country's history, could read the speech for which he was awarded the Freedom Foundation Award in 1952, and which his son is memorializing as a part of the CONGRESSIONAL RECORD by inserting it today. The deep and abiding truths contained in Dr. Buchanan's remarks are born of the faith which created America and the American dream and has enabled us, through the years, to make steady progress toward the fulfillment of that dream for all Americans.

I could not close these remarks without observing the good works and the dedicated service of the son of the man we honor, Congressman and Minister JOHN BUCHANAN, JR. I can say it no better than by repeating an old adage, and in this case so true, "like father, like son."

Mr. DICKINSON. Will the gentleman yield?

Mr. BUCHANAN. I gladly yield to my colleague, the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, it affords me a great deal of pleasure to join with my colleagues in paying tribute to a great Alabamian, a great American, and a great man, Dr. John Hall Buchanan.

On this day, Dr. Buchanan celebrates the 79th anniversary of his birth, which is just another milestone in his long and illustrious career.

While I could enumerate his many accomplishments, I feel it would be redundant in view of the comments of my colleagues who have referred to them.

While Dr. Buchanan has by no means crowned his career, and I assure you we are looking for bigger and better accomplishments for many years to come, one thing of which he can be most proud is being the father of another great Alabamian—my friend and colleague, JOHN M. BUCHANAN, JR.

Mr. BUCHANAN. Mr. Speaker, I yield to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Speaker, I am pleased to join in this tribute to the 79-year-young father of our colleague and friend from Alabama. Dr. John Hall Buchanan who through many years of dedicated service rose to the chairmanship of the executive committee of the Southern Baptist Convention, once held a pastorate at the First Baptist Church of Lynchburg, Va., in the congressional district I am privileged to represent. From 1932 until he accepted a call to the Southside Baptist Church of Birmingham in 1937, Dr. Buchanan and his young son, JOHN, served the Lynchburg church. While many years have intervened, he is still remembered lovingly by the congregation of First Baptist, and it is my pleasure to deliver in their name a birthday salute to this grand gentleman.

I am certain, however, that Dr. Buchanan's most prized gift is the knowledge that his son has begun a new career of service which we confidently predict will be of long duration with success crowning his efforts.

"A wise son maketh a glad father."

Mr. HARRIS. Will the gentleman yield?

Mr. BUCHANAN. I gladly yield to the distinguished chairman of the Interstate and Foreign Commerce Committee.

Mr. HARRIS. Mr. Speaker, it is a pleasant occasion indeed to join my colleague, the gentleman from Alabama [Mr. BUCHANAN], in paying tribute to a man who I love, admire, and respect, and who has many achievements to his credit beyond being the proud father of our distinguished colleague from Alabama.

It has been my privilege to have known Dr. John H. Buchanan for many, many years. Dr. Buchanan was the pastor of my church, the First Baptist Church, in El Dorado, Ark. In 1934, he officiated at the wedding ceremony held in our church which tied the marital knot between my beloved wife and myself. For this act of his, I have had occasion to be grateful to him for as long as our marriage has lasted and this has been some time, in fact, for 31 years next month.

Unfortunately for El Dorado, but fortunate for Birmingham, he left us and spent more than 20 years at the Southside Baptist Church of Birmingham, one of the largest Baptist churches in the United States, and probably the largest in the South.

After retiring from the ministry, Dr. Buchanan devoted most of his time and energy to the problems of hospitalization for Baptist denomination in Alabama. As a spokesman for the Baptist hospitals, Dr. Buchanan came before the Committee on Interstate and Foreign Commerce in 1958 and pleaded for an amendment to the Hospital Survey and Construction Act which would authorize the making of loans in addition to the making of grants, so that the Baptist denomination might be in a position to avail itself of such loans for the construction of Baptist hospitals. So convincing and persuasive was his testimony that the amendment was enacted and many Baptist institutions have availed themselves of that privilege.

Dr. Buchanan has assumed leadership in all phases of Southern Baptist work. His accomplishments and the recognitions which have come to him because

of his achievements are too many to list. It is a great privilege for me to stand in the well of this House today and to wish Dr. Buchanan, who is celebrating his 79th birthday, a happy birthday, good health, and continued enjoyment of his retirement from the ministry in which he has served his denomination, his region, and the whole United States so outstandingly.

In felicitating the outstanding and nationally known and recognized man of God, who has given his life to the ministry, Mrs. Harris and I wish for Dr. and Mrs. Buchanan many years of continued happiness and enjoyment.

Mr. BUCHANAN. Mr. Speaker, I am deeply grateful to the distinguished gentleman from Arkansas and to my other colleagues for their comments. I simply add to them that my father's public image has been matched by the high caliber of his private life. He brought his religion home with him and in his dealings with his family lived out the religion which he proclaimed from his pulpit.

I would say in conclusion that the greatest gift I have ever received has been the name, JOHN BUCHANAN, because my father has made it represent all that is fine, all that is strong, and all that is Christian in a man. My name shall, therefore, always be to me both a challenge and an inspiration.

Mr. SELDEN. Mr. Speaker, I would like to join my colleague from Alabama [Mr. BUCHANAN] in paying tribute to his father, Dr. John H. Buchanan, Sr., on the occasion of his 79th birthday.

Dr. Buchanan, an outstanding minister and past president of the Alabama Baptist State Convention, has had a long and distinguished record of service to his fellow man. Not only has Dr. Buchanan earned a position of high respect in his native Birmingham but throughout the entire State of Alabama as well.

I join with Dr. Buchanan's many friends in extending congratulations and good wishes to him on his 79th birthday and in wishing him many additional years of devoted service to the people of Alabama.

PRESIDENT JOHNSON'S ADDRESS ON VIETNAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. ZABLOCKI] is recognized for 15 minutes.

Mr. ZABLOCKI. Mr. Speaker, last night—as did millions of other Americans—I watched on television the address on Vietnam given by President Lyndon Johnson at Johns Hopkins University in Baltimore.

The President's speech was an eloquent, admirable statement of American policy toward Vietnam and southeast Asia, and he is to be commended for making it.

I was particularly impressed by the dramatic and bold initiative seized by the President in proposing a massive program of cooperative development for southeast Asia.

By asking for the participation of the Soviet Union in such a project and including North Vietnam as among the recipients of assistance—once its aggression ceases—the President has issued a challenge to the Communist nations to prove their often-stated desire for peace in the world.

To use a popular expression—the monkey is squarely on the backs of the Communists.

While there is no doubt in my mind what the President meant in his address, there apparently has been confusion because of certain interpretations of his remarks.

Some commentators and some reporters and news analysts have taken one word in the President's speech and blown it out of all proportion. That word is "unconditional" as expressed by the President in his statement that the United States remains ready for unconditional discussions.

This has been widely misinterpreted as a dramatic departure from past U.S. policy.

Nothing could be further from the truth. The President simply was restating what many of us always believed the policy of the United States in South Vietnam to be.

The President has promised that the United States will keep the pledge we have made to support the South Vietnamese against internal terror and external infiltration and aggression.

Where is the sharp departure from past policy here?

The President has declared that the United States must be prepared for a long continued conflict as we fight for values and principles in Vietnam.

The President has emphasized that peace in Vietnam demands an independent South Vietnam, securely guaranteed and able to shape its own relationship to all others.

In calling for unconditional discussions, the President has not meant unconditional appeasement. The United States has never set any preconditions for negotiations on Vietnam. We have not called for unconditional surrender by the Vietcong or by those who direct them from Hanoi.

At the same time, we have recognized that negotiations would be fruitless until and unless there is some indication from North Vietnam that they are ready and willing to end their aggression against South Vietnam.

This is the position, in my view, that the President was so ably restating.

It is regrettable that in some quarters the principal object of the President's speech has been shunted to secondary consideration.

That is the bold move to stabilize southeast Asia and assist the peaceful progress of the people in that area through a multinational program of economic assistance, directed by the United Nations, in which Communist nations would be invited to participate.

Certainly the President in his address has dramatically presented a bold initiative for peaceful development in southeast Asia.

Even here there is no change in basic policy. The United States always has been committed to the economic and social development of the countries of southeast Asia so that the people living there might one day enjoy the fruits of modern, technological society.

What is new in this suggestion is the firm pledge by the United States to give a billion dollars to this effort, and the invitation to other countries, including the Soviet Union, to join us in this effort.

It is my earnest hope that those interpreting the President's remarks at Johns Hopkins will grasp its true meaning, lest friend and foe alike of this country be misled about America's firmness, determination, and intentions.

Mr. Speaker, I am confident the people of our country and the peace-loving peoples of the entire world applaud and join President Johnson in his sincere effort in the quest of peace and prosperity in southeast Asia.

Mr. ALBERT. Mr. Speaker, the President has shown by his Baltimore speech our firm determination to resist Communist aggression. He stated flatly he intends to keep the promise made by every American President since 1954 of support for the people of South Vietnam.

All of us recall the experience of the 1930's. Hitler moved from one aggression to another without being stopped—the Rhineland in 1936, Austria in the spring of 1938, Czechoslovakia later in 1938 and 1939. Finally in the fall of 1939 when Hitler moved into Poland because he had not been stopped before, a great war broke out.

The President, with his determination in Vietnam, is trying to stop a repetition of this history of the 1930's. We are taking limited risks now to prevent the big war which would inevitably flow from unchecked aggression.

Therefore, as the President said, we will do everything necessary to maintain the independence of South Vietnam, to help it to achieve freedom from attack. To the world the President proclaimed: We will not be defeated. We will not grow tired. We will not withdraw.

The President also appealed to the other side for peace which all reasonable men want. But until peace comes, we will use our power—with restraint and wisdom—but we will use it.

Much attention has focused on the President's remark about our readiness for "unconditional discussions." But, as the speech makes clear, there is a difference between discussions and negotiations. Discussions are much less formal. What the President is saying is that we are willing to engage in informal talks without conditions. And even those talks must be with governments. We will not talk with the National Liberation Front of South Vietnam, which is purely an agent and puppet of Hanoi.

The President made clear our conditions for settlement. South Vietnam must be independent. It must be securely guaranteed. It must be free from outside interference. And we do not expect it to adhere to an alliance or give us military bases.

We have no intention of using South Vietnam to threaten North Vietnam or Communist China, but at the same time South Vietnam must be protected against threats from them. It must be able to call in outside assistance if threatened.

As part of a settlement along these lines, we believe it important to undertake a major campaign for improving the lives of the people in South Vietnam and elsewhere in southeast Asia. For that reason the President calls upon the countries of this area to work together and upon all the industrial nations of the world to join in a great effort for the economic advancement of these peoples.

Mr. EDMONDSON. Mr. Speaker, the President, in his great speech to the American people and to the world last night has once more taken a stand on solid middle ground. He has taken a stand that will command very wide support both at home and abroad. But because it is a stand of moderation—a stand on middle ground—we can expect it to be attacked by the critics on both sides. Indeed, this attack has already begun.

To be in favor of negotiations while clearly reaffirming our commitment to Vietnam is not appeasement. In the dangerous situation which we face in southeast Asia, and in our continuing effort to command the support of our allies, we must be willing to establish and maintain communication with our antagonists. We must be willing to search constantly for the honorable terms on which peace might be made. To do less would be folly. It would increase the risks of miscalculation. We might very well miss the opportunity—the strategic moment—when negotiations can be fruitful and can bring peace on terms that are acceptable.

The President made absolutely clear that he was not proposing to appease the enemy. He stated:

> We will not be defeated. We will not withdraw, either openly or under the cloak of a meaningless agreement.

His definition of the kind of peace we desire will, I believe, command the support of the overwhelming majority of the Members of this House and of the American people. He said that—

> Peace demands an independent South Vietnam—securely guaranteed to shape its own relationships to all others, free from outside interference, tied to no alliance, a military base for no other country.

It is equally clear that those who say that the United States seeks to buy peace with economic aid badly misunderstand the character of the President's proposals. The President has outlined a picture of the southeast Asia that might be if war could be brought to an end, and has indicated American willingness to help build a better Asia with the help of the free world. Certainly this is the kind of Asia we would all like to see—an Asia developing in peace and freedom rather than an Asia ruled by communism and ravaged by war. I am certain that the American people will willingly join in making a contribution to the development of a free and independent Asia, particularly if such a contribution will help to check Communist aggression in that area and advance the cause of a peaceful world.

Mr. MOORHEAD. Mr. Speaker, President Johnson has put the world on notice that the United States will not hesitate to use its power to maintain peace. While our record in the world would seem to speak for itself, there are many seemingly short memories, and it is necessary from time to time that we make crystal clear what our intentions, our purposes, and our motives are. This the President has done at just the right moment.

We are dealing with a ruthless and cynical adversary who seeks to conquer by the use of force. As we have learned from bitter experience, failure to resist such an evil purpose cannot bring peace but more aggression leading inevitably to war. Resistance produces a language the aggressor can understand, and we are speaking in that language now.

Of equal importance, however, is the fact that the President has shown the aggressor ways to achieve vast improvement in the lot of the underprivileged peoples of his own country without use or threat of force. In other words we have shown not only our determination to support justice at any cost but our willingness to forgive and forget, once the aggressor has abandoned his destructive course.

There are some who might regard the expenditure of a billion dollars to help Asians help themselves as a very costly undertaking. I do not regard it so when the cost of war, not only in human lives and suffering but in material costs, is considered. These very heavy costs which we and our allies are now bearing are as nothing compared to the cost of unlimited war which would surely be the end result of a policy of weakness or capitulation.

I congratulate the President for the leadership he has given to the American people in a critical hour. I sincerely hope that this may prove to be a real turning point in the history of this generation.

Mr. PRICE. Mr. Speaker, last night the Nation and the world heard a speech from a man of peace—a speech which may well prove to be one of the crucial public addresses of our time. The speaker was the President of the United States. The subject was the continuing crisis in southeast Asia. The message was one of determination, of affirmation and of hope. I am proud to associate myself fully with that speech and with the vision and courage which animates the man who made it.

We have heard, Mr. Speaker, that we must be willing to negotiate the struggle in Vietnam. Last night, the world heard, in unmistakable terms, that the United States is willing to negotiate—that we will talk "with the governments concerned; in large groups or in small ones; in the reaffirmation of old agreements or their strengthening with new ones." Those who have demanded negotiation can ask for no more evidence of the willingness of this country to explore every possibility of peace.

But we also heard a courageous and unflinching expression of our determination not to let aggression succeed. We heard a clear statement of our intentions and our purpose—to help secure the independence of South Vietnam. The President made it crystal clear that we "will use our power with restraint and with all the wisdom we can command. But we will use it."

Those who have told themselves that we would allow the people of South Vietnam to have their freedom torn forcibly from them—those who believed that the patience of the American people was unequal to the task to which history has called them—those who hoped that we would turn inward and forget our commitments to freedom in our supposed preoccupation with comforts and material well-being—all of these have been placed on notice that the American will has been tested and found firm. There can be no doubt remaining in Hanoi or Peiping or in any quarter of the globe. This Nation is ready to do what it must to defend freedom, and ready, too, to do what it can and what we would all prefer—to seek an honorable peace at the conference table.

This much of the President's speech, Mr. Speaker, was a reaffirmation of what we have said before. But it was a needed reaffirmation and one which must have warmed the hearts of men everywhere to whom war anywhere is the height of folly.

But the President said more. He did not content himself with voicing our determination not to be pushed around and our equal determination to negotiate with any government which will negotiate in good faith. He addressed himself, too, to the question of making peace a workable, constructive reality in all of southeast Asia. In addressing himself to the concept of an international effort to help develop the vast resources of southeast Asia, the President offered to the people of that area hope—hope of peace with freedom and a better way of life.

Last night, Mr. Speaker, we heard a truly great speech. It was eloquent, and for that alone it can be praised. But deeper than its eloquence, Mr. Speaker, more glowing than its phraseology, was its pledge and its promise—a pledge of continued resistance to aggression, and a promise of a road to peace. Pray God, Mr. Speaker, that "his sound is gone out unto all lands and his words unto the ends of the world."

Mr. O'HARA of Michigan. Mr. Speaker, I want to commend the President's speech last night in which he underscored our pursuit of a lasting peace in southeast Asia.

President Johnson spelled out with great clarity why we are deeply committed in South Vietnam. We are pledged to assist that small nation in defending itself from a thinly disguised aggression from outside its boundaries. He made it clear—as it should have been from the start to Hanoi and other Communist capitals—that we are not going to scuttle and run—that we are going to stand fast in South Vietnam until Hanoi agrees to peaceful terms.

Obviously even more than the fate of a single beleaguered nation is at stake. As the President said:

> Let no one think that retreat from Vietnam would bring an end to conflict.

A retreat either before or at a conference table would only convince the Asian Communists that they have the green

light to take over South Vietnam, and proceed to the next names on their target list: Thailand, Malaysia, and the rest of the free nations in that area. I believe that if we were to withdraw our forces in Vietnam without securing our objective—an independent and secure South Vietnam—that we would probably be forced to return to a new trouble spot in southeast Asia within a year.

Now we must wait for a response from Hanoi. In the meantime, our military actions will not be indiscriminate, but American and South Vietnamese armed persuasion will be applied in measured amounts until Hanoi realizes the futility of further aggression. No one should be deceived that a quick response is readily in sight. This could be a long, hot summer in Vietnam. But our military forces and power are more than equal to the task at hand. And I think that we will find the support of the American people in this difficult but just endeavor is more than equal to what is needed.

Mr. Speaker, the choice is now up to Hanoi. The leaders of North Vietnam can either choose to expose their hard-earned physical resources to destruction or they can choose the path of peace. They have the opportunity to share in exciting new plans for developing southeast Asia, and bringing not hunger and death to their nation, but a better life than their people have ever known. The Mekong Valley project alone promises to benefit some 48 million people in southeast Asia, and that could be merely the start of a new day for that whole area. Surely, North Vietnam's leaders cannot deny their people their rightful share.

As the President has said:

> We hope that peace will come swiftly. But that is in the hands of others beside ourselves.

Mr. ROOSEVELT. Mr. Speaker, the President of the United States has defined the components for peace in southeast Asia with remarkable clarity and balance. He has in a statement addressed to the entire world demonstrated the unique capability of the United States to stand firm and resolved in the face of international terrorism and to devote its resources to meaningful peace and security.

He has shown that this country continues to support the rights of free nations to determine their own destiny, as an essential of real world progress. He has shown that he intends that this Nation will resist both the threat and the actuality of Communist aggression, as a basic tenet of our own security. He has given hope for the possibilities of peace and human welfare without pretending that their achievement comes easily or merely wishfully. He has made unmistakably clear that as the leader of this Nation he rededicates this Nation to the principle of respect for and pursuit of the highest conditions of men, and that this Nation does not commit itself blindly on the single, exclusive course of either thoughtless counteraggression or naive relaxation.

The power to achieve these goals does not rest solely with the United States. The behavior of the aggressor states is of course crucial to the search for security and order in the world. The willingness of other Western industrialized nations to commit their resources to the task is essential. The capacity of nations from the less-developed, uncommitted world to hold a complete and unprejudiced picture of the problem rather than an emotional and distorted one also counts heavily. Yet the President has committed the United States to its maximum role in the effort, and has provided leadership for the rest of the world of unparalleled statesmanship.

Moreover, he has identified true peace for what it is, integrally related with the basic health, living standards, aspirations of mankind. With grinding poverty, disease, and hopelessness rampant among great sections of this planet's population, there will inevitably be destructive discontent, turmoil, chaos. This is the basic fact of war and peace. So the President commits our national resolve and our great military power to bring about a cessation of naked, contemptuous aggression and simultaneously requests assistace to attack the root cause of that violence. He does so with compassion and calm, and a pledge that the United States seeks these wider goals for itself as a member of the family of nations, as part of all mankind, and not with narrow interests or selfish designs.

There is one further point. By his emphasis on our willingness to pursue a peaceful settlement unconditionally, the President means what he says—there are no conditions, that this concept works both ways. We will not cease what military steps we regard to be necessary to convince the enemy that he will not be allowed to succeed in his aggression, such as our air strikes on North Vietnam. We will take the steps necessary to apply our great military power in the manner which is effective, that we will not tire or retreat.

So this great Nation will proceed on the path of resolve and reason, not gripped by emotionalism, not blinded to reality, contributing what resources we have, open to honest representations for peace. I support him. I am personally grateful to him. I am sure that the American people agree.

TO CARRY OUT PRESIDENT JOHNSON'S DRIVE FOR PEACE IN VIETNAM, WE MUST BRING THE UNITED NATIONS BACK TO LIFE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, the President in his forthright address last night has reaffirmed the U.S. objective in Vietnam: to negotiate a settlement which will give the people of South Vietnam an opportunity to determine their own future in peace, and then to let the United States depart.

This is an honorable objective. Either the North Vietnamese will negotiate toward that objective, or they will not.

In either case, the world needs a United Nations that has risen from its sickbed and is able to take part in the peacekeeping. That need is now.

If North Vietnam is willing to negotiate—if it is willing to talk about something other than the subjugation of South Vietnam by armed force—a revivified United Nations, through its economic aid, its peacekeeping presence, and its election-supervising machinery, could be the indispensable ingredient of a settlement which includes the maintenance of peaceful conditions and self-determination for both portions of Vietnam.

A U.N. VIETNAM PEACE FORCE

If North Vietnam proves unwilling to negotiate, and the military action continue, it is even more essential that the United Nations revive. We are now assuming the task, on a go-it-alone basis, of preventing a Communist takeover of South Vietnam by force. South Vietnam is important. But it is not Hawaii or Alaska—or Japan or Formosa or the Philippines, for that matter. The farther away a battleground becomes from our essential national interest, the more important it is that the flag under which aggression there is repelled be that of the U.N. rather than that of the United States. If negotiations fail, therefore, I urge again what I have urged many time before—that the United States request the United Nations to participate in the defense of South Vietnam, with our help, until such time as a peaceful settlement can be negotiated, and that the United States offer to refrain from its unilateral role unless the United Nations, having been tendered its responsibility, rejects it.

But the sad truth—as the Senator from Vermont [Mr. AIKEN] pointed out in a fine recent speech—is that the United Nations, when the world needs it most, is nowhere within reach. Its General Assembly is powerless because its members are confronted by article 19, requiring that any member more than 2 years in arrears in its assessments "shall have no vote in the General Assembly." Because of the failure of the Soviet Union and France to pay for various General Assembly peacekeeping operations, the members of the Assembly are afraid either to invoke, or not to invoke, article 19.

THE AUGUST 1964 RESOLUTION

And while the impasse does not affect the Security Council directly, with two out of five permanent members of the Security Council immediately involved, the Council likewise can hardly function while the General Assembly lies impotent.

Mr. Speaker, what can we do to bring the United Nations back to life, so that it may be available to help in the Vietnam crisis?

Let me first recall to Members the concurrent resolution passed by the House on August 17, 1964, and by the Senate on August 20, 1964. That resolution provided:

> *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that the President should direct the Permanent United States Delegate to the United Nations to continue efforts toward securing payment by members of the

United Nations of their assessments in arrears. It is further the sense of the Congress that if, upon the convening of the Nineteenth General Assembly, the arrears of any member of the United Nations equals or exceeds the amount of contribution due from it for the preceding two full years, the President should direct the Permanent United States Delegate to make every effort to assure invocation of the penalty provisions of article 19 of the Charter of the United Nations.

It was not only the Congress which painted itself into a corner by that resolution. The resolution was specifically requested by the Department of State. On August 10, 1964, Secretary of State Rusk wrote to the chairman of the House Committee on Foreign Affairs to urge the enactment of the concurrent resolution. The Secretary of State said:

I consider it useful for the Congress now to take the additional step proposed in the concurrent resolution. It would strengthen the hands of the President and of the permanent representative of the United States at the United Nations in dealing with the problem of United Nations financing. The resolution would serve as a clear indication of the united support of the Congress and the American people for the vigorous and impartial application of the charter, and would demonstrate our determination that the obligations of the charter shall be given effect.

HISTORY OF THE U.N. ARREARS CRISIS

Let us review briefly the recent history of the U.N. arrears crisis, and how we got where we are.

By the time the 19th General Assembly convened on December 1, 1964, members owed the United Nations about $148 million. Of this amount $122,870,589 represented arrears on the two special peacekeeping accounts: $34,898,227 for the Middle East force and $87,972,370 for the Congo operation. Eight countries were more than 2 years in arrears and thus subject to the sanctions penalty of article 19 of the U.N. Charter. A dozen more were threatened by sanctions as of January 1 unless they made sufficient payments to avoid the penalty provisions by that time.

Collection of payments to the regular budget has never been a problem. Arrears have never reached more than 15 percent of assessments, and members have without exception paid up before they have fallen more than 2 years behind. The problem centers on the two special peacekeeping accounts and on the political unwillingness rather than the financial inability of some members to pay their assessments for these operations.

The chief delinquents are the Soviet Union and France. When the 19th General Assembly opened, the Soviet Union alone owed $56,509,686 on the Middle East and Congo accounts; France, which has paid all its Middle East assessments and even made voluntary contributions to the Middle East force but has paid nothing to the Congo operation, owed $17,031,152.

Both these countries have made their position on the arrears problem quite clear.

FRANCE AND RUSSIA REFUSE TO PAY

The French representative has repeatedly expressed the view that only peacekeeping operations authorized by the Security Council under chapter VII of the charter are compulsory, and only expenditures authorized by the Council for such operations are obligatory. Decisions of the General Assembly, including resolutions on financing, are in the French view recommendatory rather than obligatory, binding only on those members which accept them. Thus, the French argument is that the UNEF and Congo peacekeeping assessments are not obligatory expenses of the organization in terms of article 17 of the U.N. Charter, and that the sanctions provision of article 19 is thus not applicable.

The Soviet argument goes one step further. The Soviets insist that peacekeeping operations are the exclusive prerogative of the Security Council. From the Soviet point of view, both the Middle East and Congo operations were illegal, since the Middle East operation from the beginning, and the Congo operations later, were handled by the General Assembly. Thus, the Soviets also contend that there is no legal basis whatsoever for the compulsory collection of funds for these operations, and that article 19 is not applicable.

THE INTERNATIONAL COURT'S OPINION

The French and Soviet positions run diametrically counter to an advisory opinion of the International Court of Justice handed down in July 1962. Because the U.N. Charter contains no explicit budgetary provisions concerning special peacekeeping accounts, the U.N. General Assembly asked the Court for its opinion concerning whether peacekeeping expenses should be considered "expenses of the organization" within the terms of article 17 and therefore obligatory. The Court said yes. Thereupon many of the countries which had previously been unwilling to consider these assessments obligatory, such as the Latin American countries, accepted the view of the Court as settling the matter. Both France and the Soviet bloc countries, however, have never agreed to the advisory opinion of the Court, and were quick to point out that the Court's opinion, being advisory rather than a judgment, lacked binding force.

Thus, while on the surface the problem of collecting peacekeeping arrears appears to be a straightforward question of collecting funds which members are obligated to pay, in fact it is a complicated constitutional issue deriving from concepts of what kind of organization the United Nations should be.

The Soviet Union and France, by insisting that only the Security Council can bind members to support peacekeeping operations, are in fact insisting on great-power control of U.N. peacekeeping and are refusing to give in to majority rule in the General Assembly.

"EVERY EFFORT" TO ABOLISH ARTICLE 19

The majority of U.N. members, on the other hand, by accepting the advisory opinion of the International Court of Justice, have adhered to the principle that a General Assembly majority can exact financial support for peacekeeping operations from all members, even from those which oppose a particular peacekeeping action.

This brings us to the concurrent resolution of last August calling on Ambassador Stevenson "to make every effort to assure" that the delinquent Soviet Union and France be denied the right to vote under article 19. Starting with the convening of the General Assembly last December, Ambassador Stevenson did make "every effort."

As the 19th General Assembly limped on, U.S. officials labored to convince other member nations to support loss of vote sanctions if the issue came up. But the United States could never count on the necessary majority to back sanctions.

The reason was not that members felt the Soviet Union, France, and other delinquents should be absolved of their obligations or that they agreed with the Soviet and French position. A number of countries which supported the U.S. position of collective financial responsibility for peacekeeping expenses expresed strong reservations about applying sanctions against the great powers, because they feared that the consequences to the United Nations of applying sanctions would be far more serious—possibly fatal—than the consequences of a moratorium on arrears.

U.N. MEMBERS DRAW BACK FROM INVOKING ARTICLE 19

The Indian representative, for example, told the General Assembly on December 14, 1964:

We met here on December 1 in an atmosphere of confrontation. I am glad the confrontation has been avoided. It would indeed have been disastrous for the Assembly and the Organization itself if we had decided to vote on the question of whether or not article 19 of the Charter was applicable to the Members who had not contributed toward the costs of peacekeeping operations in the Congo and Gaza. The result of the vote either way would undoubtedly have led to considerable diminution in the strength and vitality of our Organization. While we ourselves believe in collective responsibility and have contributed millions of dollars toward the costs of peacekeeping operations and have also supplied thousands of troops and tons of material to the United Nations, we at the same time recognize that no Member State can be compelled to contribute either troops or funds to such operations.

So also the delegate of Senegal said at the 19th General Assembly:

To deprive the Soviet Union of its right to vote would be to create a disequilibrium fatal to the United Nations and, finally, to peace. We believe that the application of article 19 is not desirable and would be inopportune. The United Nations cannot live with the United States alone, nor with the Soviet Union alone.

Even a close friend of the United States, Canada, warned of the danger of a collision course and urged compromise at a meeting of the special U.N. working group on financing in early October:

At this moment these (peacekeeping) differences have set the membership on a collision course which, if not diverted, can only have very grave consequences for the Organization whatever the outcome. It follows, therefore, that it is in the interest of each of us to make superhuman efforts to formulate a modus vivendi for the future to which we can all subscribe. If our search for such a modus vivendi is to be made in good faith, then we must recognize that each of us will

have to accept some modifications of previously held positions and make concessions to the points of view of those who differ with us, concessions made freely as a contribution to the common objective of finding an acceptable solution.

The issues which confront us involve the strongly held views of sovereign nations—no solution that relies on intimidation will work. On the other hand, if we are to make any progress, we must count on the readiness of each delegation, when confronted with the hard choices which inevitably will arise, to weigh very carefully the consequences of failure to reach agreement. It is the hope and expectation of my delegation that when such tests arise each member government will decide in its own interest that the importance of maintaining the United Nations as an effective organization for peace and security outweighs other considerations which may previously have seemed to be of overriding importance.

THE ASSEMBLY ADJOURNS INGLORIOUSLY

In the course of the brief 19th General Assembly session it became apparent that the vast majority of the U.N. membership wanted to prevent a confrontation on article 19 at all costs. In fact, the subterfuge to which the Assembly succumbed in order to avoid voting turned the Assembly into a parody before the end. Because there were two contenders for one of the seats on the Security Council, the Assembly President held consultations in his office with each delegation in order to take their votes privately rather than provoke a showdown in the Assembly. As one delegate wryly remarked: "We go into the back room and vote and then say we have not voted." The consternation which arose on next to the last day, when the Albanian delegate proposed that the Assembly resume voting, subsided only when U.S. Ambassador Stevenson announced that the United States would not raise the arrears issue in connection with a vote on a proposal by the President to rule the Albanian suggestion out of order, since the President's proposal was a procedural rather than a substantive issue. The Albanian proposal was duly ruled out of order by a 97–to-2 vote. And so the Assembly session ended.

The scene made good television viewing. But this was the only official vote of a session which was scheduled to consider over 90 agenda items. Those who want to turn the U.N. into a mere debating society had succeeded beyond their wildest dreams.

Where does all this leave us?

If the United States invokes article 19 when the Assembly reconvenes in September, the United States may well be on the losing side of the vote. This would be a blow to the prestige of the United States in the United Nations. It would weaken the organization. It would increase discontent with the U.N. among the Congress and among our citizens.

On the other hand, if the United States should come out on the winning side of a confrontation over article 19, it might well be a pyrrhic victory. The Soviet Union has threatened to withdraw from the U.N. if its vote is taken away. So might France. To be victorious at the cost of sending the United Nations the way of the League of Nations offers little satisfaction.

BECAUSE OF THE DEADLOCK, THE U.N. CANNOT BE USED TODAY

Perhaps the worst course of all is to muddle ahead as we are now, with the U.N. incapable of action, and with a collision facing us when the Assembly reconvenes in September. As the congressional resolution now stands, the executive has no alternative—unless it wishes to disregard Congress clear expression of last August—but to move to invoke article 19. That the resolution was passed by the last Congress, rather than this Congress, seems irrelevant. It is still the unrepealed voice of Congress. It must be listened to, just as the administration keeps listening to another resolution passed by the last Congress—that endorsing the President's firm stand in Vietnam.

I believe it most unwise, Mr. Speaker, for Congress to continue the executive in this inflexible position where it must, whatever the consequences, invoke article 19. We hoped that a tough position on article 19 last December would work—but it failed. We must now put the executive in a position where it can revalidate the U.N., so that the U.N. may be requested to play a peacekeeping role in Vietnam. For this, the executive needs flexibility. We should not wait until tomorrow. The time to repair the U.N. is today.

NEEDED: A NEW RESOLUTION

Accordingly, I have today introduced House Concurrent Resolution 386, as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should direct the permanent U.S. delegate to the United Nations to continue efforts toward securing payment by members of the United Nations of their assessments in arrears.

House Concurrent Resolution 386 retains the first sentence of last year's concurrent resolution, directing the U.S. delegate to continue efforts toward securing payment of arrears, but strikes out the final sentence relating to the invocation of article 19.

By striking this final sentence, Congress would in no way be directing the executive to desist from efforts to make nations in arrears pay up. The sentence of the resolution which would be retained assumes that the executive would continue diligently to exert all possible persuasive pressure on delinquents to honor their obligations. The executive would still be able to invoke article 19, if deemed wise; it could still threaten to invoke article 19, if tactics call for this. But it would not be compelled to invoke article 19.

THE U.N. REHABILITATED

With the article 19 obsession out of the way, a revivified U.N. would then be available for a U.S. request for U.N. action on the Vietnam question. If the Security Council failed to act, the question could come before the Assembly under the uniting for peace procedure.

As long as the threat of invoking article 19 hangs over the General Assembly, however, no such solution is possible. As the concurrent resolution of last August stands, it is the sense of the Congress that the U.S. delegate to the U.N. should invoke article 19 whenever an issue comes up for a vote in the General Assembly. If we went before the U.N. tomorrow with the Vietnam question, as we should, we would frustrate ourselves because our first order of business would have to be a demand for a confrontation under article 19.

I wish to make it clear that just as I am not proposing that the United States should cease efforts through negotiation to get France, the Soviet Union, and other delinquent to pay up their Assembly peacekeeping obligations, so also I am not suggesting that deadbeatism in general in the payment of U.N. obligations should be condoned. Article 19, whatever its weaknesses, was written into the charter for a purpose—to discourage nonpayment. Up to the 19th General Assembly it had never needed to be invoked because members have without exception paid arrearages on the regular U.N. budget before they have fallen 2 years behind. Several Latin American countries, for example, which had allowed themselves to fall more than 2 years in arrears, recently made substantial payments in order not to fall under the sanctions provision. Article 19 has even exerted some beneficial pressure with regard to peacekeeping assessments, for a number of countries made arrears payments to the peacekeeping accounts during late 1964 and early 1965 to avoid the sanctions penalty.

NO DEADBEATS ALLOWED

No member should be allowed to get away without paying his U.N. obligations simply because he does not feel like paying them. But the refusal of countries like France and the Soviet Union to pay peacekeeping expenses for political reasons poses a problem of a wholly different order. The United Nations is not a world government, but an assembly of sovereign states which, by ratifying the U.N. Charter, pledged to work for certain goals within the international community. Each member, however, still has the freedom to consent to or oppose specific actions of the organization. The current crisis over financing peacekeeping has simply proved what should have been self-evident: that it is unrealistic to expect sovereign nations to support peacekeeping actions which they consider inimical to their own best interests and which they have explicitly objected to.

This is indeed the central issue of the current U.N. financial crisis: Can we expect sovereign nations to pay for peacekeeping operations which they oppose? For example, if a General Assembly majority should decide to launch a peacekeeping operation in South Africa which the United States considered an illegal intervention in the internal affairs of another state, would we not balk at paying for it?

VOLUNTARY FINANCING IS NEEDED

In sum, it appears that the assessment method of financing U.N. peacekeeping operations is simply not feasible, and that in considering possible methods of financing future operations we should turn back to ad hoc solutions, mainly to schemes of voluntary financing. Because of the publicity of the Middle East

and Congo operations and of the article 19 issue, it is frequently forgotten that of the more than a dozen peacekeeping operations undertaken by the United Nations, only two—the Middle East and the Congo—have been financed by the special assessment method.

Over half of them—smaller operations involving truce commissions, military observer groups, or U.N. mediators—have been financed out of the regular budget. Thus, for example, U.N. mediators have been sent to Palestine, Jordan, Laos, and Cambodia/Thailand. Military observer groups or special U.N. commissions have gone to Indonesia, Greece, Palestine, Korea, India/Pakistan, and Lebanon.

Several more extensive peacekeeping operations have been financed on a voluntary basis. The 1950–53 Korean war was financed completely through voluntary contributions, with 37 countries contributing manpower, money, materials, or all 3. Several recent peacekeeping actions have also been financed by some kind of voluntary scheme. Thus, the costs of the U.N. temporary executive authority in west New Guinea, operating from October 1962 to May 1963, were divided equally between the Netherlands and Indonesia. The U.N. Yemen observation mission, from June 1963 to September 1964, was paid for by Saudi Arabia and the United Arab Republic.

THE CYPRUS PRECEDENT

The best precedent for the future is perhaps the Cyprus operation, initiated in March 1964. Involving some 6,000 troops, approximately the same number as the Middle East operation, it is being financed wholly by voluntary contributions. Eight different countries have provided troops for the force, and a large number of countries have made financial contributions toward the more than $6 million needed quarterly to finance the force. Although the Secretary-General has been forced several times to make special appeals for funds, eventually the necessary contributions have been forthcoming, and the Cyprus force has now been in operation for nearly a year.

The purpose of House Concurrent Resolution 386 is clear. It is not to encourage capitulation, but to allow compromise. For too long now the United Nations has been deadlocked over the arrears problem. There are only two ways of breaking the deadlock: (1) by a potentially disastrous confrontation on the arrears issue; or (2) by persistent negotiation to reach a mutually satisfactory agreement on what I consider the basic issue at stake—how to preserve the United Nations as a peacekeeping organization.

FREEING THE PRESIDENT'S HAND

It is time to look to the future possibilities of the United Nations rather than to the past difficulties. Indeed, a solution of the arrears problem may be easier if a scheme for the future can first be worked out which will meet some of the objections of certain members. According to a dispatch from the United Nations today, the Secretary General has advocated a solution for the peacekeeping problem under which permanent Security Council members which oppose or abstain may be exempted from financing the peacekeeping operation. Clearly, an incident of such a solution is going to have to be easing up on our tough article 19 position against the Soviet Union and France.

There is no getting around this: no solution is possible so long as members rigidly insist upon the positions they now hold. The United Nations cannot function effectively so long as the threat of article 19 hangs over it.

I hope that the administration will support House Concurrent Resolution 386, and that the Congress, by promptly passing it, will free the administration's hand to rehabilitate the U.N. Then the U.N., if its members have the will, can play its rightful role in bringing peace to southeast Asia.

CLEVELAND ARMY TANK PLANT—EMPLOYMENT ASSURED UNTIL OCTOBER 1969

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, announcement will soon be forthcoming of the award of multiyear contracts for the manufacture of the 155-millimeter self-propelled howitzer, M–109, and the General Sheridan armored reconnaissance airborne assault vehicle, XM–551, in the Cleveland tank plant. The M–109 production period will run from June 1966, until August 1968. The XM–551 production period will run from September 1966, until October 1969. Since the chassis of these new vehicles will be similar to the M–114 and experimental models have been made in the tank plant, and the tooling for these advance models is in place here, it is almost a certainty that General Motors will be able to retain the workers presently employed. In addition, many more skilled and specialized workers will be needed to produce these sophisticated vehicles.

The Army officials involved in these negotiations and procurement, should be complimented for their fairness in handling the situation. There has been much misinformation and emotions flared many times in the process of contract bidding and awards. The underbrush that many thought was there never really existed. The main point, however, is the end result, that is, many Cleveland families will be assured of continuing and steady employment. I am most happy and pleased to make this announcement to the people of Cleveland and particularly the workers at the tank plant. I have worked in a cooperative spirit with the Secretary of the Army to secure these contracts and the results are gratifying to me. In the course of this work I also enjoyed the full support and cooperation of Ed Skinner, president of United Auto Workers, local 755.

The people of Cleveland will be proud of the contribution they will be making to the security of our country and the free world by producing these modern, hard-hitting, powerful combat vehicles. I have obtained details on the characteristics of these vehicles which I feel is of interest to all concerned.

GENERAL SHERIDAN ARMORED RECONNAISSANCE AIRBORNE ASSAULT VEHICLE, XM–551

This vehicle will fire the new Shillelagh missile as well as a 152-millimeter conventional round. The Sheridan will be used in armored cavalry units for reconnaissance and security, and in lieu of the tank in airborne divisions. This vehicle will be deployed worldwide for this role. Design and development of the vehicle were accomplished in the Cleveland plant by the Cadillac Division, General Motors Corp.

The unique feature of this vehicle is that the gun will fire a conventional 155-millimeter shell and the Shillelagh missile from the same barrel. The Shillelagh missile will seek out the target and can be fired from safe distances far beyond the gun range of an enemy tank. This will make the new Sheridan a most formidable addition to the U.S. combat inventory. The Sheridan is not a tank, but a mobile, hard hitting, track vehicle with great mobility and speed.

ONE-HUNDRED-AND-FIFTY-FIVE-MILLIMETER SELF-PROPELLED HOWITZER, M-109

This howitzer is air transportable and weighs approximately 25 tons. It is used in direct artillery support in armored division, mechanized divisions, and cavalry regiments worldwide. In addition to the Army, the U.S. Marine Corps utilizes this howitzer. Foreign customers include the Federal Republic of Germany, United Kingdom, and Denmark. This vehicle was developed by Cadillac at the Cleveland plant and was first produced by them in October 1962.

BASIC COMBAT TRAINING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, many of us here in the House have had occasion in the past to debate the validity of the present-day draft laws.

The Defense Department is currently readying a report on this subject and hopes to have it before the Nation in May. This is none too soon. Along with many other colleagues, I am going to take a very careful reading of this report and ascertain whether it deals sufficiently with the inadequacies and inequities of the system. If proper administrative corrections are not forthcoming, then the Congress has the obligation and the responsibility to review the matter.

At the moment I would like to touch upon an institution which is intimately connected with the peacetime draft, and that is the form of training to which the draftees are subjected in the Army. All must undergo basic combat training.

A very enlightening and thoughtful report on this subject has been brought to my attention, written by a young man who underwent training at the center at Fort Gordon, Ga. His recommendations were submitted in the late fall of 1963.

I think my colleagues will be interested in this, and under unanimous consent I wish to include this report at this point in the RECORD:

BASIC COMBAT TRAINING

I. PREMISE

(a) The professional competence of the individual soldier is of paramount importance to the Army and the Nation.

(b) Basic combat training retains a crucial role in shaping the worth of the individual soldier.

(c) The prevailing system of basic combat training in operation at Fort Gordon, Ga., is incapable of producing a soldier of credible military value.

II. THESIS

The following structural and operational suggestions offered:

A. Lengthen basic combat training from 8 to 12 weeks and restrict the training program to fundamental instruction

At present, the trainee cannot absorb or retain in the 8 weeks allowed the range of training conducted. Even under the simplified schedule now in effect, important training is dangerously rushed with an almost total lack of individual attention. There are two immediate shortcomings: The training period as a whole is too short and the instruction lacks specification. The breadth and variety of the existing effort, crammed inadequately into 8 weeks, cannot produce a man drilled and qualified in the fundamentals of soldiery, which is admittedly the prime objective (reference Headquarters, 1st Training Regiment memorandum, subject: Policy mission, dated Aug. 1, 1963). Experience has shown that the average graduate from basic training at Fort Gordon is unable to confidently operate his weapons, lacks sufficient knowledge of military tradition and conduct, has not reached proper physical fitness, and is insufficiently indoctrinated in elementary military subjects.

The first prerequisite, within an expanded program, is that greater stress be placed upon mental and physical conditioning. The training companies are responsible for the latter, and generally, after an initial few weeks, physical training is deemphasized, mainly through lack of time. The training schedule should allow for a minimum of 3 hours physical training daily, programed in the morning and late afternoon. The physical combat proficiency test should be administered four times through the cycle.

The total aim is to produce a soldier skilled in "basic combat," two words which have been erroneously interpreted. The enlarged 12-week program should emphasize: physical fitness, military drill, courtesy and tradition, discipline, and elementary combat techniques. Rifle qualification, drill and ceremonies, physical training, tradition and courtesy, bayonet and grenade training, first aid, footmarch and bivouac, individual and squad tactics, and CBR warfare are the only subjects to be included within the contemplated 12-week training program. The lengthening of the program will permit a reemphasis upon the fundamentals of soldiery and combat which are now being inadequately grasped by the individual recruit.

It is further recommended that proficiency testing be radically revised or eliminated altogether from the training program. This all-inclusive, oral examination, climaxing the training period, has become a deceptive and warped indicator of what the individual trainee, or the company as a whole, has actually learned. Both petty and flagrant cheating have marred its usefulness. It has become repetitive and petty; the various topics are scrubbed into technointricacies which ignore essence and suggest very little of the competent fighting capacity which is needed.

It fails also in measuring a company's achievement, or lack of it. Pure chance decides the input of a company, or by inference the personal and educational qualities of its member-trainees; these predetermined factors, rather than the training process itself, will principally influence the testing results. Company personnel, although they are held solely accountable by higher echelons for the averaged scores, are severely restricted in their capacity to extract interest and effort from their flock, mainly because the whole program, integrally, cannot meet this demand. Adding to this inconsistency is the fact that headquarters detachments are responsible for most fields of instruction, though they escape responsibility for the tangible results. The value of this finale fades absolutely when it is seen that neither reward nor punitive action (such as recycling) accompanies the results; there is no real increment to success, beyond the fact that higher headquarters are apt to view these statistics with importance; and so the mutual deception continues.

Unless the results of the examination are made to have some meaningful effect upon the soldier and his particular status, the testing will remain purposeless and highly suspect. And a more truthful representation must await basic alterations in the training program itself, which is at the root of the problem. It is therefore recommended that responsibility for proficiency testing be delegated to battalion and unit commanders on a voluntary basis. An alternative to this suggestion is that the testing remain a regimental function and that the results be given more weight to effect the soldier and his status within a much improved training operation.

B. Permanent party strength of each training company should be increased and their quality improved

The training companies, under existing induction processes, are regularly filled by 250 men or more. Handicapped even by these strained conditions, training units are nevertheless sufficiently equipped, in most instances, to supply one field infantryman as cadre to each platoon. The ratio of trainees to 1 noncommissioned supervisor varies, but frequently reaches 60 to 1 or greater. This proportion is intolerable, and would even be deficient under the proposed 12-week program, or in support of a comparatively small company of 150 recruits.

The fact is that allocated field cadre strength, under existing prescriptions, is insufficient. Authorized field cadre strength for each company is set at between 7 and 9; 1 of these usually becomes the senior field first sergeant, without platoon assignment; even at full strength, a platoon of approximately 60 recruits can be accorded at most 2 supervisors. But in practice full cadre strength is never reached, and many companies, for varying stretches of time, must operate with less than four platoon sergeants (the companies are composed of four platoons). Moreover, it often occurs that units which are fortunate to obtain full authorization, itself inadequate, have their men siphoned off to temporary or special duty assignments elsewhere. A realistic appraisal, furthermore, cannot ignore the fact that as servicemen they incur additional duties within the unit unrelated to the training function, such as charge of quarters and senior training requirements; these circumstances serve only to increase the lack of direct supervision which practice and structure make imperfect at the outset.

It is impossible to belittle the task. Within the existing 8-week timetable, a company of 250 civilians must be initiated into military life. This is no mean undertaking. But within a program already crippled by its brevity and complexity, these appear, nonetheless, gaping expanses of aimlessly wasted hours because of insufficient supervision and manpower. The inevitable consequence of this triple-edged adversity is a platoon of recruits lacking in discipline, poorly drilled, and barely semi-informed of elementary military procedures. Very few trainee-graduates, for example, are able to properly execute the hand salute, report to an officer, or respond without error to basic drill commands.

In view of the foregoing, it must be recognized straightaway that the demands of properly training and disciplining future soldiers, without any prior military experience, cannot possibly be met unless the ratio of direct supervision and guidance be lowered to 20 to 1 or below.

Such a ratio could be attained within existing cadre strength allotments if the number of trainees in each company was substantially decreased. But this raises inevitable problems regarding available facilities, and would probably upset the induction processes.

In addition, it is imperative that noncommissioned officers assigned as cadre be of superior quality. At the present time training outfits are manned without reference to any set of individual and professional qualifications. The result is abundantly clear: a substantial portion of the enlisted party is professionally, morally, and physically unfit to train young recruits. The danger in this situation cannot be underestimated, for in this manner the inadequacies of these career personnel are being perpetuated.

At the beginning it must be realized that the training and handling of recruits is a special type of work. Not all career soldiers are appropriately suited for the job. This is a place where the best is required; nothing less will suffice if the pupil is to become a confident and credible instrument of war. Accordingly, assignment must be based upon selection, through which the prospect is thoroughly screened as to personal and professional capabilities.

It is likewise apparent that a man without a genuine interest in training is very nearly worthless; the work is of such breadth and variety that however excellent the program itself may be, it will remain unfulfilled without an unusual and skilled expenditure of time and effort on the part of the trainee's closest supervisors. It is important, therefore, that eventually assignment be made voluntary, and within this context some form of inducement to candidature should be instituted, not excluding the financial. At this juncture procedures must be guaranteed to cause reassignment of cadre members who do not fulfill the high prerequisites for which they were originally chosen.

C. Eliminate irrelevant activities from the program

It is readily apparent to even the casual observer that the 8-week training program, inordinately short, is excessively punctured by a vast category of official and semiofficial activities wholly unrelated to the mission.

Foremost within this context is preliminary medical and administrative processing. The training center and subordinate units are being saddled with a host of collective and individual responsibilities toward the trainee which should not concern them. They have become a catchall for unfinished business. It is recommended that steps be taken immediately to insure that all initial dental, medical, and administrative work is attended to at induction and reception centers, before recruits commence actual combat training. At the present time this elementary processing is undermining the integrity and purpose of the training units and hindering their essential work.

However, it is chiefly the semiofficial and obligatory activities, including those conceived of (deceptively) as morale boosters, which are corruptive and place the greater demands upon time. It is precisely these unrelated and varied chores which have made the training companies chaotic and often dispirited organizations: they see precious time preempted by the insignificant; they see the individual recruit lose untold man-hours of training and learning; and they are continually harrassed by administrative actions wholly irrelevant to their obligation to train.

Through the training cycle both the commercial photography and company yearbook

trusts are permitted to secure their business. Insurance solicitation, financial allotments, collections for various welfare funds, Government bond purchases, blood donations, security clearances, officer candidate applications, and other miscellaneous items crowd available time. Good public relations and the morale factor dictate required attendance at certain sporting events, including the talent show and its attendant rehearsals. The command encouragement of family visits, in addition to producing pandemonium on Saturdays, is another prerogative which in the final analysis subverts discipline and purpose. Far from building morale, these latter intrusions divert attention from the training objective, when already the program as it currently operates is misdirected, insufficiently demanding, and woefully short. At the same time, it is seen that entirely the wrong morale is being artificially promoted.

Basic combat training cannot be made a pleasant affair in the usual sense, for the prerequisites of war are instantly unpleasant. This must be recognized, for only then can we field a capable combatant whose training has not been diluted by superficiality and an abundance of the common pleasures. The proper morale in a military grouping is developed only insofar as the participants believe, even vaguely, in what they are doing; and there must be a sense of accomplishment which commands respect. The trainee can arrive at the proper morale only when he feels his induction becoming worthwhile. Consequently, it is necessary that basic combat training be rid of the accumulated irrelevancies, exemplified by those listed above, which can only hurt the soldier in the long run, as it does the Nation.

Additionally, it is unfortunate that the training companies are viewed as easy sources of troop labor. That fully one-third of a trainee's time is expended on various work details is not an exaggeration. He is expected to paint, saw, draw, sweep, clean, garden, type, drive, cook, and assist in the training to such an extent that he instinctively comes to question the validity of his status. And then he is essentially lost as a soldier because he no longer takes his service seriously. He loses respect in himself, his uniform, and the Army: he suspects that the system is a sham.

In keeping with the first requirement that basic training companies produce soldiers who are trained to contribute some military value to the Nation's security posture, it is suggested that these extraneous and largely nonmilitary activities of the recruit be starkly reduced.

It is to be observed that all these diversions are essentially corruptive of the training effort. Their principal impediment is that they infringe upon valuable time, when time itself is all important. And as a further consequence they tend to corrode the serious resolve which must lie at the base of the training mission.

In conclusion, the forced insertion of nonmilitary pursuits in the training program, compounded initially by preliminary medical and administrative action, has drastically impaired the objective of producing capable soldiers within an already deficient structure. The following suggestions are put forward: (1) Equip induction and reception centers with the necessary facilities and personnel to handle all dental, medical, and administrative processing so that training units may later devote full attention to the training effort; (2) reduce to a minimum the man-hours which trainees expend on miscellaneous work details; (c) insure that sufficient time is reserved, either at the reception center or early in training, for the semi-official tasks which are deemed necessary, or which otherwise affect the soldier's rights; (d) eliminate the excess of irrelevant and non-military activities; (e) insure that induction and reception stations are able to detect the more obvious physical and personal imperfections which disqualify the individual from service, thereby eliminating the burden of assorted discharges which the training center presently must handle.

D. Eliminate special privileges from the program

The recruit is a favored individual. His complaint carries greater weight than that of the career noncommissioned officer. His comfort and needs are catered to on a scale unheard of in earlier days. This general approach is not only unnecessary, but extremely harmful to the recruit's welfare within the Army and destructive of his potential service to the Nation in time of war. There has grown within the military a hypersensitivity regarding injustice or maltreatment of the basic recruit which is seriously damaging this Nation's preparedness; undoubtedly it has political and public-oriented roots; at the same time it can be seen that the disease is lowering the morale and spirit of those directly entrusted to train. The pendulum has swung to the other extreme, to such an extent that it invites corruption, disobedience, and the flouting of standard military conduct. It is suggested that appropriate echelons review this matter; the greater responsibility must rest with equipping the country with a combat soldier who is militarily credible and capable of defending himself, rather than weakening his fighting capacity by succumbing to the variable political and social pressures of a nation at peace.

Within this context it is also recommended that the full weight of the Uniform Code of Military Justice, which also embraces corresponding civil codes of conduct and behavior, be implemented against the trainee as is deemed necessary. At the present time the recruit is a privileged soldier before the law. Though in many cases this preference is excusable, the trend has developed to the point where existing leniency constitutes an open inducement to break the law. (This situation exists to a more serious degree in advanced individual (infantry) training.) Very often the cause is simply that the companies, overburdened and undermanned, lack the time and the means to initiate proper proceedings. But at the regimental, or review level, the tendency to drastically dilute imposed sentences involving recruits, whose offenses were all the while knowingly punishable, is hardly in keeping with the objectives sought in training the soldier.

Similarly, the extent of the chaplain's influence is becoming harmful, although this often depends upon the chaplain himself and his own conception of his work. However, it is clear that several cases inevitably arise where his influence on behalf of an individual trainee is seriously detrimental to discipline in the group as a whole. Recruits can, and do, procure special privileges unknown to the neediest careerist. It is suggested that the chaplain's sphere of activity be confined to religious matters, and that all other grievances and the like be handled, as they should and later will be, through proper military channels.

Since it is logical that training for combat be conducted with the least artificiality possible, consideration should be given to eliminating a whole assortment of training practices which tend to make the recruit's experience unnecessarily unreal, developing at the same time a false sense of confidence. For example, it is incomprehensible that trainees be given earplugs to wear on firing ranges, or that they be prescribed not water, but ice water, to drink in the field. Nor is it militarily convincing to prohibit marches because of the summer heat. And is it necessary to order that orange juice be made available after the company has concluded its physical combat test? These and a host of similar regulations suggest that commanders are motivated, overly so, by unmilitary considerations, both overt and covert. If they are allowed to govern decisioning excessively, as they do today, combat preparedness is weakened because the training lacks the authenticity with which it could be endowed. And, unfortunately, much of what is occurring today indicates that we are sacrificing far too much potential fighting capacity.

It is recommended that the entire subject of preferential treatment toward the trainee be reviewed with the object of eliminating unnecessary civilities and privileges which are incompatible with the education of a man for war. The current trend is not only dangerous but could prove to be nearly treasonable in its effect.

E. Strengthen the battalion headquarters

At Fort Gordon, the battalion headquarters, staffed in each case by approximately five men, are intermediate commands operating in the chain between the training companies and regiment headquarters. Although their practical usefulness in the training function varies, their principal preoccupation is the transmittal of correspondence and information to and from regiment headquarters and the companies.

The battalion units are without power to influence the training program, which is organized and directed at the regiment level and implemented by the companies. Almost all administrative and accounting processes are handled directly between the companies and higher units, without reference to the battalion commands. Even their signature on routine correspondence has become meaningless, for through practice they are bound to pass everything upward and downward irregardless of the matter at hand, and are more often than not ignorant of the particular situation. Although their supervisory powers are of potentially great benefit to the subordinate companies, this area is hardly ever explored to a useful degree. It is true that battalion commanders advise the regimental commander on a continual basis; but the value of this contact is questionable, both because the regimental commander is usually content to pursue his own course, and because the battalion officers have failed to represent the companies honestly and effectively.

Because of their relative impotence, it is not surprising that most battalion units have become little more than petty bureaucratic irritants, encroaching overly upon the responsibilities of the companies, choking off their own initiative. This infringement is usually neither appropriate nor useful since it is confined to narrow details over which the battalions have secured some authority but which should be left to the discretion of company commanders. Nor, in all their idleness, have the battalions consciously sought to assist, administratively or otherwise, in the significant operations of their subordinate units. A more unfortunate consequence is that they have made essential relationship between regiment headquarters, where policy is made, and the companies, where it is executed, infinitely more cumbersome. Far from representing accurately the interests of the training companies, battalion headquarters have contributed toward misunderstanding and the dilution of responsible command.

It is, therefore, recommended that this intermediate command be strengthened so that it may more fully justify its existence. The battalion headquarters could be given maneuverable authority within the training schedule. And they could be directed to assist in, and held more intimately responsible for, the multitudinous activities, both operational and administrative, which the companies must shoulder. Without greater responsibility and authority, battalion headquarters will not fulfill a meaningful function in the training mission.

F. Reform the training structure

After contemplating the aforementioned inadequacies and proposals for change, a wholly new and more efficient training structure must of necessity assert itself. It has been affirmed that field cadre in the training units must be substantially increased and their personal and professional standards improved through selection and voluntarism; that the term of training should be increased to 12 weeks with greater emphasis upon the basics of combat preparedness; that the battalion units must be delegated more authority and responsibility over their subordinate companies; and that the lack of precision, accountability, and purposeful resolve has created an unpardonable gap between what the authorities believe is occurring and what is actually taking place.

At the present time, particular subjects covered in the training schedule are taught by detachments at regiment headquarters. These men form training committees, or faculties, which continue to function today although several technically advanced classes have already been removed from the schedule. Now it must be admitted that these committees, staffed by noncommissioned officers, are only specialized in a particular field to the extent that they obtain the necessary information from training directives or lesson plans, a procedure open to any competent soldier. Further, it is undeniable that all senior noncommissioned officers of the infantry should possess the necessary knowledge to instruct basic recruits in the fundamentals of soldiery, whether the subject be rifle familiarization, hand-to-hand combat, or grenade throwing; this is their profession; it should only require intermittent refreshing and some guidance on changes which occur. Once the sole emphasis in training is placed upon those elementary topics listed earlier, and once the program is lengthened, there should be no need for a headquarters faculty or committee group which, incidentally, is left with far too much free time compared to those men assigned directly to the companies: today the brunt of the effort is unevenly weighted.

It is suggested that, after the training company is supplied with at least 20 field infantrymen (representing per platoon a trainee-cadre ratio of 20 to 1), these senior careerists be made collectively responsible for all training during the cycle. Training units should be furnished with an executive officer who, with the officer in command and the battalion staff, would share most of the group instructorship. Under this arrangement, the regiment headquarters would establish broad guidelines, such as the number of hours to be relegated to each subject throughout the 12-week cycle; their personnel would keep lower units informed of alterations in training directives, would retain supervisory and inspecting authority, and would direct all aspects of cadre training, which has been seriously neglected. The battalion command would increase its staff substantially and would possess that immediate control over scheduling for its four subordinate companies which the regiment now exercises over 16 individual units. The power and responsibility of battalion units would hereby be enhanced; the plan would make for more effective control over the training function and eliminate the vagueness, misunderstanding, and duplicity which the present structure creates. The present system, which centralizes training responsibility, is unwieldy and often chaotic; there is insufficient attention paid to individual needs; and, as we have seen, the battalion units are wholly impotent. Moreover, the system wastes the professional talents of company cadre who today simply march the recruits from one area of instruction to the next.

But by far the most beneficial result is that the training would become more individualized; platoon sergeants would become more aware of the needs of their group and act accordingly; the sense of involvement, of accomplishment, would enhance their esprit and status; their work would become more stimulating and rewarding. And in the end the responsibility for producing the future soldier would come to rest precisely where it should: with the individual's closest supervisors and the unit to which he belongs. Here accountability is definite.

Of course, the proposal is untenable unless the recommendations made earlier are acted upon: the lengthening of the program, the increase in cadre strength, the elimination of preferential treatment and artificiality, and the removal of nonmilitary activities and obligatory processing so as to restore meaning and purpose to the experience.

G. Miscellaneous suggestions

1. Armorer's Slot in the Companies

The enlisted strength of each training company maintains a slot for an armorer. This is unnecessary because even though the individual may be occupationally qualified, he is prohibited from handling and repairing weapons by regulation, and units are not provided with the necessary tools and parts, on a continual basis. It is suggested that this slot be filled by a supply clerk or vehicle driver MOS.

2. Transportation

One driver, qualified to handle both ¾-ton and 2½-ton trucks, should be permanently assigned to each training company. This task should no longer be delegated to basic trainees, a number of whom, through each cycle, are exempt from vital training. In addition, one ¾-ton truck and one 2½-ton truck should be permanently assigned to each training unit; the existing procedure of securing vehicles through prior request is cumbersome and impractical, mainly because the need can never be accurately forecast, and very often there is simply nothing available. Training units require constant utilization of military transport for the supply function, field training, mess operations, and routine business. At the present time, assigned personnel within the companies are excessively pressed to use their own vehicles for official work in order to effect efficient operations. The situation is wholly unnecessary and unfair.

3. Reform Administrative Responsibilities

It is suggested that prompt consideration be given to eliminating within the companies the varied paperwork and accounting procedures which do not immediately affect training operations.

Many of the recurring requirements have become purposeless and redundant. Each company is required to have a safety council, which in reality never meets; nevertheless, its reports are written and duly forwarded each month. Reports on fire inspections, which never take place, are typed and dispatched; several personnel rosters, all bearing similar information, must be sent regularly to disparate commands; unit fund council meeting minutes, equally fraudulent, are prepared on a monthly basis. Comprehensive training records, deftly manipulated, are kept on all cadre, although classes are seldom attended; full accounting of manhours for each working day, grossly distorted, are maintained. The obvious fact is that training companies have made a falsity of administrative business not only because they lack the time and resources to treat it validly, but because the great bulk of the material is largely irrelevant and inapplicable to their essential being.

Who can honestly justify the use of formal unit orders for often nebulous and obvious appointments? What, in truth, can a formal safety program mean to a basic training company? Why is it required, by the Third U.S. Army safety division, to prepare a long and explanatory form because a recruit broke his ankle accidentally in a touch football game? Of what possible value can the latter procedure be? Higher headquarters at Fort Gordon, moreover, will press upon the clerk that there had to be a causative agent, or a supervisory failure, while in reality there was neither.

It is beyond the means of this brief commentary to specify the widespread duplicity and deception which contaminate the administrative arena. It is enough to conclude, however, that a very real crisis exists. Companies and command groups are endlessly guilty of flagrant falsification of routine records; there is hardly a piece of correspondence which is not in some way handled dishonestly or fraudulently. Not infrequently does this result from command pressure. Companies are the object of a mass of dictum which in the end they cannot or will not obey; the result is corruption and evasion, which is really a conspiracy, left unsaid: the upper echelons are painfully aware of the state of affairs. It must be realized that this situation is damaging to training operations; it sets prerogatives which should not be there; it infuses the whole system with superficiality and callousness. Inevitably, a measure of petty fraud will creep in; but the gap between theory and reality has broadened to such an extent that it is damaging substance.

The need for easing administrative burdens in the training companies is stressed because they are peculiarly volatile organizations, faced with a massive and constant turnover of personnel. Yet, it is clearly evident that this is not grasped; for the tendency has been to fix the priority upon technical and administrative requirements at the expense of efficient, effective training operations. Experience suggests that within the 8-week training cycle, the company, already inadequately staffed, must expend substantial resources in meeting vast categories of administrative demands which might otherwise be diverted to the training process. Unconciously, the thrust of effort and concern within the unit is being shifted from the actual training of the soldier to the purely administrative front. The reasons for this imbalance are curious and complex. In one sense the Army has permitted itself to become overly involved in the personal affairs of its servicemen. Overbureaucratization is another cause. In the training companies, the annual general inspection, in addition to the less-important ones, will deal predominately with technical and administrative matters, and whether such are in accordance with existing directives; the teams will not examine the effectiveness with which the company is fulfilling its training mission per se.

But the brunt of responsibility must rest with higher headquarters, for within the command structure, their concerns become the concerns of subordinates as well. Unwittingly or otherwise the decisionmakers have imposed upon the system a faulty set of priorities. Consumed by paperwork and considerations which should be secondary, commanders have become incorrectly motivated; their attention is riveted toward matters basically unrelated to the recruit and his military training, and this bias is automatically communicated downward to the training units. Essentially, those who formulate policy have become distracted from the elementary fact that the training company exists, as does basic combat training, for the sole purpose of furnishing this Nation with the human instruments of war. Nowhere is this deformation of objective more apparent than in the lowest stratum, the company itself.

4. Reform Promotion Procedures

It has become evident that the promotion policy existing at Fort Gordon in the basic

training regiments is inconsistent and unfair. Enlisted personnel simply appear before a board of officers who proceed to question them for approximately 10 minutes. Although this procedure is perhaps inevitable, and of some value, it is to be observed that the individual's performance on the job is practically ignored. There is no essential correlation between performance and promotion. In the basic training company, enlisted personnel are aware that their handling of recruits, their leadership and training capabilities (or lack of them) will remain unknown to the promotion board. Hence, promotion does not really constitute an honest incentive to qualified daily performance.

It is true that the soldier's commanding officer must first "recommend" him for promotion. But in practice this gesture is in most cases routine.

This unhealthy situation is eventually improved upon with promotion to pay grade E–7 and above. Here the promotion board is informed of the soldier's background, rated by a complicated point system, and is given a simple form outlining the individual's professional characteristics, prepared at his own unit.

It is recommended that promotion procedures for pay grades E–3 through E–6 be decentralized so that evaluation of the soldier's on-the-job performance can be given greater consideration. A more formal and continuous system of evaluation should be established. The promotion policy must center incentive at the individual's working assignment.

5. The Cycle Break

It is recommended that following the graduation of a training company, the unit be prescribed a minimum of 14 days before training operations recommence.

Taking account of the manifold duties and expenditure of time required of company cadre, it is important that they be given some relief. Current lack of personnel nearly prohibits a flexible policy of leavetaking; if the proposal mentioned earlier to increase personnel is implemented, cadre members, during the predetermined break from training operations, will be able to plan on leavetaking accordingly, as best correlates with the training schedule. The cycle break becomes even more imperative if the recommended 12-week program is adopted. It is believed that reception centers will be able to adjust to this suggestion after the initial impact of change.

III. CONCLUSION

The foregoing recommendations are intended as a first step in rectifying the pervasive structural and operational inadequacies of basic combat training at Fort Gordon, Ga. Most of the discussion is of a fundamental nature and therefore equally applicable elsewhere; it is broadly examined because the errors being perpetrated throughout the chain are the result of basic policy. The tangible effect of the disarray is worse than the sum of its parts might indicate. None of the defects, considered apart, is as critical as their interaction make them; the net result at the unit level is a badly trained and ill-prepared soldier.

Fundamentally, today's failure arises from a simple misconception. The objectives of the program have become twisted beyond recognition. The assumption must be made at the beginning that the experience is intended to prepare every man, in the best way possible, for basic combat situations. Unless this remains at the forefront of official thinking, the program loses its rationale. And this is precisely what is happening. One cannot argue that most servicemen will never face the enemy, that most will sit at desks, and that therefore it does not matter. Such an excuse is an incalculable risk. In accepting this philosophy it would be preferable not to waste the tax dollar; the argument flatly denies even a remote possibility of full armed encounter, refutes the utility of the draft, and implies that the policymakers are being deceived in attaching any military value to the thousands who parade through their service obligation. The concept of basic combat training makes sense only insofar as it trains men to face war.

Because this objective has become blurred the program is suffereing from superficiality, irrelevance, and structural flaws. The primary need today is to correlate the soldier's training more intimately with the prerequisites of war. And yet, curiously, the history of peacetime training has constituted a phase retreat from this vital connection. It is imperative to reverse the trend.

In a very real sense we are deceiving the Nation. Conscription is partially a fraud because the country is not fully realizing translated gains to its security. The fighting capacity of the soldier is weakening at a time when events are uplifting the importance of professionalism. The Army cannot fulfill its constitutional duty unless it insures that its men, enlisted or conscripted, are as competently trained as possible to meet the demands of armed conflict. This must begin with basic combat training.

THE FAILURE OF URBAN RENEWAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. WIDNALL] is recognized for 20 minutes.

Mr. WIDNALL. Mr. Speaker, it is said, by some proponents of the Federal urban renewal program that it is too early to judge it; while some of its critics say that since the program began in 1949 it has certainly operated long enough to be open to review.

Herbert J. Gans, an associate professor of sociology at Teachers College, Columbia University, long a nationally recognized friend of urban renewal, has some interesting and significant things to say about this Federal program in a major article in the April 1965 issue of Commentary magazine. The editors of Commentary are to be commended for their willingness to bring this article to national attention, and I include it here for the information of my colleagues.

This year, as in the last session, Republican members of the House Housing Subcommittee have developed and presented a major housing and urban renewal bill. I have introduced H.R. 6501, the gentlewoman from New Jersey [Mrs. DWYER] H.R. 6623, the gentleman from New York [Mr. FINO] H.R. 6740, and the gentleman from Michigan [Mr. HARVEY] H.R. 6826. The adoption of the proposals contained in titles II and V of these bills will improve the operation of the Federal urban renewal program, as did the code enforcement and rehabilitation proposals put forward by the Republican members of the Housing Subcommittee last year, which were included in the Housing Act of 1964 and singled out for commendation by the President.

The article by Professor Gans follows:

[From Commentary magazine, April 1965]

THE FAILURE OF URBAN RENEWAL—A CRITIQUE AND SOME PROPOSALS

(By Herbert J. Gans)

Suppose that the Government decided that jalopies were a menace to public safety and a blight on the beauty of our highways, and therefore took them away from their drivers. Suppose, then, that to replenish the supply of automobiles, it gave these drivers a hundred dollars each to buy a good used car and also made special grants to General Motors, Ford, and Chrysler to lower the cost—although not necessarily the price—of Cadillacs, Lincolns, and Imperials by a few hundred dollars. Absurd as this may sound, change the jalopies to slum housing, and I have described, with only slight poetic license, the first 15 years of a Federal program called urban renewal.

Since 1949, this program has provided local renewal agencies with Federal funds and the power of eminent domain to condemn slum neighborhoods, tear down the buildings, and resell the cleared land to private developers at a reduced price. In addition to relocating the slum dwellers in decent, safe, and sanitary housing, the program was intended to stimulate large-scale private rebuilding, add new tax revenues to the dwindling coffers of the cities, revitalize their downtown areas, and halt the exodus of middle-class whites to the suburbs.

For some time now, a few city planners and housing experts have been pointing out that urban renewal was not achieving its general aims, and social scientists have produced a number of critical studies of individual renewal projects. These critiques, however, have mostly appeared in academic books and journals; otherwise there has been remarkably little public discussion of the Federal program. Slum dwellers whose homes were to be torn down have indeed protested bitterly, but their outcries have been limited to particular projects; and because such outcries have rarely been supported by the local press, they have been easily brushed aside by the political power of the supporters of the projects in question. In the last few years, the civil rights movement has backed protesting slum dwellers, though again only at the local level, while rightists have opposed the use of eminent domain to take private property from one owner in order to give it to another (especially when the new one is likely to be from out of town and financed by New York capital).

Slum clearance has also come under fire from several prominent architectural and social critics, led by Jane Jacobs, who have been struggling to preserve neighborhoods like Greenwich Village, with their brownstones, lofts, and small apartment houses, against the encroachment of the large, high-rise projects built for the luxury market and the poor alike. But these efforts have been directed mainly at private clearance outside the Federal program, and their intent has been to save the city for people (intellectuals and artists, for example) who, like tourists, want jumbled diversity, antique charm, and narrow streets for visual adventure and esthetic pleasure. (Norman Mailer carried such thinking to its furthest point in his recent attack in the New York Times Magazine on the physical and social sterility of high-rise housing. Mailer's attack was also accompanied by an entirely reasonable suggestion—in fact the only viable one that could be made in this context—that the advantages of brownstone living be incorporated into skyscraper projects.)

But if criticism of the urban renewal program has in the past been spotty and sporadic, there are signs that the program as a whole is now beginning to be seriously and tellingly evaluated. At least two comprehensive studies, by Charles Abrams and Scott Greer, are nearing publication, and one highly negative analysis—by an ultraconservative economist and often irresponsible polemicist—has already appeared: Martin Anderson's "The Federal Bulldozer."[1] Ironically enough, Anderson's data are based largely on statistics collected by the Urban

[1] MIT Press, 272 pages, $5.95.

Renewal Administration. What, according to these and other data, has the program accomplished? It has cleared slums to make room for many luxury-housing and a few middle-income projects, and it has also provided inexpensive land for the expansion of colleges, hospitals, libraries, shopping areas, and other such institutions located in slum areas. As of March 1961, 126,000 dwelling units had been demolished and about 28,000 new ones built. The median monthly rental of all those erected during 1960 come to $158, and in 1962, to $192—a staggering figure for any area outside of Manhattan.

Needless to say, none of the slum dwellers who were dispossessed in the process could afford to move into these new apartments. Local renewal agencies were supposed to relocate the dispossessed tenants in "standard" housing within their means before demolition began, but such vacant housing is scarce in most cities, and altogether unavailable in some. And since the agencies were under strong pressure to clear the land and get renewal projects going, the relocation of the tenants was impatiently, if not ruthlessly, handled. Thus, a 1961 study of renewal projects in 41 cities showed that 60 percent of the dispossessed tenants were merely relocated in other slums; and in big cities, the proportion was even higher (over 70 percent in Philadelphia, according to a 1958 study). Renewal sometimes even created new slums by pushing relocatees into areas and buildings which then became overcrowded and deteriorated rapidly. This has principally been the case with Negroes who, both for economic and racial reasons, have been forced to double up in other ghettos. Indeed, because almost two-thirds of the cleared slums units have been occupied by Negroes, the urban renewal program has often been characterized as Negro clearance, and in too many cities, this has been its intent.

Moreover, those dispossessed tenants who found better housing usually had to pay more rent than they could afford. In his careful study of relocation in Boston's heavily Italian West End,[2] Chester Hartman shows that 41 percent of the west-enders lived in good housing in this so-called slum (thus suggesting that much of it should not have been torn down) and that 73 percent were relocated in good housing—thanks in part to the fact that the west-enders were white. This improvement was achieved at a heavy price, however, for median rents rose from $41 to $71 per month after the move.

According to renewal officials, 80 percent of all persons relocated now live in good housing, and rent increases were justified because many had been paying unduly low rent before. Hartman's study was the first to compare these official statistics with housing realities, and his figure of 73 percent challenges the official claim that 97 percent of the Boston west-enders were properly rehoused. This discrepancy may arise from the fact that renewal officials collected their data after the poorest of the uprooted tenants had fled in panic to other slums, and that officials also tended toward a rather lenient evaluation of the relocation housing of those actually studied in order to make a good record for their agency. (On the other hand, when they were certifying areas for clearance, these officials often exaggerated the degree of "blight" in order to prove their case.)

As for the substandard rents paid by slum dwellers, this is true in only a small proportion of cases, and then mostly among whites. Real estate economists argue that families should pay at least 20 percent of their income for housing, but what is manageable for middle-income people is a burden to those with low incomes who pay a higher share of their earnings for food and other necessities. Yet even so, Negroes generally have to devote about 30 percent of their income to housing, and a Chicago study cited by Hartman reports that among nonwhite families earning less than $3,000 a year, median rent rose from 35 percent of income before relocation to 46 percent afterward.

To compound the failure of urban renewal to help the poor, many clearance areas (Boston's West End is an example) were chosen, as Anderson points out, not because they had the worst slums, but because they offered the best sites for luxury housing—housing which would have been built whether the urban renewal program existed or not. Since public funds were used to clear the slums and to make the land available to private builders at reduced costs, the low-income population was in effect subsidizing it own removal for the benefit of the wealthy. What was done for the slum-dwellers in return is starkly suggested by the following statistic: only one-half of 1 percent of all Federal expenditures for urban renewal between 1949 and 1964 was spent on relocation of families and individuals; and 2 percent if payments are included.

Finally, because the policy has been to clear a district of all slums at once in order to assemble large sites to attract private developers, entire neighborhoods have frequently been destroyed, uprooting people who had lived there for decades, closing down their institutions, ruining small businesses by the hundreds, and scattering families and friends all over the city. By removing the structure of social and emotional support provided by the neighborhood, and by forcing people to rebuild their lives separately and amid strangers elsewhere, slum clearance has often come at a serious psychological as well as financial cost to its supposed beneficiaries. Marc Fried, a clinical psychologist who studied the west-enders after relocation, reported that 46 percent of the women and 38 percent of the men "give evidence of a fairly severe grief reaction or worse" in response to questions about leaving their tight-knit community. Far from adjusting eventually to this trauma, 26 percent of the women remained sad or depressed even 2 years after they had been pushed out of the West End.[3]

People like the Italians or the Puerto Ricans who live in an intensely group-centered way among three-generation extended families and ethnic peers have naturally suffered greatly from the clearance of entire neighborhoods. It may well be, however, that slum clearance has inflicted yet graver emotional burdens on Negroes, despite the fact that they generally live in less cohesive and often disorganized neighborhoods. In fact, I suspect that Negroes who lack a stable family life and have trouble finding neighbors, shopkeepers, and institutions they can trust may have been hurt even more by forcible removal to new areas. This suspicion is supported by another of Fried's findings—that the socially marginal west-enders were more injured by relocation than those who had been integral members of the old neighborhood. Admittedly, some Negroes move very often on their own, but then they at least do so voluntarily, and not in consequence of a public policy which is supposed to help them in the first place. Admittedly also, relocation has made it possible for social workers to help slum-dwellers whom they could not reach until renewal brought them out in the open, so to speak. But then only a few cities have so far used social workers to make relocation a more humane process.

These high financial, social, and emotional costs paid by the slum-dwellers have generally been written off as an unavoidable by-product of "progress," the price of helping cities to collect more taxes, bring back the middle class, make better use of downtown land, stimulate private investment, and restore civic pride. But as Anderson shows, urban renewal has hardly justified these claims either. For one thing, urban renewal is a slow process: the average project has taken 12 years to complete. Moreover, while the few areas suitable for luxury housing were quickly rebuilt, less desirable cleared land might lie vacant for many years because developers were—and are—unwilling to risk putting up high- and middle-income housing in areas still surrounded by slums. Frequently, they can be attracted only by promises of tax writeoffs, which absorb the increased revenues that renewal is supposed to create for the city. Anderson reports that, instead of the anticipated four dollars for every public dollar, private investments have only just matched the public subsidies, and even the money for luxury housing has come forth largely because of Federal subsidies. Thus, all too few of the new projects have produced tax gains and returned suburbanites, or generated the magic rebuilding boom.

Anderson goes on to argue that during the 15 years of the Federal urban renewal program, the private housing market has achieved what urban renewal has failed to do. Between 1950 and 1960, 12 million new dwelling units were built, and fully 6 million substandard ones disappeared—all without Government action. The proportion of substandard housing in the total housing supply was reduced from 37 to 19 percent, and even among the dwelling units occupied by nonwhites, the proportion of substandard units has dropped from 72 to 44 percent. This comparison leads Anderson to the conclusion that the private market is much more effective than Government action in removing slums and supplying new housing, and that the urban renewal program ought to be repealed.

It would appear that Anderson's findings and those of the other studies I have cited make an excellent case for doing so. However, a less biased analysis of the figures and a less tendentious mode of evaluating them than Anderson's leads to a different conclusion. To begin with, Anderson's use of nationwide statistics misses the few good renewal projects, those which have helped both the slum dwellers and the cities, or those which brought in enough new taxes to finance other city services for the poor. Such projects can be found in small cities and especially in those where high vacancy rates assured sufficient relocation housing of standard quality. More important, all the studies I have mentioned deal with projects carried out during the 1950's, and fail to take account of the improvements in urban renewal practice under the Kennedy and Johnson administrations. Although Anderson's study supposedly covers the period up to 1963, much of his data got no further than 1960. Since then, the Federal buildozer has moved into fewer neighborhoods, and the concept of rehabilitating rather than clearing blighted neighborhoods is more and more being underwritten by subsidized loans. A new housing subsidy program—known as 221(d)(3)—for families above the income ceiling for public housing has also been launched, and in 1964, Congress passed legislation for assistance to relocatees who cannot afford their new rents.

None of this is to say that Anderson would have had to revise his findings drastically if he had taken the pains to update them. These recent innovations have so far been small in scope—only 13,000 units were financed under 221(d)(3) in the first 2

[2] See the November 1964 issue of the Journal of the American Institute of Planners. The article also reviews all other relocation research and is a more reliable study of the consequences of renewal than Anderson's.

[3] See "Grieving for a Lost Home," in the Urban Condition, edited by Leonard Duhl.

years—and they still do not provide subsidies sufficient to bring better housing within the price range of the slum residents. In addition, rehabilitation unaccompanied by new construction is nearly useless because it does not eliminate overcrowding. And finally, some cities are still scheduling projects to clear away the nonwhite poor who stand in the path of the progress of private enterprise. Unfortunately, many cities pay little attention to Federal pleas to improve the program, using the local initiative granted them by urban renewal legislation to perpetuate the practices of the 1950's. Yet even with the legislation of the 1960's, the basic error in the original design of urban renewal remains; it is still a method for eliminating the slums in order to "renew" the city, rather than a program for properly rehousing slum dwellers.

Before going into this crucial distinction we first need to be clear that private housing is not going to solve our slum problems. In the first place, Anderson conveniently ignores the fact that if urban renewal has benefited anyone, it is private enterprise. Bending to the pressure of the real estate lobby, the legislation that launched urban renewal in effect required that private developers do the rebuilding, and most projects could therefore get off the drawing board only if they appeared to be financially attractive to a developer. Thus, his choice of a site and his rebuilding plans inevitably took priority over the needs of the slum dwellers.

It is true that Anderson is not defending private enterprise per se but the free market, although he forgets that it only exists today as a concept in reactionary minds and dated economics texts. The costs of land, capital, and construction have long since made it impossible for private developers to build for anyone but the rich, and some form of subsidy is needed to house everyone else. The building boom of the 1950's which Anderson credits to the free market was subsidized by income tax deductions to homeowners and by FHA second VA mortgage insurance, not to mention the Federal highway programs that have made the suburbs possible.

To be sure, these supports enabled private builders to put up a great deal of housing for middle-class whites. This in turn permitted well-employed workers, including some nonwhites, to improve their own situation by moving into the vacated neighborhoods. Anderson is quite right in arguing that if people earn good wages, they can obtain better housing more easily and cheaply in the not quite private market than through urban renewal. But this market is of little help to those employed at low or even factory wages, or the unemployed, or most Negroes who, whatever their earnings, cannot live in the suburbs. In consequence, 44 percent of all housing occupied by nonwhites in 1960 was still substandard, and even with present subsidies, private enterprise can do nothing for these people. As for laissez faire, it played a major role in creating the slums in the first place.

The solution, then, is not to repeal urban renewal, but to transform it from a program of slum clearance and rehabilitation into a program of urban rehousing. This means, first, building low- and moderate-cost housing on vacant land in cities, suburbs, and new towns beyond the suburbs, and also helping slum dwellers to move into existing housing outside the slums; and then, after a portion of the urban low-income population has left the slums, clearing and rehabilitating them through urban renewal. This approach is commonplace in many European countries, which have long since realized that private enterprise can no more house the population and eliminate slums than it can run the post office.

Of course, governments in Europe have a much easier task than ours in developing decent low-income projects. Because they take it for granted that housing is a national rather than a local responsibility, the government agencies are not hampered by the kind of real estate and construction lobbies which can defeat or subvert American programs by charges of socialism. Moreover, their municipalities own a great deal of the vacant land, and have greater control over the use of private land than do American cities. But perhaps their main advantage is the lack of popular opposition to moving the poor out of the slums and into the midst of the more affluent residents. Not only is housing desperately short for all income groups, but the European class structure, even in Western socialist countries, is still rigid enough so that low- and middle-income groups can live near each other if not next to each other, and still "know their place."

In America, on the other hand, one's house and address are major signs of social status, and no one who has any say in the matter wants people of lower income or status in his neighborhood. Middleclass homeowners use zoning as a way of keeping out cheaper or less prestigious housing, while working-class communities employ less subtle forms of exclusion. Consequently, low-income groups, whatever their creed or color, have been forced to live in slums or near slums, and to wait until they could acquire the means to move as a group, taking over better neighborhoods when the older occupants were ready to move on themselves.

For many years now, the only source of new housing for such people, and their only hope of escaping the worst slums has been public housing. But this is no longer a practical alternative. Initiated during the depression, public housing has always been a politically embattled program; its opponents, among whom the real estate lobby looms large, first saddled it with restrictions and then effectively crippled it. Congress now permits only 35,000 units a year to be built in the entire country.

The irony is that public housing has declined because, intended only for the poor, it faithfully carried out its mandate. Originally, sites were obtained by slum clearance; after the war, however, in order to increase the supply of low-cost housing, cities sought to build public housing on vacant land. But limited as it was to low-income tenants and thus labeled and stigmatized as an institution of the dependent poor, public housing was kept out of vacant land in the better neighborhoods. This, plus the high cost of land and construction, left housing officials with no other choice but to build high-rise projects on whatever vacant land they could obtain, often next to factories or along railroad yards. Because tenants of public housing are ruled by a set of strict regulations—sometimes necessary, sometimes politically inspired, but always degrading—anyone who could afford housing in the private market shunned the public projects. During the early years of the program, when fewer citizens had that choice, public housing became respectable shelter for the working class and even for the unemployed middle class. After the war, Federal officials decided, and rightly so, that public housing ought to be reserved for those who had no other alternative, and therefore set income limits that admitted only the really poor. Today, public housing is home for the underclass—families who earn less than $3,000 to $4,000 annually, many with unstable jobs or none at all, and most of them nonwhite.

Meanwhile the enthusiasm for public housing has been steadily dwindling and with it, badly needed political support. Newspaper reports reinforce the popular image of public-housing projects as huge nests of crime and delinquency—despite clear evidence to the contrary—and as the domicile of unregenerate and undeserving families whose children urinate only in the elevators. The position of public housing, particularly among liberal intellectuals, has also been weakened by the slurs of the social and architectural esthetes who condemn the projects' poor exterior designs as "sterile," "monotonous," and "dehumanizing," often in ignorance of the fact that the tightly restricted funds have been allocated mainly to make the apartments themselves as spacious and livable as possible, and that the waiting lists among slum dwellers who want these apartments remain long. Be that as it may, suburban communities and urban neighbhoods with vacant land are as hostile to public housing as ever, and their opposition is partly responsible for the program's having been cut down to its present minuscule size.

The net result is that low-income people today cannot get out of the slums, either because they cannot afford the subsidized private market, or because the project they could afford cannot be built on vacant land. There is only one way to break through this impasse, and that is to permit them equal access to new subsidized, privately built housing by adding another subsidy to make up the difference between the actual rent and what they can reasonably be expected to pay. Such a plan, giving them a chance to choose housing like all other citizens, would help to remove the stigma of poverty and inferiority placed on them by public housing. Many forms of rent subsidy have been proposed, but the best one, now being tried in New York, is to put low- and middle-income people in the same middle-income project with the former getting the same apartments at smaller rentals.

Admittedly, this approach assumes that the poor can live with the middle class and that their presence and behavior will not threaten their neighbors' security or status. No one knows whether this is really possible, but experiments in education, job training, and social welfare programs do show that many low-income people, when once offered genuine opportunities to improve their lives and given help in making use of them, are able to shake off the hold of the culture of poverty. Despite the popular stereotype, the proportion of those whom Hylan Lewis calls the clinical poor, too ravaged emotionally by poverty and deprivation to adapt to new opportunities, seems to be small. As for the rest, they only reject programs offering spurious opportunities, like job-training schemes for nonexistent jobs. Further, anyone who has lived in a slum neighborhood can testify that whatever the condition of the building, most women keep their apartments clean by expenditures of time and effort inconceivable to the middle-class housewife. Moving to a better apartment would require little basic cultural change from these women, and rehousing is thus a type of new opportunity that stands a better chance of succeeding than, say, a program to inculcate new child-rearing techniques.

We have no way of telling how many slum-dwellers would be willing to participate in such a plan. However poor the condition of the flat, the slum is home, and for many it provides the support of neighboring relatives and friends, and a cultural milieu in which everyone has the same problems and is therefore willing to overlook occasional disreputable behavior. A middle-income project cannot help but have a middle-class ethos, and some lower class people may be fearful of risking what little stability they have achieved where they are now in exchange for something new, strange, demanding, and potentially hostile. It would be hard to imagine an unwed Negro mother moving her household to a middle-income project full of married couples and far removed from the mother, sisters, and aunts who play such an important role in the fe-

male-centered life of lower class Negroes. However, there are today a large number of stable two-parent families who live in the slums only because income and race exclude them from the better housing that is available. Families like these would surely be only too willing to leave the Harlems and black belts. They would have to be helped with loans to make the move, and perhaps even with grants to buy new furniture so as not to feel ashamed in their new surroundings. They might be further encouraged by being offered income-tax relief for giving up the slums, just as we now offer such relief to people who give up being renters to become homeowners.

Undoubtedly there would be friction between the classes, and the more affluent residents would likely want to segregate themselves and their children from neighbors who did not toe the middle-class line, especially with respect to child rearing. The new housing would therefore have to be planned to allow some voluntary social segregation for both groups, if only to make sure that enough middle-income families would move in (especially in cities where there was no shortage of housing for them). The proportion of middle- and low-income tenants would have to be regulated not only to minimize the status fears of the former, but also to give the latter enough peers to keep them from feeling socially isolated and without emotional support when problems arise. Fortunately, nonprofit and limited dividend institutions, which do not have to worry about showing an immediate profit, are now being encouraged to build moderate-income housing; they can do a more careful job of planning the physical and social details of this approach than speculative private builders.

If the slums are really to be emptied and their residents properly housed elsewhere, the rehousing program will have to be extended beyond the city limits, for the simple reason that that is where most of the vacant land is located. This means admitting the low-income population to the suburbs; it also means creating new towns—self-contained communities with their own industry which would not, like the suburbs, be dependent on the city for employment opportunities, and could, therefore, be situated in presently rural areas. Federal support for the construction of new towns was requested as part of the 1964 Housing Act, and although Congress refused to pass it, the legislation will come up again in 1965.[4]

To be sure, white middle-class suburbanites and rural residents are not likely to welcome nonwhite low-income people into their communities even if the latter are no longer clearly labeled as poor. The opposition to be expected in city neighborhoods chosen for mixed-income projects would be multiplied a hundredfold in outlying areas. Being politically autonomous, and having constituencies who are not about to support measures that will threaten their security or status in the slightest, the suburbs possess the political power to keep the rehousing program out of their own vacant lots, even if they cannot stop the Federal legislation that would initiate it. On the other hand, experience with the Federal highway program and with urban renewal itself has demonstrated that few communities can afford to turn down large amounts of Federal money. For instance, New York City is likely to build a Lower Manhattan Expressway in the teeth of considerable local opposition, if only because the Federal Government will pay 90 percent of the cost and thus bring a huge sum into the city coffers. If the rehousing program were sufficiently large to put a sizable mixed-income project in every community, and if the Federal Government were to pick up at least 90 percent of the tab, while also strengthening the appeal of the program by helping to solve present transportation, school, and tax problems in the suburbs, enough political support might be generated to overcome the objections of segregationist and class-conscious whites.

Yet even if the outlying areas could be persuaded to cooperate, it is not at all certain that slum dwellers would leave the city. Urban renewal experience has shown that for many slum dwellers, there are more urgent needs than good housing. One is employment, and most of the opportunities for unskilled or semiskilled work are in the city. Another is money, and some New York City slum residents recently refused to let the Government inspect—much less repair their buildings because they would lose the rent reductions they had received previously. If leaving the city meant higher rents, more limited access to job possibilities, and also separation from people and institutions which give them stability, some slum residents might very well choose overcrowding and dilapidation as the lesser of two evils.

These problems would have to be considered in planning a rehousing program beyond the city limits. The current exodus of industry from the city would of course make jobs available to the new suburbanites. The trouble is that the industries now going into the suburbs, or those that would probably be attracted to the new towns, are often precisely the ones which use the most modern machinery and the fewest unskilled workers. Thus, our rehousing plan comes up against the same obstacle—the shortage of jobs—that has frustrated other programs to help the low-income population and that will surely defeat the War on Poverty in its present form. Like so many other programs, rehousing is finally seen to depend on a step that American society is as yet unwilling to take: the deliberate creation of new jobs by Government action. The building of new towns especially would have to be coordiated with measures aimed at attacting private industry to employ the prospective residents, at creating other job opportunities, and at offering intensive training for the unskilled after they have been hired. If they are not sure of a job before they leave the city, they simply will not leave.

The same social and cultural inhibitions that make slum residents hesitant to move into a mixed-income project in the city would, of course, be even stronger when it came to moving out of the city. These inhibitions might be relaxed by moving small groups of slum residents en masse, or by getting those who move first to encourage their neighbors to follow. In any case, new social institutions and community facilities would have to be developed to help the erstwhile slum dwellers feel comfortable in his new community, yet without labeling him as poor.

Despite its many virtues, a rehousing program based on the use of vacant land on either side of the city limits would not immediately clear the slums. Given suburban opposition and the occupational and social restraints on the slum dwellers themselves, it can be predicted that if such a program were set into motion it would be small in size, and that it would pull out only the upwardly mobile—particularly the young people with stable families and incomes—who are at best a sizable minority among the poor. What can be done now to help the rest leave the slums?

The best solution is a public effort to encourage their moving into existing neighborhoods within the city and in older suburbs just beyond the city limits. Indeed, a direct rent subsidy like that now given to relocatees could enable people to obtain decent housing in these areas. This approach has several advantages. It would allow low-income people to be close to jobs and to move in groups, and it would probably attract the unwed mother who wanted to give her children a better chance in life. It would also be cheaper than building new housing, although the subsidies would have to be large enough to discourage low-income families from overcrowding—and thus deteriorating—the units in order to save on rent.

There are, however, some obvious disadvantages as well. For one thing, because nonwhite low-income people would be moving into presently white or partially integrated areas, the Government would in effect be encouraging racial invasion. This approach would thus have the effect of pushing the white and middle-income people further toward the outer edge of the city or into the suburbs. Although some whites might decide to stay, many would surely want to move, and not all would be able to afford to do so. It would be necessary to help them with rent subsidies as well; indeed, they might become prospective middle-income tenants for rehousing projects on vacant land.

Undoubtedly, all this would bring us closer to the all-black city that has already been predicted. For this reason alone, a scheme that pushes the whites farther out can only be justified when combined with a rehousing program on vacant land that would begin to integrate the suburbs. But even that could not prevent a further racial imbalance between cities and suburbs.

Yet, would the predominantly nonwhite city really be so bad? It might be for the middle class which needs the jobs, shops, and culture that the city provides. Of course, the greater the suburban exodus, the more likely it would become that middle-class culture would also move to the suburbs. This is already happening in most American cities—obvious testimony to the fact that culture (at least of the middlebrow kind represented by tent theaters and art movie houses) does not need the city in order to flourish, and the artists who create high culture seem not to mind living among the poor even now.

Nonwhite low-income people might feel more positive about a city in which they were the majority, for if they had the votes, municipal services would be more attuned to their priorities than is now the case. To be sure, if poor people (of any color) were to dominate the city, its tax revenues would decrease even further, and cities would be less able than ever to supply the high quality public services that the low-income population needs so much more urgently than the middle class. Consequently, new sources of municipal income not dependent on the property tax would have to be found; Federal and State grants to cities (like those already paying half the public school costs in several States) would probably be the principal form. Even under present conditions, in fact, new sources of municipal income must soon be located if the cities are not to collapse financially.

If nonwhites were to leave the slums en masse, new ghettos would eventually form in the areas to which they would move. Although this is undesirable by conventional liberal standards, the fact is that many low-income Negroes are not yet very enthusiastic about living among white neighbors. They do not favor segregation, of course; what they want is a free choice and then the ability to select predominantly nonwhite areas that are in better shape than the ones they live in now. If the suburbs were opened to nonwhites—to the upwardly mobile ones

[4] Meanwhile, several private developers are planning new towns (for example, James Rouse who is building Columbia near Baltimore, and Robert Simon who has already begun Reston, outside Washington) in which they propose to house some low-income people.

who want integration now—free choice would become available. If the new ghettos were decent neighborhoods with good schools, and if then occupants had jobs and other opportunities to bring stability into their lives, they would be training their children to want integration a generation hence.

In short, then, a workable rehousing scheme must provide new housing on both sides of the city limits for the upwardly mobile minority, and encouragement to move into older areas for the remainder. If, in these ways, enough slum dwellers could be enabled and induced to leave the slums, it would then be possible to clear or rehabilitate the remaining slums. Once slum areas were less crowded, and empty apartments were going begging, their profitability and market value would be reduced, and urban renewal could take place far more cheaply, and far more quickly. Relocation would be less of a problem, and with land values down, rebuilding and rehabilitation could be carried out to fit the resources of the low-income people who needed or wanted to remain in the city. A semisuburban style of living that would be attractive to the upper-middle class could also be provided.

At this point, it would be possible to begin to remake the inner city into what it must eventually become—the hub of a vast metropolitan complex of urban neighborhoods, suburbs, and new towns, in which those institutions and functions that have to be at the center—the specialized business districts, the civil and cultural facilities, and the great hospital complexes and university campuses—would be located.

Even in such a city, there would be slums—for people who wanted to live in them, for the clinical poor who would be unable to make it elsewhere, and for rural newcomers who would become urbanized in them before moving on. But it might also be possible to relocate many of these in a new kind of public housing in which quasi-communities would be established to help those whose problems were soluble and to provide at least decent shelter for those who cannot be helped except by letting them live without harassment until we learn how to cure mental illness, addiction, and other forms of self-destructive behavior.

This massive program has much to recommend it, but we must clearly understand that moving the low-income population out of the slums would not eliminate poverty or the other problems that stem from it. A standard dwelling unit can make life more comfortable, and a decent neighborhood can discourage some antisocial behavior, but by themselves, neither can effect radical transformations. What poor people need most are decent incomes, proper jobs, better schools, and freedom from racial and class discrimination. Indeed, if the choice were between a program solely dedicated to rehousing, and a program that kept the low-income population in the city slums for another generation but provided for these needs, the latter would be preferable, for it would produce people who were able to leave the slums under their own steam. Obviously, the ideal approach is one that coordinates the elimination of slums with the reduction of poverty.

As I have been indicating, an adequate rehousing program would be extremely costly and very difficult to carry out. Both its complexity and expense can be justified, however, on several grounds. Morally, it can be argued that no one in the Great Society should have to live in a slum, at least not involuntarily.

From a political point of view, it is urgently necessary to begin integrating the suburbs and to improve housing conditions in the city before the latter becomes an ominous ghetto of poor and increasingly angry Negroes and Puerto Ricans, and the suburbs become enclaves of affluent whites who commute fearfully to a downtown bastion of stores and offices. If the visible group tensions of recent years are allowed to expand and sharpen, another decade may very well see the beginning of open and often violent class and race warfare.

But the most persuasive argument for a rehousing program is economic. Between 50 and 60 percent of building costs go into wages and create work for the unskilled who are now increasingly unemployable elsewhere. A dwelling unit that costs $15,000 would thus provide as much as $9,000 in wages—one and a half years of respectably paid employment for a single worker. Adding four and a half million new low-cost housing units to rehouse half of those in substandard units in 1960 would provide almost 7 million man-years of work, and the subsequent renewal of these and other substandard units yet more. Many additional jobs would be created by the construction and operation of new shopping centers, schools, and other community facilities, as well as the highways and public transit systems that would be needed to serve the new suburbs and towns. If precedent must be cited for using a housing program to create jobs, it should be recalled that public housing was started in the depression for precisely this reason.

The residential building industry (and the real estate lobby) would have to be persuaded to give up their stubborn resistance to Government housing programs, but the danger of future underemployment, and the opportunity of participating profitably in the rehousing scheme, should either convert present builders or attract new ones into the industry. As for the building trades unions, they have always supported Government housing programs, but they have been unwilling to admit nonwhites to membership. If, however, the rehousing effort were sizable enough to require many more workers than are now in the unions, the sheer demand for labor—and the enforcement of Federal nondiscriminatory hiring policies for public works—would probably break down the color barriers without much difficulty.

While the Federal Government is tooling up to change the urban renewal program into a rehousing scheme, it should also make immediate changes in current renewal practices to remove their economic and social cost from the shoulders of the slum dwellers. Future projects should be directed at the clearance of really harmful slums, instead of taking units that are run down but not demonstrably harmful out of the supply of low-cost housing, especially for downtown revitalization and other less pressing community improvement schemes. Occupants of harmful slums, moreover, ought to be rehoused in decent units they can afford. For this purpose, more public housing and 221 (d)(3) projects must be built, and relocation and rent assistance payments should be increased to eliminate the expense of moving for the slum dweller. Indeed, the simplest way out of the relocation impasse is to give every relocatee a sizable grant, like the $500 to $1,000 paid by private builders in New York City to get tenants out of existing structures quickly and painlessly. Such a grant is not only a real incentive to relocatees but a means of reducing opposition to urban renewal. By itself, however, it cannot reduce the shortage of relocation housing. Where such housing now exists in plentiful supply, renewal ought to move ahead more quickly, but where there is a shortage that cannot be appreciably reduced, it would be wise to eliminate or postpone clearance and rehabilitation projects that require a large amount of relocation.

Nothing is easier than to suggest radical new programs to the overworked and relatively powerless officials of Federal and local renewal agencies who must carry out the present law, badly written or not, and who are constantly pressured by influential private interests to make decisions in their favor. Many of these officials are as unhappy with what urban renewal has wrought as their armchair critics and would change the program if they could—that is, if they received encouragement from the White House, effective support in getting new legislation through Congress, and, equally important, political help at city halls to incorporate these innovations into local programs. But it should be noted that little of what I have suggested is very radical, for none of the proposals involves conflict with the entrenched American practice of subsidizing private enterprise to carry out public works at a reasonable profit. The proposals are radical only in demanding an end to our no less entrenched practice of punishing the poor. Yet they also make sure that middle-class communities are rewarded financially for whatever discomfort they may have to endure.

Nor are these suggestions very new. Indeed, only last month President Johnson sent a housing message to Congress which proposes the payment of rent subsides as the principal method for improving housing conditions. It also requests Federal financing of municipal services for tax-starved communities, and aid toward the building of new towns.

These represent bold and desirable steps toward the evolution of a Federal rehousing program. Unfortunately, however, the message offers little help to those who need it most. Slum dwellers may be pleased that there will be no increase in urban renewal activity, and that relocation housing subsidies and other grants are being stepped up. But no expansion of public housing is being requested, and to make matters worse, the new rent subsidies will be available only to households above the income limits for public housing. Thus, the President's message offers no escape for the mass of the nonwhite low-income population from the ghetto slums; in fact it threatens to widen the gap between such people and the lower-middle-income population which will be eligible for rent subsidies.

On the other hand, as in the case of the war on poverty, a new principle of government responsibility in housing is being established, and evidently the President's strategy is to obtain legislative approval for the principle by combining it with a minimal and a minimally controversial program for the first year. Once the principle has been accepted, however, the program must change quickly. It may have taken fifteen years for urban renewal even to begin providing some relief to the mass of slum dwellers, but it cannot take that long again to become a rehousing scheme that will give them significant help. The evolution of Federal policies can no longer proceed in the leisurely fashion to which politicians, bureaucrats, and middle-class voters have become accustomed, for unemployment, racial discrimination, and the condition of our cities are becoming ever more critical problems, and those who suffer from them are now considerably less patient than they have been in the past.

MEDICARE MAKES SECOND-CLASS CITIZENS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, when the motion to recommit H.R. 6675 failed by a 191 to 236 vote today, it was obvious that this body was not going to give adequate consideration to the real health and welfare needs of our Nation's senior

citizens. I supported this motion and opposed the so-called medicare bill for many reasons. At the same time, there were good portions of the bill which, standing alone, would have received my wholehearted support. In fact, several parts of this package bill contained almost identical provisions to those in H.R. 4613 which I introduced on February 9 of this year and in previous sessions of the Congress.

I think that H.R. 6675, the new medicare bill, should be known as the "Second-Class Citizens Act of 1965." It furthers the discriminatory pattern which separates the American taxpayer from their elected leaders and Government officialdom. While we provide superior, voluntary programs for ourselves and Government employees the effort is now made to press down upon our citizenry an inferior, compulsory program which has a little something for everybody but not enough for those who truly need it. It represents the carrot-and-stick approach which leads us on by the illusion that we are going to get something. In truth, there are good sections of the bill which have been added as a sweetener to gain support. Four specific legislative proposals which I have worked for over the past years are incorporated in the bill. It was natural that there would be mixed emotions in voting against a bill which contained provisions I have worked for during these three terms in Congress and yet this was the only honorable course I could take since it is my feeling that H.R. 6675 marks the beginning of a long trip down the wrong road, at least as far as it relates to medical care is concerned.

The Democrats did respond to the overwhelming weight of the evidence which we represented in the past 5 months and improved H.R. 1 which was to be their medicare bill. The Republican proposals in this area, notably the Bow and Byrnes bills, in addition to the eldercare measure, put the majority party on the spot and they soon abandoned the inferior King-Anderson approach by adopting much of the Byrnes bill. Yet this bill as passed still represents a step backward, not forward. The thrust of modern insurance, whether in the areas of sickness, accident, fire, or personal liability has been toward comprehensive coverage. This bill, comprising 296 pages, represents a retrogression in that it divides up the individual's medical bill and in effect says: "This is covered, this is not; this is partially covered, this is not." Its obsolete approach separates the various categories of health needs.

Its second major defect is the same one which plagues most social welfare programs. In endeavoring to set up an umbrella which will cover everyone over 65, the coverage must be limited and those who are truly in need will suffer the most. It is only commonsense to reason that paying for medical expenses of rich and poor alike means that the rich will get some assistance they really do not need and the poor will not get as much as they require. This represents a political solution to the problem not a medical or economic approach. Take the example of the needy person who has a prolonged stay in the hospital—the major medical-type illness. Spokesmen for the Department of Health, Education, and Welfare retort that only about 5 percent of the people over 65 have a stay in American hospitals beyond 60 days. The answer is very plain: True, but these are precisely the people who need assistance the most but medicare turns a deaf ear toward them. In short, medicare is not geared to the catastrophic loss, the real area of need in my opinion.

The third major defect is in tying medicare to the social security system. It is an extension of the payroll tax which is one of the most unfair taxes we have devised. In the payroll tax, the tax rate is levied uniformly against the lowest part of a man's income and a $4,800 a year man pays the same as a $48,000 a year executive. H.R. 6675 contemplates raising this base to $5,600, which would mean a substantial hike to the low-income person but relatively nothing to the $56,000 per year man. There are no personal exemptions for dependents. Income from interest, dividends, rent, royalties, and capital gains is excluded. Many large corporations support medicare for this very reason—they will pay less by shifting the burden from income or general taxes to a payroll tax.

As I have noted before, little attention is given to the true condition of the social security trust fund. We play the same game—promise the benefits now and let the future generations pay. During the last full year reported, the fund again was hit by red ink. With over 75 million covered Americans paying into the fund and 17 million receiving benefits, $1,388 million was paid out in excess of receipts. This meant that the 5-year total deficit added up to $4.055 billion. To add medicare where the program cost has been underestimated would further jeopardize the trust fund.

There are other objections. By vesting authority in HEW to determine accreditation of hospitals, a powerful Federal lever will be held over these institutions. As the bill now reads, at least one fine hospital in the 17th District would not be accredited. It would create two classes of medicare recipients. For its employees, the Federal Government gives options and superior plans under voluntary programs. For everyone else it would demand a compulsory program which is inferior at best and which they may not want, extracting from them a payroll tax while exempting all Federal employees from paying it. In promoting a deficient out-of-date, compulsory program with an unfair and discriminatory payroll tax the administration backers of H.R. 6675 indicate they neither recognize the true problem of medical care for the elderly nor care to tailor a program to these real needs.

While opposing this outdated program, Mr. Speaker, I have joined many of my colleagues in promoting health insurance plans which would work while at the same time avoiding the pitfalls of the compulsory, inferior program adopted today. I introduced the eldercare proposal and had hoped we could pass a modified combination of the eldercare bill and Congressman FRANK BOW's very excellent tax credit proposal. To adequately do the job, we need more than a new bill, we need an entire change in the economic and political outlook in Washington.

The first step in attacking the problem of medical care for the elderly is, in my opinion, not even the adoption of a new program but a basic change in attitude regarding the role of government. Those in the ascendancy at the present time have a philosophy that has as its core the expansion of the Government's services into every field and compulsory coverage regardless of need. This is socialism. The income tax is the key to their social policy.

Most Americans over the age of 65 are not needy, uncovered in insurance protection or even a burden on family or society unless catastrophic illness or injury strikes. To help them, we should be giving more tax deductions or even tax credits to help them take care of themselves. When you encourage people to help themselves, they will do so. You can then give adequate help to those who are in true need without creating a great burden. Liberal advocates of medicare and centralized control reject this theory and plot the exact opposite course. They favor reducing or removing the deductions for insurance and medical expense and have even taken the position that the additional $600 deduction for our senior citizens 65 years and over be abolished. You can readily see why: Removing the ability of people to take care of themselves through abolishing tax concessions makes them more dependent on Government programs.

The liberal professors who have set out policies in these matters since 1961—men such as Walter Heller, Arthur Schlesinger, Jr., Stanley S. Surrey, to name a few—have promoted the dependency theory. Mr. Surrey's views are particularly significant since he is the key man in the Treasury Department on medicare legislation. You may recall that I pointed out his theories during a debate on profit sharing plan tax treatment in the 87th Congress. He said:

> (Social security retirement payments) * * * when coupled with the additional $600 old-age exemption * * * and the increased medical expense allowance for the aged, persons over 65 become a distinctly favored class under the income tax.

According to Mr. Surrey, medical expense deduction should be "strictly confined to the aspect of extraordinary expenses." He opposed the theory that we reduce the citizen's tax burden by granting deductions "not because their incomes are low but because they are aged, or blind, or sick or unemployed, or homeowners, or veterans." He noted "Without any necessary relation to differences in levels of income, our income tax mechanism favors older over younger age groups, sick over healthy persons and so forth." I feel we should favor the older; I feel we should favor those who pay their medical expenses—in short, I would first grant a deduction for all of a person's medical expenses including insurance, not the restricted amount which presently allows only that portion

over 3 percent of the individual's adjusted gross income. Changing this attitude, in my judgment, is the first constructive step. H.R. 6675 rejects the Surrey approach and at least partially improves medical deduction opportunities.

Then we must face up to the needs of those who cannot help themselves and have major medical expense. I am worried about the precise group that medicare overlooks—those with long illness, with the type of expense which makes them lose their home, borrow, or burden their family if they are moderately well fixed but totally unable to meet if they are indigent. As I pointed out last week, medicare proponents say "Oh well, only 5 percent of the people have a stay in the hospital over 60 days." Yes, and these are the ones who need the most help and our programs should be tailored to assist them.

The Bow bill is particularly good since it would prevent the vast bureaucratic expansion which is inevitable if the social security approach is utilized. Of all four it is the best, I believe. Paradoxically, it has the poorest chance. Administrative costs of the social security system jumped from $57 million in 1950 to $202 million in 1960 and for the brief 4-year period from 1960 to 1964 skyrocketed 50 percent to $307 million. If medicare is added, as the saying goes, "you ain't seen nothing yet."

During the debate yesterday, Representative MILLS pointed out that approximately 6,000 new employees would be required to administer the program contained in H.R. 6675. There are currently 34,783 employees administering the social security system so this will boost the bureaucratic administration to over 40,000.

This bill represents a substantial tax increase. The rate is increased to an eventual 11.2 percent on a base of $6,600. The bill will cost an additional $6 billion for the first full year of which $4.2 billion will come out of the trust funds, $1.4 billion from general funds, and about $500 to $600 million in contributions from individuals for the voluntary supplemental insurance.

On the plus side, there is a general increase in social security benefits. The American people would be getting these benefits right now if President Johnson had not let the increase we voted last fall die in a conference committee. I supported that increase and introducd H.R. 4613 this year to give a cost-of-living increase to those who through no fault of their own find their dollar shrinking in purchasing power. At the same time, the bill also exempts self-employed members of the Amish and other religious groups from social security coverage, something I have supported for these three terms in Washington. On the other hand, it forces self-employed physicians into the coverage of the Social Security Act. H.R. 6675 contains other good features which deal with youth, earnings limitations, and coverage which standing alone would certainly get my favorable vote. One of the first bills I introduced in 1961 was one to raise the earnings limitation to $2,500 for social security recipients. I have always felt that the $1,200 figure is arbitrarily low and prevents many Americans from supplementing their retirement income.

The bill does inject control into the medical field. Do not let anyone argue otherwise. Up to now, social security benefits have been cash benefits. In this bill it now switches to a new course which will include services and you can be sure that regulations will be handed down dealing with these services—where a recipient can obtain them and where they cannot, and so forth. America today has the best medical care system in the world and our physicians are the envy of every other nation. The list of Nobel Prize winners indicate that our free medicine has excelled all others. It is not by accident that the Duke of Windsor, Sir Anthony Eden, Grace Kelly, and others come to this Nation for medical care when it is a matter of life or death. The sad commentary on today is the fact that this free system could have been strengthened, rather than weakened and our citizens could have received a superior, voluntary insurance program rather than the label which they received.

The label won. Medicare is a reality. The majority made second-class citizens out of America's needy and deserving senior citizens. Mr. Speaker, I include my own bill, H.R. 4613, at this point in the RECORD:

H.R. 4613

A bill to amend title II of the Social Security Act to provide a 7-percent benefit increase, to provide child's insurance benefits beyond age 18 while in school, to provide widow's benefits at age 60 on a reduced basis, to liberalize the retirement test, and to provide minimum benefits for all individuals not otherwise entitled at age 70

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Act Amendments of 1965".

SEVEN PER CENTUM INCREASE IN OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

SEC. 2. (a) Section 215(a) of the Social Security Act is amended by striking out the table and inserting in lieu thereof the following:

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1958 Act, as modified)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
----------	$13.48	$40	----------	$67	$42.80	$64.20
$13.49	14.00	41	$68	69	43.90	65.90
14.01	14.48	42	70	70	45.00	67.50
14.49	15.00	43	71	72	46.10	69.20
15.01	15.60	44	73	74	47.10	70.70
15.61	16.20	45	75	76	48.20	72.30
16.21	16.84	46	77	78	49.30	74.00
16.85	17.60	47	79	80	50.30	75.50
17.61	18.40	48	81	81	51.40	77.10
18.41	19.24	49	82	83	52.50	78.80
19.25	20.00	50	84	85	53.50	80.30
20.01	20.64	51	86	87	54.60	81.90
20.65	21.28	52	88	89	55.70	83.60
21.29	21.88	53	90	90	56.80	85.20
21.80	22.26	54	91	92	57.80	86.70
22.29	22.68	55	93	94	58.90	88.40
22.69	23.08	56	95	96	60.00	90.00
23.09	23.44	57	97	97	61.00	91.50
23.45	23.76	58	98	99	62.10	93.20
23.77	24.20	59	100	101	63.20	94.80

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1958 Act, as modified)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
$24.21	$24.60	$60	$102	$102	$64.20	$96.30
24.61	25.00	61	103	104	65.30	98.00
25.01	25.48	62	105	106	66.40	99.60
25.49	25.92	63	107	107	67.50	101.30
25.98	26.40	64	108	109	68.50	102.80
26.41	26.94	65	110	113	69.60	104.40
26.95	27.46	66	114	118	70.70	106.10
27.47	28.00	67	119	122	71.70	107.60
28.01	28.63	68	123	127	72.80	109.20
28.69	29.25	69	128	132	73.90	110.90
29.26	29.68	70	133	136	74.90	112.40
29.69	30.36	71	137	141	76.00	114.00
30.37	30.92	72	142	146	77.10	116.80
30.93	31.26	73	147	150	78.20	120.00
31.37	32.00	74	151	155	79.20	124.00
32.01	32.60	75	156	160	80.30	128.00
32.61	33.20	76	161	164	81.40	131.20
33.21	33.88	77	165	169	82.40	135.20
33.89	34.50	78	170	174	83.50	139.20
34.51	35.00	79	175	178	84.60	142.40

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS—Continued

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1958 Act, as modified)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
$35.01	$35.80	$80	$179	$183	$85.60	$146.60
35.81	36.40	81	184	188	86.70	150.40
36.41	37.08	82	189	193	87.80	154.50
37.09	37.60	83	194	197	88.90	157.60
37.61	38.20	84	198	202	89.90	161.60
38.21	39.12	85	203	207	91.00	165.60
39.13	39.68	86	208	211	92.10	168.80
39.69	40.33	87	212	216	93.10	172.80
40.34	41.12	88	217	221	94.20	176.80
41.13	41.76	89	222	225	95.30	180.00
41.77	42.44	90	226	230	96.30	184.00
42.45	43.20	91	231	235	97.40	188.00
43.21	43.76	92	236	239	98.50	191.20
43.77	44.44	93	240	244	99.60	195.20
44.45	44.88	94	245	249	100.60	199.20
44.89	45.60	95	250	253	101.70	202.40
		96	254	258	102.80	206.40
		97	259	263	103.80	210.40
		98	264	267	104.90	213.60
		99	268	272	106.00	217.60
		100	273	277	107.00	221.60
		101	278	281	108.10	224.80
		102	282	286	109.20	228.80
		103	287	291	110.30	232.80
		104	292	295	111.30	236.00
		105	296	300	112.40	240.00
		106	301	305	113.50	244.00
		107	306	309	114.50	247.20
		108	310	314	115.60	251.20
		109	315	319	116.70	254.00
		110	320	323	117.70	255.00
		111	324	328	118.80	256.80
		112	329	333	119.90	258.80
		113	334	337	121.00	260.40
		114	338	342	122.00	262.40
		115	343	347	123.10	264.40
		116	348	351	124.20	266.00
		117	352	356	125.20	268.00
		118	357	361	126.30	270.00
		119	362	365	127.40	271.60
		120	366	370	128.40	273.60
		121	371	375	129.50	275.60
		122	376	379	130.60	277.20
		123	380	384	131.70	279.20
		124	385	389	132.70	281.20
		125	390	393	133.80	282.80
		126	394	398	134.90	284.80
		127	399	403	135.90	286.80
			404	407	136.90	288.40
			408	412	137.90	290.40
			413	417	138.90	292.40
			418	421	139.90	294.00
			422	426	140.90	296.00
			427	431	141.90	298.00
			432	436	142.90	300.00
			437	440	143.90	301.60
			441	445	144.90	303.60
			446	450	145.90	305.60
			451	454	146.90	307.20
			455	459	147.90	309.20
			460	464	148.90	311.20
			465	466	149.90	312.00"

(b) Section 215(c) of such Act is amended to read as follows:

"Primary insurance amount under 1958 Act, as modified

"(c)(1) For the purposes of column II of the table appearing in subsection (a) of this section, an individual's primary insurance amount shall be computed as provided in, and subject to the limitations specified in, (A) this section as in effect prior to the enactment of the Social Security Act Amendments of 1965, and (B) the applicable provisions of the Social Security Amendments of 1960.

"(2) The provisions of this subsection shall be applicable only in the case of an individual who became entitled to benefits under section 202(a) or section 223 before the date of enactment of the Social Security Act Amendments of 1965 or who died after December 1964 and before such date."

(c) Section 203(a) of such Act is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) when two or more persons were entitled (without the application of section 202(j)(1) and section 223(b)) to monthly benefits under section 202 or 223 for any month which begins after December 1964 and before the enactment of the Social Security Act Amendments of 1965, on the basis of the wages and self-employment income of such insured individual, such total of benefits for any month occurring after December 1964 shall not be reduced to less than the larger of—

"(A) the amount determined under this subsection without regard to this paragraph, or

"(B)(i) with respect to the month in which such amendments are enacted or any prior month, an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to the enactment of such amendments, for each such person, for such month, by 107 percent and raising each such increased amount, if it is not a multiple of $0.10, to the next higher multiple of $0.10, and

"(ii) with respect to any month after the month in which such amendments are enacted, an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to the enactment of such amendments, for each such person for the month of enactment, by 107 percent and raising each such increased amount, if it is not a multiple of $0.10, to the next higher multiple of $0.10;

but in any such case (I) paragraph (1) of this subsection shall not be applied to such total of benefits after the application of subparagraph (B) of this paragraph, and (II) if section 202(k)(2)(A) was applicable in the case of any of such benefits for any such month beginning before the enactment of the Social Security Act Amendments of 1965, and ceases to apply after such month, the provisions of subparagraph (B) shall be applied, for and after the month in which such section 202(k)(2)(A) ceases to apply, as though paragraph (1) had not been applicable to such total of benefits for such month beginning prior to such enactment."

(d) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1964 and with respect to lump-sum death payments under such title in the case of deaths occurring after the month in which this Act is enacted.

(e) If an individual is entitled to a disability insurance benefit under section 223 of the Social Security Act for December 1964 on the basis of an application filed after enactment of this Act and is entitled to old-age insurance benefits under section 202(a) of such Act for January 1965, then, for purposes of section 215(a)(4) of the Social Security Act (if applicable) the amount in column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215(c) of such Act) instead of the amount in column IV equal to his disability insurance benefit.

PAYMENT OF CHILD'S INSURANCE BENEFITS BEYOND AGE 18 IN CASE OF CHILD ATTENDING SCHOOL

SEC. 3. (a) Section 202(d)(1)(B) of the Social Security Act is amended by striking out "either" before "(i)", and by striking out "or (ii)" and inserting in lieu thereof ", (ii) was a full-time student and had not attained the age of twenty-two, or (iii)".

(b)(1) So much of the first sentence of section 202(d)(1) of such Act as follows subparagraph (C) is amended to read as follows: "shall be entitled to a child's insurance benefit for each month, beginning with the first month after August 1950 in which such child becomes so entitled to such insurance

benefits and ending with the month preceding whichever of the following first occurs—

"(D) the month in which such child dies, marries, or is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual),

"(E) in the case of a child who is not under a disability (as defined in section 223(c)) at the time he attains the age of 18 and who during no part of the month in which he attains such age is a full-time student, the month in which such child attains the age of 18,

"(F) in the case of a child who is a full-time student during the month in which he attains the age of 18, the first month (beginning after he attains such age) during no part of which he is a full-time student or the month in which he attains the age of 22, whichever occurs earlier, but only if in the third month preceding such earlier month he was not under a disability (as so defined) which began before he attained the age of 18,

"(G) in the case of a child who first becomes entitled to benefits under this subsection for the month in which he attains the age of 18 or a subsequent month and who in the month for which he becomes so entitled is not under a disability (as so defined) which began before he attained the age of 18, the first month (after he becomes so entitled) during no part of which he is a full-time student or the month in which he attains the age of 22, whichever occurs earlier,

"(H) in the case of a child who after he attains the age of 18 ceases to be under a disability (as so defined) which began before he attained the age of 18, and who either (i) attains the age of 22 before the close of the third month following the month in which he ceases to be under such disability or (ii) was a full-time student during no part of such third month, the third month following the month in which he ceases to be under such disability, or

"(I) in the case of a child who after he attains the age of 18 ceases to be under a disability (as so defined) which began before he attained the age of 18, but who has not attained the age of 22 before the close of the third month following the month in which he ceases to be under such disability and is a full-time student in such third month, the earlier of (i) the first month (after such third month) during no part of which he is a full-time student, or (ii) the month in which he attains the age of 22."

(2) The second sentence of section 202(d)(1) of such Act is repealed.

(3) Section 202(d) of such Act is further amended by adding at the end thereof the following new paragraphs:

"(7) A child whose entitlement to child's insurance benefits on the basis of the wages and self-employment income of an insured individual terminated with the month preceding the month in which such child attained the age of 18, or with a subsequent month, may again become entitled to such benefits (provided no event specified in paragraph (1)(D) has occurred) beginning with the first month thereafter in which he is a full-time student and has not attained the age of 22 if he has filed application for such reentitlement. Such reentitlement shall end with the month preceding whichever of the following first occurs: The first month during no part of which he is a full-time student, the month in which he attains the age of 22, or the first month in which an event specified in paragraph (1)(D) ocurs.

"(8) For the purposes of this subsection—

"(A) A 'full-time student' is an individual who is in full-time attendance as a student at an educational institution, as determined by the Secretary (in accordance with regulations prescribed by him) in the light of the standards and practices of the institution involved, except that no individual shall be considered a 'full-time student' if he is paid by his employer while attending an educational institution at the request, or pursuant to a requirement, of his employer.

"(B) Except to the extent provided in such regulations, an individual shall be deemed to be a full-time student during any period of nonattendance at an educational institution at which he has been in full-time attendance if (i) such period is four calendar months or less and (ii) he shows to the satisfaction of the Secretary that he intends to continue to be in full-time attendance at an educational institution immediately following such period.

"(C) An 'educational institution' is (i) a school or college or university operated or directly supported by the United States, or by any State or local government or political subdivision thereof, or (ii) a school or college or university which has been approved by a State or accredited by a State recognized or nationally recognized accrediting agency or body, or (iii) a school or college or university for which there is no such agency or body or which has been in operation an insufficient period of time for such approval or accreditation, but which is approved by the Secretary in accordance with regulations prescribed by him."

(c)(1) Section 202 of such Act is amended by inserting immediately after subsection (r) the following new subsection:

"CHILD AGED 18 OR OVER ATTENDING SCHOOL

"(s)(1) For the purposes of subsections (b)(1), (g)(1), (q)(4), and (q)(6) of this section and paragraphs (2), (3), and (4) of section 203(c), a child who is entitled to child's insurance benefits under subsection (d) for any month, and who has attained the age of 18 but is not in such month under a disability (as defined in section 223(c)) which began before he attained such age, shall be deemed not entitled to such benefits for such month, unless he was under such a disability in the third month before such month.

"(2) Subsection (f)(4), and so much of subsections (d)(6), (e)(4), (g)(4), and (h)(4) of this section as precedes the semicolon, shall not apply in the case of any child unless such child, at the time of the marriage referred to therein, was under a disability (as defined in section 223(c)) which began before such child attained the age of 18 or had been under such disability in the third month before the month in which such marriage occurred.

"(3) Subsections (c)(2)(B) and (f)(2)(B) of this section, so much of subsections (d)(6), (e)(4), (g)(4), and (h)(4) of this section as follows the semicolon, the last sentence of subsection (c) of section 203, subsection (f)(1)(C), of section 203, and subsections (b)(3)(B), (c)(6)(B), (f)(3)(B), and (g)(6)(B) of section 216 shall not apply in the case of any child with respect to any month referred to therein unless in such month or the third month prior thereto such child was under a disability (as defined in section 223(c)) which began before such child attained the age of 18."

(2) So much of subsection (b)(1) of such section 202 as follows subparagraph (C) is amended by inserting "(subject to subsection (s))" after "shall".

(3) So much of subsection (c)(2) of such section 202 as precedes subparagraph (A) is amended by inserting "(subject to subsection (s))" after "shall".

(4) So much of subsection (d)(6) of such section 202 as follows subparagraph (B) is amended by inserting "but subject to subsection (s)" after "notwithstanding the provisions of paragraph (1)".

(5) So much of subsection (e)(4) of such section 202 as follows subparagraph (B) is amended by inserting "but subject to subsection (s)" after "notwithstanding the provisions of paragraph (1)".

(6) So much of subsection (f)(2) of such section 202 as precedes subparagraph (A) is amended by inserting "(subject to subsection (s))" after "shall".

(7) So much of subsection (f)(4) of such section 202 as follows subparagraph (B) is amended by inserting "but subject to subsection (s)" after "notwithstanding the provisions of paragraph (1)".

(8) So much of the first sentence of subsection (g)(1) of such section 202 as follows subparagraph (F) is amended by inserting "(subject to subsection (s))" after "shall".

(9) So much of subsection (g)(4) of such section 202 as follows subparagraph (B) is amended by inserting "but subject to subsection (s)" after "notwithstanding the provisions of paragraph (1)".

(10) So much of subsection (h)(4) of such section 202 as follows subparagraph (B) is amended by inserting "but subject to subsection (s)" after "notwithstanding the provisions of paragraph (1)".

(11) (A) The next to last sentence of subsection (c) of section 203 of such Act is amended by striking out "for any month in which" and inserting in lieu thereof "for any month in which paragraph (1) of section 202(s) applies or".

(B) The last sentence of subsection (c) of such section 203 is amended by striking out "No" and inserting in lieu thereof "Subject to paragraph (3) of such section 202(s), no".

(12) The last sentence of subsection (f)(1) of such section 203 is amended by inserting "but subject to section 202(s)" after "Notwithstanding the preceding provisions of this paragraph".

(13) Subsections (b), (c), (f), and (g) of section 216 of such Act are each amended by inserting before the period at the end thereof "(subject, however, to section 202(s))".

(14) Section 222(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) The provisions of paragraph (1) shall not apply to any child entitled to benefits under section 202(d), if he has attained the age of 18 but has not attained the age of 22, for any month during which he is a full-time student (as defined and determined under section 202(d))."

(15) Section 225 of such Act is amended by adding at the end thereof the following new sentence: "The first sentence of this section shall not apply to any child entitled to benefits under section 202(d), if he has attained the age of 18 but has not attained the age of 22, for any month during which he is a full-time student (as defined and determined under section 202(d))."

(d)(1) The amendments made by this section shall apply with respect to monthly insurance benefits under section 202 of the Social Security Act for months after the month in which this Act is enacted; but only, except as provided in subsection (b), on the basis of an application filed in or after the month in which this Act is enacted.

(b) In the case of an individual who was entitled (without the application of subsection (j)(1) of such section 202) to a child's insurance benefit under subsection (d) of such section for the month in which this Act is enacted, such amendments shall apply with respect to benefits under such section 202 for months after the month in which this Act is enacted.

REDUCED BENEFITS FOR WIDOWS AT AGE 60

SEC. 4. (a)(1) Paragraph (1)(B) of section 202(e) of the Social Security Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(2) Paragraph (2) of such section is amended by striking out "Such" and inserting in lieu thereof "Except as provided in subsection (q), such".

(b)(1) Paragraph (1) of section 202(q) of such Act is amended to read as follows:

"(1) If the first month for which an individual is entitled to an old-age, wife's, husband's or widow's insurance benefit is a month before the month in which such individual attains retirement age, the amount of such benefit for each month shall, subject to the succeeding paragraphs of this subsection, be reduced by—

"(A) 5/9 of 1 percent of such amount if such benefit is an old-age or widow's insurance benefit, or 25/36 of 1 percent of such amount if such benefit is a wife's or husband's insurance benefit, multiplied by

"(B)(i) the number of months in the reduction period for such benefit (determined under paragraph (5)), if such benefit is for a month before the month in which such individual attains retirement age, or

"(ii) the number of months in the adjusted reduction period for such benefit (determined under paragraph (6)), if such benefit is for the month in which such individual attains retirement age or for any month thereafter."

(2) Paragraph (2)(A) of such section is amended—

(A) by striking out "wife's or husband's insurance benefit" each place it appears and inserting in lieu thereof "wife's, husband's, or widow's insurance benefit"; and

(B) by striking out "age 62" and inserting in lieu thereof "age 62 (in the case of a wife's or husband's insurance benefit) or age 60 (in the case of a widow's insurance benefit)".

(2) Paragraph (2)(C) of such section is amended by striking out "wife's or husband's" and inserting in lieu thereof "wife's, husband's, or widow's".

(4) Paragraph (2)(D) of such section is amended by striking out "wife's or husband's" and inserting in lieu thereof "wife's, husband's, or widow's".

(5) Paragraph (2) of such section is amended by adding at the end thereof the following new subparagraph:

"(E) If the first month for which an individual is entitled to an old-age insurance benefit (whether such first month occurs before, with, or after the month in which such individual attains the age of 65) is a month for which such individual is also (or would, but for subsection (e)(1), be) entitled to a widow's insurance benefit to which such individual was first entitled for a month before she attained the age of 62, then such old-age insurance benefit shall be reduced by whichever of the following is the larger:

"(i) the amount by which (but for this subparagraph) such old-age insurance benefit would have been reduced under paragraph (1), or

"(ii) the amount equal to the sum of the amount by which such widow's insurance benefit was reduced for the month in which such individual attained the age of 62 and the amount by which such old-age insurance benefit would be reduced under paragraph (1) if it were equal to the excess of such old-age insurance benefit (before reduction under this subsection) over such widow's insurance benefit (before reduction under this subsection)."

(6) Paragraph (4) of such section is amended by adding at the end thereof the following new subparagraph:

"(D) No widow's insurance benefit for a month in which she has in her care a child of her deceased husband entitled to child's insurance benefits shall be reduced under this subsection below the amount to which she would have been entitled had she been entitled for such month to mother's insurance benefits on the basis of her deceased husband's wages and self-employment income."

(7) Paragraph (5) of such section is amended—

(A) by striking out "wife's, or husband's" and inserting in lieu thereof "wife's, husband's, or widow's";

(B) by striking out "or husband's" in subparagraph (A)(i) and inserting in lieu thereof ", husband's, or widow's"; and

(C) by striking out "age 65" in subparagraph (B) and inserting in lieu thereof "retirement age".

(8) Paragraph (6) of such section is amended—

(A) by striking out "wife's, or husband's" and inserting in lieu thereof "wife's, husband's, or widow's"; and

(B) by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(D) in the case of widow's insurance benefits, any month in which the reduction in the amount of such benefit was determined under paragraph (4)(D)."

(9) Section 202(q) of such Act is further amended by adding at the end thereof the following new paragraph:

"(8) For purposes of this subsection, the term 'retirement age' means age 65 with respect to an old-age, wife's, or husband's insurance benefit and age 62 with respect to a widow's insurance benefit."

(10) The heading of section 202(q) of such Act is amended by striking out "or Husband's" and inserting in lieu thereof "Husband's, or Widow's".

(c) Section 223(a)(3) of such Act is amended to read as follows:

"(3) If, for any month before the month in which an individaul attains age 65, such individual is entitled to an old-age, husband's, widow's, widower's, or parent's insurance benefit, or to a wife's insurance benefit which is reduced under section 202(q), such individual may not, for any month after the first month for which such individual is so entitled, become entitled to disability insurance benefits; and a period of disability may not begin with respect to such individual in any month after such first month."

(d) The amendments made by this section shall apply with respect to monthly insurance benefits under section 202 of the Social Security Act for months after the month in which this Act is enacted, but only on the basis of applications filed in or after the month in which this Act is enacted.

INCREASE IN AMOUNT AN INDIVIDUAL MAY EARN WITHOUT SUFFERING DEDUCTIONS FROM BENEFITS

SEC. 4. (a) Subsection (f)(3) of section 203 of the Social Security Act is amended by striking out "$100" and inserting in lieu thereof "$250".

(b) Subsections (f)(1), (f)(4)(B), and (h)(1)(A) of such section 203 are each amended by striking out "$100" and inserting in lieu thereof "$250".

(c) The amendments made by this section shall be effective with respect to taxable years ending after the date of the enactment of this Act.

MINIMUM BENEFITS AT AGE 70

SEC. 5. (a) Section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Benefit Payments to Persons Not Otherwise Entitled Under This Section

"(v)(1) Every individual who—

"(A) has attained age 70,

"(B) is not and would not, upon filing application therefor, be entitled to any monthly benefits under any other subsection of this section for the month in which he attains such age or, if later, the month in which he files application under this subsection,

"(C) is a resident of the United States,

"(D)(i) is a citizen of the United States, and has resided in the United States continuously for not less than eighteen months before the month in which he files application for benefits under this subsection, or (ii) has resided in the United States continuously for the ten-year period preceding the month in which he files application for benefits under this subsection, and

"(E) has filed application for benefits under this subsection,

shall be entitled to a benefit under this subsection for each month, beginning with the first month in which he becomes so entitled to such benefits and ending with the month preceding the month in which he dies. Such individual's benefit for each month shall be equal to the first figure in column IV of the table in section 215(a).

"(2)(A) If—

"(i) any individual is entitled to a benefit for any month under this subsection, and

"(ii) it is determined that a periodic benefit or benefits are payable for such month to such individual under any other law of the United States or a State or under a pension or retirement system established by any agency of the United States or of a State or political subdivision thereof (or any instrumentality of the United States or a State or a political subdivision or subdivisions thereof which is wholly owned thereby),

then the benefit referred to in clause (i) shall be reduced (but not below zero) by an amount equal to such periodic benefit or benefits for such month.

"(B) If any periodic benefit referred to in subparagraph (A)(ii) is determined to be payable on other than a monthly basis (excluding a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), the reduction of such individual's benefit under this paragraph shall be made at such time or times and in such amounts as the Secretary finds approximates, as nearly as practicable, the reduction in subparagraph (A).

"(C) In order to assure that the purposes of this subsection will be carried out, the Secretary may, as a condition to certification for payment of any monthly benefit to an individual under this subsection (if it appears to the Secretary that such individual may be eligible for a periodic benefit which would give rise to a reduction under this paragraph), require adequate assurance of reimbursement of the Federal old-age and survivors insurance trust fund in case periodic benefits, with respect to which such a reduction should be made, become payable to such individual and such reduction is not made.

"(D) Any agency of the United States which is authorized by any law of the United States to pay periodic benefits, or has a system of periodic benefits, shall (at the request of the Secretary) certify to him with respect to any individual such information as the Secretary deems necessary to carry out his functions under this paragraph. For purposes of this subparagraph, the term 'agency of the United States' includes any instrumentality of the United States which is wholly owned by the United States.

"(3) Benefits shall not be paid under this subsection—

"(A) to an alien for any month during any part of which he was outside the United States;

"(B) to any individual for any month during all of which he was an inmate of a public institution; or

"(C) to any individual who is a member or employee of an organization required to register under an order of the Subversive Activities Control Board as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization under the Internal Security Act of 1950, as amended."

(b)(1) The following provisions of section 202 of such Act are each amended by striking out "or (h)" and inserting in lieu thereof "(h), or (v)":

(A) subsection (d)(6)(A),

(B) subsection (e)(4)(A),

(C) subsection (f)(4)(A),

(D) subsection (g)(4)(A), and

(E) the first sentence of subsection (j)(1).

(2) Section 202(h)(4)(A) of such Act is amended by striking out "or (g)" and inserting in lieu thereof "(g), or (v)".

(3) Section 202(k)(2)(B) of such Act is amended by striking out "preceding".

(c)(1) With respect to every individual who becomes entitled to a benefit under title II of the Social Security Act by reason of the amendment made by subsection (a), the Secretary of the Treasury shall transfer to the Federal old-age and survivors insurance trust fund, from the general fund of the Treasury, an amount equal to the sum of:

(A) The total amount of employee and employer taxes that would have been paid under the provisions of sections 3101 and 3111 of the Internal Revenue Code of 1954 (or the corresponding provisions of prior law) if such individual has been paid wages (as defined in section 209 of the Social Security Act) equal to the first figure in column III of the table in section 215(a) in each month of the period beginning with January 1951 (or January of the year after the year in which he attained age thirty-one, if that is later) and ending with December of the year in which he attained age sixty-nine (or, if later, December 1964); and

(B) Interest, compounded at 3 percent per annum, on the total amount determined under subparagraph (A), for each year in the period referred to in such paragraph.

(2) The transfer of funds from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund with respect to any individual pursuant to paragraph (1) shall be made not later than the end of the calendar quarter following the calendar quarter in which such individual becomes entitled to benefits under title II of the Social Security Act by reason of the amendment made by subsection (a).

(d)(1) Section 202(m) of the Social Security Act is amended by striking out "no other individual" and inserting in lieu thereof "(1) such benefit is payable to an individual who attained age seventy in or before such month, or (2) no other individual".

(2) Such section 202(m) is further amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section, the total of the benefits under this section of any individual for any month shall, if he attained age seventy in or before such month, be increased to the extent such total is, after any reduction under subsections (k)(3) and (q), less than the first figure in column IV of the table in section 215(a)."

(3) The last sentence of section 203(a) of such Act is amended by inserting "and a benefit increased as the result of section 202(m)" after "disability insurance benefit".

(e) The amendments made by subsections (a) and (b) shall apply only in the case of monthly benefits under title II of the Social Security Act for months beginning on or after the thirtieth day after the date of the enactment of this Act based on applications filed on or after such thirtieth day. The amendments made by subsection (d) shall apply only in the case of monthly benefits under title II of the Social Security Act for months beginning on or after such thirtieth day.

ALABAMA BOYCOTT

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NIX. Mr. Speaker, in these days when Dr. Martin Luther King is being criticized for his expressed intention to push the Alabama boycott, let it be clearly understood that I fully agree with him, that I will lend any and all aid to him, and that I applaud his courage and ingenuity.

These kindly souls who deplore this boycott say they are fearful that the admitted slight gains in Negro-white relations might be destroyed; they say the good and decent white people of Alabama who are timidly beginning to favor Negro demands will be discouraged and will again retire to the sidelines. To these timid souls, I say that you are in effect saying to Dr. King, to the Negroes engaged in a great and just social revolution that they are moving too fast—that they must walk softly—that time and more time must be given to the whites of Alabama.

Mr. Speaker, these detractors, these objectors, do not say that the boycott is illegal, they do not say that the boycott violates the moral law, they do not say that this act will bring hardship to the innocent. If they mean that hardship will come to the Negroes of Alabama, the answer is, let it come. No suffering can match the suffering that has been endured in the past and is being endured now by the Negroes of Alabama.

If they mean that the good white people of Alabama will suffer, then let these good and moral people become militant and articulate in the cause of justice. Let them denounce the bombers. Let them lift the curtain of silence behind which their brutal police hide. Let them repudiate the union which has made them brother to the murderer, the oppressor, the disseminator of false racial doctrines. Let them face the fact that there are not two Gods—one for the whites and one for the Negroes, and that these Gods require a different church for each. Let them demand and get equality in registration in voting before the law.

In short, let them cleanse their minds of blind and unreasoned prejudice. Let them cast out their distorted moral values and revert to the true and eternal values governing mankind.

When that time comes even the people of Alabama will readily see that in this month of April 1965, the 358th year of Negro oppression in America, it is more than reasonable for Dr. Martin Luther King to voice the demands of the Negroes of Alabama to:

First. Call upon industries and businesses to abandon any plans for expanding in Alabama—and if there are no results,

Second. Ask private institutions, churches, and labor unions to reexamine placement of pension funds in Alabama for investment.

Third. Ask the U.S. Government to withdraw U.S. tax dollars from Alabama banks.

Fourth. Consumer boycott against specific products.

Mr. Speaker, I conclude by reminding the Members of this House of Representatives, the critics of Dr. King and the good people of Alabama that meeting the simple conditions listed below will eliminate this boycott.

These conditions are:

First. An end to the poll tax in all elections.

Second. Allow voter registration at times convenient to working people—(nights and weekends).

Third. Appointment of Negroes to policymaking positions on State boards and agencies.

Fourth. Stop police brutality, and assure equal protection before the law for all citizens.

Fifth. Repudiation of the practice of using inflammatory racist utterance in political statements.

NEW YORK CITY IN CRISIS—PART XL

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MULTER. Mr. Speaker, the following article from the New York Herald Tribune of February 28, 1965, describes the situation vis-a-vis the mayor and the borough presidents in New York City.

It is a further installment in the series on "New York City in Crisis":

NEW YORK CITY IN CRISIS: BOROUGH PRESIDENCY SHORN OF POWER—A BUFFER FOR MAYOR

(By Alfonso Narvaez and Barry Gottehrer)

In this city of 8 million, there are at least five people who firmly believe that the position of borough president remains essential and important to the citizens of New York.

The five are Constance B. Motley, borough president of Manhattan; Abe Stark, borough president of Brooklyn; Joseph F. Pericini, borough president of the Bronx; Mario J. Cariello, borough president of Queens, and Albert V. Maniscalco, borough president of Richmond.

There are many others, however, who firmly believe that the only thing important about the job of borough president anymore is its annual salary—$35,000.

Only the mayor and the comptroller get more.

Stripped of many of his duties and most of his patronage by the city charter revisions which took effect in January 1963 the borough president today has, in many respects, been reduced to a ceremonial figurehead whose chief function is to serve as a buffer between the mayor and the people of the city.

Yet at the same time the duties of their jobs were being stripped away, the five borough presidents, who control 10 of the 22 votes on the board of estimate, voted unanimously—with the full support of the mayor—not to slash their salaries but rather to increase them, from $25,000 to the present $35,000 a year.

LIMITATIONS

The decline in the office's power was highlighted by the restrictions faced by Mrs.

Motley, who was chosen city councilwoman from Manhattan.

Of the 90 jobs in the office of the Manhattan Borough president, Mrs. Motley can fill only 9 with people of her choice. The other jobs are already filled by career civil service workers, who are not subject to removal when a new boss takes over.

This in itself is a far cry from the days when the borough president was a major power both in city politics and in city government, and could use his far-ranging appointive powers to reward the party faithful and deliver votes at election time.

Under the old charter, there were more than 1,700 positions in the office of the Manhattan Borough president, many of which could be—and were—used to pay political debts.

Yet it isn't only in the political patronage arena that the office has lost its significance. When the new charter went into effect, many of the functions of the office—as well as its personnel and equipment—were taken away from it. Among these were the planning and construction of streets and highways and the control of testing laboratories, sewers, street signs, and comfort stations. These duties were turned over to the departments of highways and public works.

More than 5,000 jobs and various pieces of equipment were handed over to these two departments and the staffs of the five borough presidents were cut to about one-tenth of their former size.

In essence, the borough president today acts as an intermediary between city hall and the citizens of his borough, but even here his power has been reduced.

At the time of the charter revision, the city created the posts of a deputy commissioner of highways and a deputy commissioner of public works for each borough.

The holders of these 10 positions were to act as liaison between the people in the various boroughs and the agencies concerned—at an additional cost of some $130,000 in salaries each year.

These jobs never existed before 1963.

CONTENTION

Yet in its interim report to the mayor last December, the temporary commission city finances commissioner of highways as "departments, divisions thereof, or functions which may have, in whole or in part, outlived their usefulness or which are duplicated by other private or public agencies or which generally seem to be of questionable value."

As for the borough president's office itself, there have been repeated demands that the positions be eliminated entirely.

At the time of the charter revision, the City Club of New York, a nonpartisan civic organization founded in 1892, charged that the positions were no longer needed. Dr. Charles Garrett, chairman of the City Club's charter revision committee, said:

"Their legislative powers could be adequately carried out by the borough representatives in the city council. Their administrative duties, matters of mere housekeeping, could be readily handled by the city departments."

The "housekeeping" duties were eliminated by the charter revision, but the legislative powers of the office remained with them.

Yesterday, Seymour Claubard, former member of the Commission on Governmental Operations of the City of New York and long a student of municipal government, echoed Dr. Garrett's words and said that the borough president merely served "ceremonial and propaganda functions."

"Their presence in the city government only detracts from the useful functioning of the city council, which was designed as a strong council under the terms of the new charter," he said. "I am in favor of eliminating the office entirely and giving their responsibilities to the city council."

Challenges to the borough president's office have come from many quarters. With the city in desperate need of money, the citizens budget commission has suggested the elimination of the five borough presidents' offices as an austerity move. It has said that the city could save millions of dollars through elimination of the offices and the administrative structure they entail.

As for the elective office itself, the city charter states the individual must reside in the borough and can appoint a number of assistants and personal staff members. It also states that the borough president must maintain a topographical bureau (which keeps maps of streets and supplies engineering information to architects and surveyors) and that he can appoint civic leaders to nonsalaried positions on borough community planning boards. These boards advise the borough president and other city agencies on matters which affect the welfare of the borough.

The borough president is also the chairman of the borough improvement board, of which the councilmen of the borough are members. As a member of the site selection board he participates in the selection of sites for all capital projects. He makes recommendations to the mayor and other city officials as to the needs of his constituents.

The most important function of the borough president is, to sit as a member of the board of estimate, where he has two votes out of a total of 22. He participates in many legislative and administrative decisions which affect the entire city.

HARMONY

Despite the apparent importance of his board of estimate position (he passes on budgets, budget revisions, and the control of city-owned property) the borough president is far less important when it comes to making legislative decisions. The mayor, the comptroller, and the president of the city council, who are the other members of the board of estimate, have 4 votes apiece—for a total of 12. And what Mayor Wagner wants, the mayor invariably gets from his borough presidents—including Republican-liberal, Joseph Periconi, of the Bronx.

It is all one big happy family and, whatever disagreements may come up, they are all well hidden by the secret curtain of the board of estimate's executive sessions.

If some disagreement should arise, the mayor has the charter on his side.

The charter states that a quorum for the board of estimate "shall consist of a sufficient number of members thereof to cast 12 votes, including at least 2 of the members authorized to cast 4 votes each."

The charter further states that the "board shall act by resolution adopted by a majority of the whole number of votes authorized to be cast by all the members of the board."

In effect, this gives the mayor and his men virtual control of the board. Together they control 12 votes, enough for a quorum and enough for a majority.

Not surprisingly, however, the borough presidents are convinced of the need for their jobs and for the services they perform. Where they differ is on whether or not the power of the office has declined.

"The responsibilities of the borough president have increased, not decreased," Bronx Borough President Periconi maintains. "The borough presidents are more representative of the people and more responsive to their needs now.

"BOROUGH'S EAR

"Our office is a clearinghouse for millions of complaints. Every voice has to be heard. We are making a true partnership of government and community. The ties have been strengthened."

A spokesman for his office said that a lot of the work was ceremonial, but he added: "There is a great need for the borough president. He's the borough's voice at city hall."

A spokesman for the Manhattan office noted that "power had declined according to the new charter, but most critics of the office do not look beyond the surface of the position. They do not know what the president can or cannot do.

"The city is a huge operation and the people with complaints usually get short shrift when they try to see the heads of city agencies. The borough president is elected and has to serve the people. These others are appointed and don't have to respond to the people's complaints.

"The borough president is an effective spokesman for the legitimate complaints of the people. He has a sympathetic ear for their problems."

At the Brooklyn Borough president's office, there was a more determined effort to show the need for the office. A spokesman there cited two reports, both favorable to the continuance of the office. One was made in the time of Mayor Fiorello La Guardia in 1936, and the other was dated 1962.

In the more recent study, Charles Tenney, formerly city administrator and now a Federal judge, expressed the need for the office. In his report, he wrote:

"FOCAL POINT

"The new charter reduces the number of functions to be performed by the borough presidents, effective January 1 (1963), yet many important duties remain with the borough president, particularly those which reflect his position as the prime community representative, as the center for exchange of information between the people and the government and as an official vitally concerned with the development and improvement of local public facilities."

The spokesman at the Brooklyn office described Borough President Abe Stark as the focal point of all local community activities in Brooklyn. He safeguards the needs of the borough in the capital budget and meets with city, State, and Federal agencies to plan for the needs of Brooklyn.

In Staten Island and Queens, the borough presidents seem to be overwhelmed with complaints about sewers and streets, two functions that were taken away from their jurisdiction.

Spokesmen at the Queens office said that they had received more than 10,000 complaints about sewer and street construction from taxpayers and homeowners addressed directly to the borough president.

"Many of them interceded for direct action by his office," the spokesman said. "It's a challenge to try and meet all these local problems."

On Staten Island a spokesman complained that construction and maintenance of highways and sewers were not done as efficiently as when they were in the hands of the borough president.

"We're so far away from someone in Manhattan that it takes time to get something done," he said. "We've gotten all kinds of complaints. All orders have to come from through Manhattan, and naturally there's some delay."

Spokesmen for each borough president were quick to point out last week the various functions and meetings their bosses had to attend. Decisions on street lights, school and hospital sites, and the proposed closings of Government facilities, all of which involve not only the borough presidents but other city officials, were given as items that occupy a good deal of each borough president's working day.

The work of the community planning boards, set up to give the citizens another voice under the new charter but, according to many critics, operational and effective only in the Bronx and Manhattan so far, also

was given as a function consuming much of the borough president's time.

Spokesmen for the borough presidents, who pointed to their superiors' roles with the community planning boards, failed to mention that each borough also has a director of community planning boards who receives $9,000 a year.

What the mayor and other officials think of the office can best be illustrated by a recent occurrence in the Bronx.

On February 9, Mayor Wagner and Governor Rockefeller jointly announced plans for the largest housing cooperative ever built in the Nation.

However, the plans for the 15,500-apartment cooperative were announced in the absence of the Bronx Borough President Periconi—and without the consent of the board of estimate.

At a board of estimate meeting later in the week, Mr. Periconi complained:

"The announcement of the largest cooperative housing venture ever built in the Nation, to be located in the Baychester area of the Bronx, without the consent of the board of estimate, not only degrades the dignity of the board, but makes their functions a farce. I, as a member of the board of estimate, was neither consulted nor informed of the joint announcement by the Governor and the mayor. * * * I did not consider this a personal affront, but common courtesy and respect for the office of borough president should have dictated the presence of the Bronx borough president at this meeting."

Borough President Periconi was not alone in his annoyance.

As long as the job pays $35,000 a year, there will always be at least five people in this city ready to defend the job of borough president at all times.

NEW YORK CITY IN CRISIS—PART XLI

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following article in the series on New York City in Crisis which describes the economic consequences to New York City, in connection with the World's Fair.

The article appeared in the New York Herald Tribune of March 1, 1965, and follows:

NEW YORK CITY IN CRISIS: BEAME LINKS TAX LOSS TO LAGGING FAIR—LESS THAN HALF THE EXPECTED $55 MILLION

(By Fred Ferretti)

The city will realize "less than half" the $53.6 million in tax revenues it expected from the world's fair's first season, Controller Abraham D. Beame said yesterday.

Mr. Beame thus implied that some of the blame for the city's money deficit must fall on the fair and its financially disappointing first season.

Last April 15 Mayor Wagner released concurrently his budget requests for the 1964–65 fiscal year and his projected revenues for the same year, which ends this June 30. He included among his revenues $28.5 million from sales taxes, $16 million from general business and financial taxes, $6.5 million from amusement taxes, and $2.6 million from hotel room taxes, all directly attributable to the world's fair. The taxes added up to $53.6 million.

Mr. Beame said there will be "substantially less * * * disappointingly less * * * less than half" that amount when the fiscal year ends.

This means that at most the city can expect about $26 million in tax revenues as a byproduct of the fair's 1964 season.

And it is a far cry from the fair's own estimate, made in 1963 in a pamphlet entitled "The Economic Benefits of the New York World's Fair 1964–65." Then it was stated by the Fair Corp.: "New York City will derive between $200 and $300 million from tax revenues on expenditures brought about by the New York World's Fair."

Asked what is projected for the budget for 1965–66 fiscal year, presently under preparation, in the way of tax revenues as a result of the fair's next season, Mr. Beame said: "I have no idea. Check with the budget director."

William Shea, the city's budget director, was unavailable for comment last night.

The controller said that he is getting his auditors cranked up for their audit of the fair's financial books and records scheduled to begin Wednesday if the fair does not file for a stay of the order compelling it to give its books to Mr. Beame.

The order was signed by Supreme Court Justice Louis Capozzoli on Friday after the fair announced its intention of filing an appeal to Justice Capozzoli's decision the day before in which he affirmed Mr. Beame's right to subpena and audit the records.

Fair attorney, Charles Preusse, asked for a week to prepare his appeal, but Justice Capozzoli gave him 2 days. Unless a motion to stay the supreme court is filed by Wednesday, the city will begin its audit.

Yesterday Mr. Beame said that as part of that audit "it would be my duty to point up instances" which on their surface may look like "conflicts of interest."

He said he had "no idea what he might find, but we want to make what is called a management analysis. As far as conflicts arising * * * I haven't heard of anything particularly, but 'if what looks like inordinately large fees' come up they are the things we may call attention to.'"

Asked if the fair is being operated properly in his opinion, Mr. Beame said, "I'm in no position to say. That's what I'd like to find out * * * there is a lack of information."

He said he'd like to find out why the fair had a $17.5 million first-year deficit "in the face of an estimate made by Mr. (Robert) Moses of a surplus of $50 million."

Even if the controller gets his audit, the books are not going to show the fair's projections of the 1965 season. The fair—basing its projections on budgetary cuts, reduced operating expenditures, revenue and rental expectancies, and an estimated 37,500,000 paid admissions—is privately predicting a profit at the end of the season of $37,780,000.

It was learned that this figure was presented to the Franklin National Bank when the fair's interim financial advisor, George E. Spargo, was negotiating for a $3 million loan from the Mineola Bank early last month.

The fair told Franklin National's president, Arthur T. Roth, that it expected its operating budget for the 6 months of 1965 to be $17,590,446, slightly more than half the $33,299,000 figure for the 1964 season. It also predicted a paid attendance of 37.5 million, more than 10 million over last season's total of 27,148,280 paid.

In its negotiations, which have since bogged down, the fair said that based on this attendance and budgetary cuts—estimated at $500,000 a month thus far for January, February, and March—the fair would show a 2-year profit of $37,780,000.

Of this estimated profit, the fair told the Franklin National it would use $22,372,000 to repay the remaining 75 percent of its 6 percent notes; $1.5 million for postfair administration, and $8 million for demolition of fair buildings. This would leave a surplus of $5,908,000, very far from fair president Robert Moses' once-predicted surplus of $53 million. It would be enough, however, to begin making Flushing Meadow the crowning park of his midborough chain of parks.

The Franklin National questioned the attendance estimate, and asked the fair to base further negotiations on an attendance of 27 million, the same as last year's. Accounting sources say the profit estimate drops sharply when this is done, and full repayment to noteholders becomes questionable.

Also left out the fair presentation was the fact of whether attendance estimates, whether they be 37.5 million of 27 million, included the 14,136,590 tickets sold in 1964 but never used. In its audit the fair says that it used the moneys from these tickets for 1964 expenses. If they are counted in attendance figures this year, as they can be, it is apparent that the money cannot be considered in 1965 revenue.

Republican-Liberal city councilman, Theodore Kupferman, has already called this a misuse of funds in requesting Mr. Moses' ouster.

Mr. Beame said yesterday he "wouldn't venture an opinion" as whether Mr. Moses should be removed as president. "That's up to the members of the board of directors," he said.

Last week 8 of the 21 members of the fair's executive committee gave Mr. Moses a unanimous vote of confidence, so if any removing is going to be done, it will have to come from a special meeting of the board.

Mr. Beame said, however, that Mr. Moses' impeding of his request to audit the books was uncharacteristic of a good public servant and tended to creat further doubt in the public mind about the fair. "I try to be mild," Mr. Beame said on WNBC–TV's "Searchlight" program, "and say I'm astonished. These tactics don't befit Mr. Moses."

The controller was backed up yesterday by the Citizens Union, which urged the fair corporation to submit to audit. "The fair authorities are plainly unwise in resisting him [Mr. Beame]. If there is nothing wrong, then they should welcome public disclosure," the union's chairman, Milton M. Bergerman, said. He said he hopes the fair will accept the decision in good grace.

But Democratic Councilman at Large Paul O'Dwyer said he disagrees with Beame's approach to the fair, contending that the city's inaction and carelessness has done as much * * * to place the fair in jeopardy.

He said the city's failure to insist that the $24 million advanced to the fair be a loan and not a gift has weakened the city's right to inspect the fair's books * * * Sniping at this late hour is only complicating the situation. We will have Mr. Moses for the rest of the season and we may as well make the best of it.

ANTARCTICA—THE LAST FRONTIER

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. GRABOWSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GRABOWSKI. Mr. Speaker, one of the vast areas of the world which is now undergoing intensive interest and

research by the scientific community is the icy, harsh area of the Antarctic.

Scientists of many nationalities are gathered on this icecap at the south of the world, working together to learn as much as they can from this area, to learn about the limited forms of wildlife which exist there, about the mineral deposits which may be needed by mankind someday, about the food forms which one day may be needed to feed a hungry world.

Mr. William J. Clew, assistant managing editor of the Hartford Courant, visited this region with the Navy's 1964–65 Operation Deep Freeze expedition.

He reported on the work being done in Antarctica, on the lives of the men there, on his own experiences.

The series of articles which he sent back to the Courant by means of shortwave radio and special telephone hookup have been reprinted in a fine booklet entitled, "The Last Frontier."

He praises the men who are performing these arduous duties and cites the many Connecticut men who were in Antarctica. These include Lt. Richard Gadd of Simsbury, with the Air Force; James Mercik, a scientist from Thompsonville, and Thomas O'Meara, with Navy Aviation and from Torrington, all from the Sixth Congressional District of Connecticut.

Mr. Speaker, I ask unanimous consent that articles written by Mr. Clew be included at this point in the RECORD and to include extraneous matter.

REPORTS BY RADIO: COURANT EDITOR VISITS U.S. SOUTH POLE BASE

(By William J. Clew, assistant managing editor)

(The following dispatch was received by the Courant Sunday night by a shortwave radio and telephone hookup.)

BYRD STATION, ANTARCTICA.—I have just completed two flights over the high and icy mountains of the Antarctic Continent. The first trip took me to the South Pole, where the temperature was 21 degrees below zero.

I am here with a group of scientists, Navy leaders and Members of Congress.

The raw atmosphere and strong winds left me gasping for breath and drained my strength until I was able to adjust myself to this harsh environment.

VAST ICE FIELD

The South Pole, marked by the Stars and Stripes, is on a plateau nearly 11,000 feet above sea level. About 95 percent of all the world's ice and snow are in Antarctica, and at the pole this frozen layer is over 9,000 feet thick. Like standing in a desert, one can imagine here that he can see the curvature of the earth because this snow-covered plateau is so vast and unobstructed.

I had the unusual experience of being welcomed to the South Pole by name. I was greeted by James Mercik, son of Mr. and Mrs. Henry Mercik of Thompsonville, who is stationed here with the scientists and explorers.

He called to me through the howling winds and then helped me struggle up the short incline from the landing strip to the entrance of Amundsen-Scott station.

The rarefied atmosphere and the weight of my heavy Antarctic gear left me weak and trembling after my arrival. Then I became adjusted to the conditions. This experience was common to nearly all members of our party.

Mercik arrived at the pole a month ago. He is a June graduate of Georgetown University in Washington and will spend the next year studying the aurora australis, the South Pole counterpart of our northern lights (aurora borealis).

THREE STATE MEN HERE

There were three Connecticut men at the pole at this occasion. The third was Hartford attorney and retired Navy Comdr. Max M. Savitt, here as a member of the advisory group to visit the headquarters and South Pole station commanded by Rear Adm. James R. Reedy.

The scientific and exploratory program directed by Admiral Reedy is known as Operation Deep Freeze.

The headquarters for the operation is on Ross Island in McMurdo Sound, an arm of Ross Sea.

The trip to and from the pole covered nearly 1,800 miles. Roald Amundsen was the first man to reach the pole, racing to the spot in December of 1911.

The English explorer Robert Scott arrived only 35 days later, in January of 1912. Scott died on his way back to his camp.

Only about 800 men have reached the pole itself, and our party is now a part of this distinguished group.

The second leg of our trip from the interior was to this station named after Adm. Richard E. Byrd, located about 600 miles from the pole and 700 miles from the headquarters at McMurdo Sound. The station is completely under the surface of the ice and snow. The buildings are connected with tunnels, the whole station forming a labyrinth of about 3 miles.

So far, since we left Hartford in late November, we have covered more than 13,000 miles in military aircraft.

There are now three icebreakers, two from the Navy and one of the Coast Guard that have reached the McMurdo headquarters. They have broken a lane through the ice pack in the Ross Sea so that supply vessels can reach the headquarters base.

THE LAST FRONTIER: MAN HAS CONQUERED THE ANTARCTIC, LEARNING TO LIVE THERE IN COMFORT

(By William J. Clew)

MCMURDO STATION, ROSS ISLAND, ANTARCTICA.—You stand behind the pilot's seat in the cockpit of the giant Air Force cargo plane.

Maj. Bob Galt, graying veteran of the Military Air Transport Service, turns in his seat, lifts his intercom receiver off one ear and begins to talk about details of the scene unfolding 25,000 feet below.

We are over the seas surrounding the Antarctic Continent. The water looks black. It is filled with thrashing floes of pack ice.

Major Galt points ahead. There is a heavy white cloud layer, dazzling in the brilliant sunlight. Suddenly we break through it. Before us is a scene of wild, sinister beauty like nothing we have ever encountered. For hundred of miles there are ice-covered mountains. There are glaciers that slope like giant stairways, whose movement to the sea is so slow it is measured by centuries. The clouds play about the towering peaks.

The pilot points downward to his left. Jutting out from the ice mass, where the Ross Sea joins the oceans, is Cape Adare, lonely and forbidding. The sight staggers the senses. In God's name, I thought, what brought man here and what am I doing here? Bob Galt speaks again and I bend to hear amid the roar of the four powerful turboprop engines. Down below, he says, under that blanket of cloud and a few miles inland from Cape Adare, lies Hallett Station, a base for explorers and scientists manned by Americans and New Zealanders. A week before, he continued, he and his crew landed their big C-130 Hercules on the ice and dropped off a load of supplies. Unbelievable as it seemed in this vast, frozen area, ice and snow do melt and the ice runway at Hallett had begun to soften.

The men at the base had set up a plumb line, which registered a bend in the ice of only an inch and a half. "We felt we would be safe if the ice gave as much as 5 inches," said the major. Now, a week later the thaw of early Antarctic summer had set in and Hallett will get its supplies by air drop or from lighter planes.

As overwhelming as the sight of the South Polar Continent was, this little story restored my perspective. So there were men here and they were surviving in a land where survival is the uppermost consideration, minute by minute, hour by hour, day by day. In this harsh land, the temperature plunges in minutes far below zero and blizzards spring up, blotting out everything, completely disorientating a man even a few feet from the safety of a shelter.

Despite all the dangers, all the storms, all the loneliness and the almost unbearable cold, the big story of antarctic is that man has conquered it and is learning to live there in reasonable comfort.

Only a few hours ago, we had taken off from the airport at Christchurch, New Zealand and a few hours before that from Andrews Air Force Base in Washington, D.C., from the same tarmac where the presidential planes are parked. There had been an overnight stop in Honolulu and 2 days of rest in "Chi Chi," (Christchurch) where Rear Adm. James R. Reedy, U.S. Navy has his administrative headquarters for Operation Deep Freeze. This is the name given the program, headed by the Navy, in which the Army and Air Force are joined, that supports the scientific study of the Antarctic Continent. The Armed Forces group is known as Task Force 43 and Christchurch is its staging area.

About 30 of us had been invited. There were 10 newspapermen from United States, Europe, and Australia; Vice Adm. John Bush of the British Navy, Adm. Francois Picard-Destellan of the French Navy; Quincy Mumford, the Librarian of Congress; Herbert B. Powell, Ambassador to New Zealand; Dr. Allen Waterman, the distinguished physicist and leading figure in the National Science Foundation, who was a friend and colleague at Yale of the late Professor Harry W. Foote, father of the Courant's managing editor; four Members of Congress, a number of other scientists and military and naval men and an old friend, Judge Max M. Savitt, of West Hartford, who had been asked by the Navy Department to come out of retirement as a Navy commander to do some legal work for the expedition.

He took part in discussions with respect to questions of jurisdiction contained in the treaties governing the continent.

ISSUED SPECIAL GEAR

Admiral Reedy was aboard the plane with us on the way from Christchurch to McMurdo Station. He had met us on our arrival and now he was on his way to spend the next several weeks at his antarctic headquarters, directing the activities that are crammed into the only part of the year that is reasonably safe in this south polar land. The season extends from October 1 to about April 1. During this period there are about 1,300 men in Antarctica. Most of them are Americans. The rest are New Zealanders, Russians, Australians, English, and South Americans, manning the stations that dot the continent.

Before leaving Christchurch, we were issued special clothing. This included a change of woolen socks for each day we were "on the ice," as a visit to the continent is called. There were two suits of thermal underwear, long, heavy and warm, constructed with open meshwork. There were a heavy woolen sweater, two woolen shirts, woolen trousers, and a lined windbreaker. These were standard armed services issue, for cold

weather service. But in addition there was a heavy pair of lined trousers, called "many pockets." These were held up with suspenders. The most important item was a pair of heavy, white thermal boots with thick insoles of nylon and felt. Another pair of boots was issued for comfort indoors. These were like a pair of conventional high shoes. A woolen scarf, a fur-lined cap with earflaps and a fur-lined hood for the jacket completed the outfit.

LEAVE SUMMER CLIMES

New Zealand is a beautiful country and Christchurch a charming old city of more than 200,000, situated on the South Island. It was warm and summery when we left, wearing our basic antarctic clothing. We were briefed about the dangers of Antarctica and the physical condition of everyone was checked. I was relieved to see that there were several men older than I who had dared to make the trip. With one exception, an elderly man who came down with a touch of pneumonia at the South Pole, we all were destined to come through the adventure unharmed. A large crowd of New Zealanders gathered at the airport to see us off. We took uncomfortable canvas seats around the sides of the plane and strapped ourselves in. The center of the big fuselage was filled with boxes of supplies, mail sacks and our duffelbags.

Maintaining a balance between the warmth of our clothing and the temperature in the plane was a minor problem but as we neared the end of our 8-hour flight the temperature of the plane was lowered. This was done to help us acclimatize to our new environment and give us a chance to don our heavy outer garments. We landed on the ice of the Ross Ice Barrier in McMurdo Sound, where the landing strip is known as Williams Field, in honor of an expedition member who was killed a few years ago. The clear, cold air as we emerged from the plane was breathtaking. It was about 12 above zero. A fleet of Sikrosky helicopters lifted some of the group and heavy snowtrack vehicles took others up from the ice to McMurdo Station 7 miles away.

THERE IS NO DARK

We were anxious to get settled before dinner and "before dark," forgetting that there was to be no dark. At this season the sun shines around the clock on Antarctica. Some people found it difficult to sleep and came down with a condition known on the ice as "big eye." They went about tired looking, with staring eyes. But morning newspapermen are used to sleeping in the daytime and I had no trouble except to overcome the temptation to stretch the day into exhaustingly long hours. One night I was just going off to sleep when my roommate, Max Savitt, came in and asked what happened to the lights. "Where's the light switch?" he demanded. "Take off your sunglasses," I growled. The midnight sun was streaming through our window in BOQ (bachelor officer's quarters) 10.

Max and I argued good naturedly over who was to take the upper bunk. He contended that seniority in age and rank entitled him to the lower berth. We put it up to Admiral Reedy, who humorously declared that weight was the determining factor and gave the lower bunk to me. But the young Navy and Air Force officers in BOQ 10 came to Max's aid and gave him a ladder to mount to his perch.

Most of us wore our own light underwear under our thermal longies. We were put on the honor system to take only one bath a week and we paid for this by shoveling snow into a big tank where it was melted for the shower room. We did get enough water to shave and take sponge baths but despite this and changes of shorts and shirts there was a certain gaminess about all of us when midweek shower time came around.

Antarctica covers 5½ million square miles. It is bigger than the United States and Western Europe combined. Ninety-eight percent of it is covered by ice and snow and more than 90 percent of all the world's ice and snow are here. At the South Pole, which we visited, the ice and snow are more than 9,000 feet deep. This mass has pressed the earth under it into the core of the globe and accounts for the fact that the world is not a perfectly formed round ball but rather pearshaped.

Antarctica has its own built-in control system that maintains a precarious, delicate balance with the forces of nature. Its snow and ice do not build up so rapidly or melt so fast that the world is thrown out of orbit. If all the ice and snow here were to melt rapidly, the oceans of the world would rise 200 feet, wiping out all coastal cities. If the snow and ice were to accumulate without limit the world would indeed be off balance.

Scientists have been able to measure the snow and ice that have been building up over the centuries. The layers can be identified because the summer and winter deposits have different characteristics. There are other means used to determine the age of the snow and ice. One of my souvenirs from a visit to Byrd Station near the South Pole is a bottle of water melted from snow that fell in 850 A.D. It was brought up from a depth of 700 feet in a hole drilled to a depth of 1,200 feet. The scientist who gave it to me, John Katsufrakis, of Stanford University, said it would have been possible to bring up a sample of snow that fell at the time of Christ.

(Characteristics of the continent will be discussed in a later chapter.)

The summer population of Antarctica drops off sharply when the long, dark Antarctic winter returns. Only about 200 men "winter over." Once is usually enough but there are men who have done it more than once.

LONG TRIP

The trip from Washington to New Zealand was made in a C–135 four-engine jet cargo plane and from New Zealand to Antarctica in a turboprop C–130 Hercules.

Washington is about 300 miles from Hartford; Honolulu's Hickam Field about 5,000 miles from Washington; Christchurch about 4,500 miles from Honolulu; and McMurdo Station about 2,100 miles from Christchurch. Our roundtrip journey was to cover nearly 24,000 miles. In addition, there was an 1,800-mile roundtrip to the South Pole from McMurdo and another 1,500 miles to Byrd Station.

McMurdo Station looks like an open pit mining town. It is one of the rare places on the coast where Antarctica's land is visible. The temperature was in the 20's when we came up from the landing strip on McMurdo Sound. The little town is on a slope of black volcanic hills, reaching high above the cluster of huts. In the comparative warmth of the just-below-freezing temperature the snow on the hills was melting and running down through the muddy streets.

Everyone ate in a big general messhall, cafeteria style, the high rankers and low rankers without distinction. The food was good and plentiful. The sleeping quarters were warm and comfortable. Time turned backward, however, with respect to other facilities, which were like those prevailing in the rural sections of America long ago, before the age of indoor bathrooms. A modern plumbing system, however, was nearly ready for dedication as we left for home. McMurdo has a power and light plant run by atomic power. Unlike the one being built in Haddam it does not require millions of gallons of water an hour to cool its reactor. The cold Antarctic air does the job. It was shut down during our visit for maintenance but Admiral Reedy suggested that hereafter the maintenance be done when the summer population leaves.

ICEBREAKERS ARRIVE

McMurdo is the key supply base for the Antarctic scientific observation stations. Early in the South Polar summer, supplies are flown in daily by plane, both Navy and MATS (Military Air Transport Service) from Christchurch. Then they are distributed by air to the outposts. As the season progresses and the ice softens the American Navy and Coast Guard icebreakers appear. They plough out the ice fields and enable freighters and tankers to dock at McMurdo and unload vital necessities before the ice closes it again.

Our barracks stood on a bluff over McMurdo Sound, an arm of the Ross Sea. Nearby was the helicopter landing pad. To our rear, behind the town's black hills, was Antarctica's only active volcano, Mount Erebus, with its plume of smoke. In the clear air it looked to be within comfortable hiking distance. Actually its slopes and 13,000-foot summit were 30 miles away. Across the sound was Victoria Land and the chain of mountains known as the Royal Society Range. These, too, looked near enough to touch. They were 40 miles away.

Temperature inversions, in which the heat radiation causes the air to become warmer instead of cooler as it rises from the ice, result in mirages that can be seen from McMurdo. The most awesome is the Fata Morgana, a phenomenon that distorts images in the perpendicular. Looking out across the ice to the C–130's parked on the ice and the nearby huts of the airbase, we saw them one morning looming as high as skyscrapers and in the background what appeared like cliffs at the base of the mountains and glaciers.

PENGUINS SIGHTED

From nearby Scott Base, the New Zealand observation station, a sled pulled by 10 Eskimo dogs appeared on the ice one day, just after the departure of a lone penguin, which stayed in the same spot for several days. The dogs, bred here from an ancestral strain imported from the Arctic, are friendly and affectionate with men but will attack each other.

It was several days before we saw penguins in numbers. On that occasion we also saw several of the Weddell seals. But the skua bird, the antarctic gull, which also has some characteristics of the eagle, was around in large flocks from the time we arrived.

Penguin habits have been studied for years by scientists, who were especially interested in their homing instinct. Five penguins were caught a few years ago near Wilkes Station, banded and flown to McMurdo in a U.S. Navy plane. Months later two of them had returned to their original base, a distance of 2,800 miles. "Apparently," explained a scientist, "they had walked back, probably cussing the Navy every step of the way."

ANTARCTICA: MAN, LAND, AND ICE

(By William J. Clew)

McMURDO STATION, ROSS ISLAND, ANTARCTICA.—Antarctica, where nature is most violent, is one of the most peaceful lands on earth.

Man has had to curb his passions here. There is no aggressive move by any of the 12 nations actively interested in Antarctica to stake out the icy real estate as its own exclusive possession. A treaty signed by the 12 in 1959 has resulted in complete peaceful, happy cooperation for the good of mankind and science. Here the Russians and the Americans get along like brothers, exchanging personnel between their stations and sharing scientific information.

There are no firearms in Antarctica. The 1,300 men who work here do not carry so much as a .22 caliber rifle. Some have hunting knives strapped to their belts but these are useful tools rather than fighting weapons.

Even the Russians acknowledge the United States as the leading power in Antarctica. Only the Stars and Stripes, a beautiful sight in the vast snowy plateau at the bottom of the earth, flies at the South Pole. "Ninety degrees south" is America's but the station there is named for two great explorers from Europe, Roald Amundsen, of Norway, first to reach the pole, and Robert Falcon Scott, the Englishman, whose spirit dominates this continent, even though he came in second, 35 days late, in the race to reach the pole first.

ANTITHESIS OF ARCTIC

There is an amazing lack of knowledge about Antarctica. People confuse it with the Arctic. A newspaperman from another New England city predicted I would be embarrassed by having to explain to close friends, even the intelligent ones, that Antarctica does not have Eskimos or polar bears. He was right. He preceded me here by 4 years and when his articles about Antarctica appeared he was congratulated by one of his readers, who inquired about conditions in Alaska.

There are no Eskimos or polar bears in Antarctica. Penguins, skua birds, and seals live here, and in the waters there are several varieties of fish and crustaceans, edible ones. And there are killer whales and finback whales. But these forms of life can live elsewhere and when you come right down to it the real native life on Antarctica consists of insects and their relatives, the mites. These can be found under rocks, and rocks can be found usually only along the coast in places swept clear of ice and snow by the winds. Only 2 percent of the continent's earth is visible.

To simplify the picture, the difference between North Pole and South Pole, between Arctic and Antarctic, is this: The North Pole, center of the Arctic regions, is situated in the ocean, frozen over a good part of the year and surrounded by land. The South Pole is in the center of a continent, which is surrounded by oceans.

ONCE IT WAS WARM

Antarctica is the loftiest of all the continents and in some places the icecap is more then 16,000 feet thick, from the surface to the bedrock beneath. It has been thus for hundreds of thousands of years. Once, however, even the Antarctic was warm. There are fossilized remains of trees and a low grade of coal and these could only have been produced in a place where heat and moisture existed. Despite all the ice and snow the atmosphere is dry, like a desert, differing only in temperature. At the South Pole, where you can actually walk around the earth through all the converging time zones in a matter of seconds, you can see the great ice sheet of the South Polar Plateau stretching for hundreds of miles in all directions. The surface has a grained appearance called zastrugi, which means it is covered with wavelike ridges formed by the wind although the axes are at right angles to the wind.

SUMMER RIVER FLOWS

Fortunately for the equilibrium of the globe the weight of the icecap forces itself to move toward the sea, slowly but relentlessly. These great rivers of ice, or glaciers, feed into the ice shelves all around the edge of the continent. This ice extends across the sounds, the bays and the seas which man has to overcome to reach the land on which to set up his operating bases.

Ever since Nathaniel Palmer, the young Stonington sealing captain, sailed into these awesome seas to become one of the first to realize that a continent existed here, man has dared to tackle the power of the Antarctic. Palmer made his voyage in a sailing ship in 1820. Today, about this time every year, three sturdy steel icebreakers make their way through the Ross Sea into McMurdo Sound right up to the shores, breaking away floes as big as football fields and sending them out to sea. They are the Navy's *Glacier* and *Staten Island* and the Coast Guard's *East Wind*.

One sunny, windy day a group of us made our way around the base of Observation Hill above McMurdo Station and crossed the edge of the ice shelf to visit Scott Base, manned by a score of New Zealanders. The base is named after the explorer, although the base he used at McMurdo is on the tip of Hut Point. Scott's headquarters hut is still there and has been sealed in for protection awaiting complete restoration. He died on his way back from the Pole, only 11 miles from a supply cache. Hut Point was his goal. His men erected a cross in his memory on Observation Hill. It faces toward the Pole. In their headquarters at Pram Point, 7 miles from McMurdo Station the New Zealanders study weather conditions and the movements of the sea ice. They took us out to show how pressure ridges build up when the sea ice begins to crack and move and jams between the land and the ice shelf. Despite the cold there were open places where water had gathered and tiny plant life was beginning to appear. A few miles away the melting snow and ice was beginning to form the Onyx River, which flows briefly every summer through the largest area free of ice. It is in the McMurdo area that a large land area lies exposed, enabling studies that cannot be made anywhere else.

The United States spends nearly $19 million a year supporting the scientific and exploratory missions here. It cannot very well give up its stake in Antarctica for besides learning many new facts about cosmic rays, weather and the life of the continent itself, Antarctica has strategic military and political importance. It would be fatal to permit a potential enemy to establish a nuclear missile base here. The nations that have banded together to promote science and keep the place peaceful are the United States, Great Britain, Australia, New Zealand, Argentina, the Soviet Union, Belgium, Holland, South Africa, Japan and Poland. Norway withdrew from Antarctica a few years ago and Poland has been unable to maintain a permanent base. Japan suspended operations 2 years ago. Belgium also withdrew but with the help of Holland has resumed operations.

ICEBREAKERS IN THE ANTARCTIC ICE

(By William J. Clew)

MCMURDO STATION, ROSS ISLAND, ANTARCTICA.—The sun shines brightly 24 hours a day in the South Polar region at this time of the year and one morning it woke us early when only a few people in McMurdo were about.

Even in this air age ships can stir the emotions of some people and that is what happened to us as we stood on the bluff outside our barracks and gazed out over the frozen Ross Sea. Above the black crest of the volcanic rock of Hut Point, where stands the headquarters shelter used by Capt. Robert Falcon Scott 50 years ago, three small ships appeared in the icefield. They were steaming slowly in line and the Stars and Stripes were snapping at the gaffs on their mainmasts.

These were the icebreakers, nearing the end of their long voyage from home. To the men of Task Force 43 in McMurdo they were a welcome sight and when the news spread of their coming all those who were not on duty turned out to watch. Weeks before, the ships had left their home ports. They were the U.S. Navy's *Glacier*, and the Coast Guard's *East Wind*, from Boston and the Navy's *Staten Island* from Seattle.

OPEN SHIPPING LANE

For the next few days we watched their slow progress. Their job was to cut two parallel lanes, about three quarters of a mile apart and then to slice up the ice between and send it out to sea. This would open up the route to the base at McMurdo for fuel tankers and other supply ships.

Antarctic native life also would get some side benefits. When we were able to get out to the ships and board two of them, the *Glacier* and the *Staten Island*, we found they were being followed through the broken pack ice by seals, penguins, and skua birds. Next would come the killer and finback whales but these had not shown up while we were at McMurdo.

The executive officer of the *Staten Island* is Lt. Cmdr. James F. Newman, whose wife was Marlis Smith, daughter of Mr. and Mrs. J. McClung Smith of Glastonbury. Mr. Smith is a vice president of the Travelers Insurance Company. He is a former resident of Chicago. The Newmans, who have four children, live in Seattle.

The *Glacier* was the first to make port. It tied up alongside the shelf of Hut Point near the Scott hut after pushing through the 6-foot-thick ice. We boarded this just before its 48-hour stay in port was up and stood on the bridge with Lt. Cmdr. Vie J. Vaughan, the skipper, as he directed the ship down the lane he had carved open coming in. It was filled with jammed, broken ice and in places was frozen in solid again.

SPECIAL HULLS

Icebreakers do not simply slice through thick Antarctic ice. It's not that easy. Their bows are shaped like a forepaw, jutting out above the deep, wide-bellied ship's hull. This projecting bow enables them to climb up on the ice. The weight of the ship breaks down the ice. If the icebreaker gets stuck on unusually thick ice, the ship is able to roll from side to side until it breaks loose. This rolling or heeling action is performed by the rapid transfer of water, more than 140,000 gallons in all, from one side of the ship to the other, back and forth. The special tanks that hold this water make it impossible for the icebreakers to carry keels.

Their rounded bottoms and absence of keels make a voyage in the open sea an ordeal in stormy weather. Icebreakers have been known to roll as much at 85 degrees and the truth is that many of their well-conditioned sailors get seasick. It is not too much to say that the crews welcome the sight of the icepack because in the element for which it was designed to operate an icebreaker is a comfortable home. There are usually 20 officers and from 200 to 260 sailors aboard an icebreaker, enabling it to carry on operations around the clock.

As we steamed down the chopped-up lane to rendezvous with the *Staten Island* and the *East Wind*, where McMurdo Sound joins the Ross Sea, the slicing up of the ice continued. Floes of 20 acres and more were broken off and drifted seaward. On this voyage of the icebreakers a strip of shelf ice 5 miles long broke off from the continent, hastening the clearance of the channel.

It was a dark, stormy afternoon as we sailed toward Cape Royds and late in the day snow began to fall and the ice-filled sea became choppy. Our group was to go ashore in a small boat to visit the penguin rookeries on the cape but a frozen fuel line in the boat delayed things so long the venture had to be called off. We got in close to the cape and could see the hut used by Shackleton, the famous English explorer and several penguins along the shore.

Penguins and seals appeared on the ice on either side of the open water. The seals usually dove into the water as the ship approached but the penguins solemnly watched and didn't move until the last second. Their

troubles were to begin with the appearance of the killer whales. When the whales enter the bay the penguins are in danger. Groups of penguins sometimes stand in line, with that peculiar feet-out, hunched-up appearance of an old man. The line nudges the bird nearest the water over the side of the ice. If he is not grabbed by a killer whale the rest follow him and begin fishing.

We did get out in an open boat that evening, climbing down a ladder and were brought to the side of the *Staten Island*. Up the ship's side on a rope ladder we climbed and into the wardroom we went to get out of the storm. We chatted with Commander Newman and visited in his cabin. His family had sent his Christmas gifts and they were spread under a small Christmas tree.

It was a warm, comfortable trip back to McMurdo, where the lighter *Staten Island* had difficulty maneuvering into the berth vacated by *Glacier* which remained at sea to take its turn at ice cracking. Finally the bow was nosed into the shore and down a ladder we went again. In the brief history of Antarctic activity, since it was resumed on its present scale in 1956, this was the earliest that the icebreakers have been able to make it into McMurdo. It is the farthest south they come at any time.

ANTARCTIC FLYING RISKS MADE EASY

(By William J. Clew)

McMURDO STATION, ROSS ISLAND, ANTARCTICA.—Some of the world's best pilots are on duty with the American expedition, Task Force 43, in the South Polar continent.

Our Navy, Air Force, and Marine flyers carry out missions in routine fashion under conditions that would keep them grounded back home. They take off and land, using ice and snow runways, during storms that wipe out all visibility. They contend continually with strong winds, some so violent that supply planes, heading here from Christchurch, New Zealand, 2,100 miles away, often have to turn back.

Shortly after our arrival, word came into the headquarters of the VX–6 squadron, which does all the flying here, that a C–47 transport plane was down in the snow between McMurdo and the South Pole. A C–130 Hercules transport plane, piloted by Marine Lt. Roland W. Banks, of Dallas, flew to the scene with a new Pratt & Whitney engine and a hoist to lift out the old engine and install the new.

The equipment sank in the soft snow and a platform had to be built before the operation could proceed. Then, working for several days in the subzero cold and protected only by canvas tarpaulins from the fierce winds, the crews made the engine change. Old engine and hoist were loaded into the C–130 and preparations were made to return to base. The lighter C–47 had no difficulty but Lieutenant Banks found he would have to plough out his own runway before he could make it. The drag on his ski-equipped airplane kept him from getting up sufficient speed to lift off. The nose ski kept dropping back on each attempt. Banks ploughed up and down more than a dozen times in order to smooth out a track from which he finally freed the giant plane.

EQUIPPED WITH SKIS

The United States has spent a half million dollars on each of the C130s used here to equip them with heavy steel skis, or sleds. It is the best way to equip a plane for intracontinental flying under South Polar conditions. The skis are so arranged that they can be alternated with the landing wheels for use in New Zealand, where there is no ice or snow at the sea level airports.

It is the airplane and, specifically, the transport plane such as the C–130, that is helping man conquer this deadly continent. Oddly, the C–130 with its heavy body and stubby wings, doesn't look as though it would fly at all as it sits on the runway. But actually it is a graceful performer and takes off after a short run, climbs swiftly to its cruising height with heavy loads and does its best work at between 25,000 and 30,000 feet. In the insulated, heated fuselages of the C–130's on Antarctic duty, a trip from McMurdo to the South Pole is made easy. It takes only about 3 hours and is comparatively comfortable.

The day we left McMurdo for Christchurch, we had another example of the mastery of these Antarctic pilots. After more than a week of sunny weather, in which the temperature at McMurdo was in the twenties (it was 30° below at the pole) we finally encountered a real Antarctic storm. The thermometer dropped, the winds howled in from the pole and snow blotted out everything. We were all confined to the limits of McMurdo Station and warned it would be fatal to go beyond these limits. Late in the day the storm eased a bit and we were all driven to Williams Field, the airstrip on the Ross ice shelf. Visibility was less than a quarter of a mile. Strong winds blew the snow into a white mass that obscured the runway and obliterated all landmarks. Under ordinary conditions the lack of contrast in all this whiteness is bad enough but now all the things that help depth perception were wiped out. Nevertheless, we took off safely and within minutes were above the storm and out over the South Polar seas.

HELICOPTER RESCUE

Two Sikorsky helicopters of VX–6 were lost during our stay on the ice. One crashed in a storm and the other went down when a smoke bomb, which was to have been dropped as a wind gage, went off prematurely in the cabin and blinded pilot and crew. No one was hurt in either accident.

A few days before we reached McMurdo, a Time-Life photographer, Mike Rougier, slipped at the top of a glacier where he was taking pictures and rolled over and over down the slope for 1,800 feet. Three vertebras were chipped and several ribs broken and he came near dying from the cold as he lay helpless. Fortunately a VX–6 helicopter was nearby and it picked up a doctor and brought him to the scene. Due to the slope, the helicopter had to perform a delicate landing operation so its rotors would not smash against the ice. It dropped off the doctor with a stretcher and when Mike was made ready for the trip back to camp the helicopter came in again and he was hustled aboard. His body temperature had dropped several degrees and he would not have been able to withstand both cold and shock. A young, hardy man who grew a beard during his stay here, Mike was well enough to fly back home on the same plane assigned to our visiting group. He was still on a stretcher but was able to turn over and move about and he was cheerful about it all despite the pain.

DANGERS OF ANTARCTIC ARE CITED

(By William J. Clew)

McMURDO STATION, ROSS ISLAND, ANTARCTICA.—The dangers of the Antarctic were brought home forcibly to me when I was trapped for several minutes under the 6-foot-thick ice of the Ross Sea.

Along with other visitors I had taken my turn in climbing down the rungs of a ladder in a steel tube to a steel and glass observation chamber 15 feet under the ice. The tube and chamber had been set up 5 miles out on the Ross ice shelf, to which we flew from McMurdo in Sikorsky helicopters. A young scientist was stationed nearby, in a hut on the ice, to study the Weddell seals. He had brought his own seal from a point several miles distant, cut a breathing hole in the ice under the hut and put the seal in it. The seal was a captive subject because his life depended on coming up through the breathing hole every 28 minutes for fresh air. During the interval he swam and hunted under the ice and could be observed from the chamber through the thick windows. The tube and chamber had been lowered 50 feet from the hut.

I climbed down without difficulty and sat in a chair for 15 minutes studying the undersurface of the ice. The Antarctic sunshine filtered through and I could see ice crystals floating in the dark water. I noticed that the underside of the ice also was crystalized, with fernlike spikes. I could hear the seal splashing about between the submerged chamber and his breathing hole but could not see him. This was the limit of my observations.

EVER-PRESENT DANGER

When I tried to climb out I couldn't make it. Anxious faces peered down from above. I took off my jacket, wrapped my wallet and other belongings that I removed from my pockets and sent the package aloft on a rope that was lowered. The trouble, however, was not due to my bulk or the heavy clothing I wore. My legs just wouldn't fit in between the lower rungs of the tube and those just above. The difficulty lay partly with my heavy thermal boots, the soles of which were 3 inches thick. Removal of these would have put an end to the ordeal but also would have been uncomfortable. We decided to try another method. A stirrup was rigged in the rope and I put one foot in it. With one strong pull I was lifted above the point of difficulty and made my way up unassisted the rest of the distance.

Aside from some joshing that I was not important enough to have an Antarctic mountain peak named after me but might be considered for having my name affixed to that hole in the ice, the incident centered attention on the constant dangers that lurk in this environment. By ordinary standards, despite improvement since the days of Amundsen and Scott conditions here are still rugged.

Despite all the ice and snow there is little available water here and the big threat to safety is fire. There have been fires in buildings at the South Pole and Byrd Stations, threatening the lives of the men on duty at these outposts. Besides the loss of shelter, fire can destroy food supplies and regular nourishment is essential in the severe climate. For this reason Antarctic stations usually consist of separate buildings erected some distance from each other. Supplies are stored in tunnels under the ice, safe from building fires. The principal bases have refuge huts, set apart from the central station, where food and other supplies are kept. If the main station should be burned out these huts would be crowded and food would have to be rationed, but help would be only a few hours away. Fire is fought with chemicals because the only water is obtained by melting snow and ice in tanks heated from fuel brought in from the outside.

WATER IS EXPENSIVE

Even today water is expensive and has to be rationed, because men have to go outside in the severe cold, load snow on sleds and haul it to their buildings for melting. Sometimes the cold is so extreme that men using unusual exertion would damage their lungs. When the temperature drops to subzero levels or when there is a blizzard, the water supply runs short. At the South Pole station, when these conditions prevail the men sink a shaft underneath their camp and literally mine ice and snow for melting. McMurdo is much warmer than the South Pole or Byrd Station and therefore pure snow is scarce. For this reason a distillation plant to transform sea water into fresh water is planned for the near future.

Blizzards and drifting snow are so dangerous that many of the early stations have been abandoned as studies have increased

men's knowledge about the continent. The late Adm. Richard E. Byrd's station at the Bay of Whales, established in 1929, is one of these. His station, including a 75-foot radio tower, are now buried in the snow. Today sites are found where the snow accumulation is small. Buildings are erected in tunnels carved out of the snow by special equipment and are then roofed over. The roofs are supported by steel arches and a protective cover of snow blown over them. This type of construction has prevented the collapse of the buildings.

Besides the dangers to their living quarters men are threatened by the ever-present possibility of falling into deep crevasses, some of which are hidden by treacherous snow bridges. In order to carry on their studies and observations men have to work outside and are constantly exposed to the threat of falling into deep holes. They can disappear deep into the snow or ice in midcontinent and if they fall through the sea ice they can live only a few minutes.

TRIP TO SOUTH POLE; PADRES OF THE SNOWS

(By William J. Clew)

MCMURDO STATION, ROSS ISLAND, ANTARCTICA.—The South Pole often registers a temperature of more than 100 degress below zero. The average temperature is 57 degrees below and the highest ever registered is five below zero.

We were about the 800th person to reach the South Pole as near as could be told from the records. The pole was discovered by Roald Amundsen 53 years ago this month. He was followed 35 days later, in January 1912, by Capt. Robert Falcon Scott, who died on his way back to his base at McMurdo, only 11 miles from a food cache.

Between 1912 and 1956, when Antarctic explorations and scientific studies were resumed, no one came to the South Pole. Adm. Richard E. Byrd flew over the pole and dropped an American flag in November 1929. Adm. George Dufek came here in the fall of 1956 for the first of the Operation Deep-Freeze expeditions and the traffic has been steady, but small, ever since.

It is a test of a man's physical and mental condition to be able to withstand the South Polar experience. In common with other members of the group, this reporter had difficulty breathing for several minutes upon first stepping out of the plane that landed near the polar station. Some members of our party required oxygen and one man got a touch of pneumonia as a result of the rarefied atmosphere and the cold winds. But most of us were able to navigate normally after a 10-minute rest.

VISIT TO THE POLE

The temperature that day ranged from 21 to 30 degrees below zero. In a previous story I told of being greeted by name by a young scientist, James Mercik, of Thompsonville. He was a welcome sight to a heavily clad newsman struggling up an incline toward the subsurface station, where a small number of Americans live throughout the year.

The sun was bright, the wind strong, and the vast polar plateau, stretching for hundreds of miles in every direction, was an impressive sight. We were at an altitude of nearly 10,000 feet. The snow and ice under our feet were more than 9,000 feet thick. The heavy weight of the ice and snow on Antarctica presses down the earth at this point and gives the world a pear-shaped appearance. More than 90 percent of all the ice and snow on the globe is here.

We went to the geographical pole, marked by flags, stood around and talked, and took pictures. The magnetic South Pole changes its position radically and swiftly, in contrast to the North Pole where the change is slow. Both Amundsen and Scott disagreed on their calculations and their markers, now buried, are about half a mile apart. The station named after these two great explorers is about a quarter-mile away. Some think an error was made in American calculations when the station was established because of its distance from the pole.

We stayed several hours before flying back to McMurdo. We rode back to the station in sleds and were given a swift ride around the flagstaff as we left. Actually, it was a ride around the world, through all the time zones, which converge here—in a matter of seconds.

PADRES OF THE SNOWS

The next day was Sunday and many of our group attended church services in the Chapel of the Snows, the little chapel at McMurdo station used by all denominations. Inside this famous little church are memorials to all the men who took part in Antarctic exploration and to all those who died here.

The church is rounded, as though cut from a huge barrel. It has a small, conventional steeple over the front door.

One of our party, George Ivey, owner of a chain of department stores in the South, presented the Protestant chaplain with a Bible, the gift of a distinguished friend, the Rev. Billy Graham. Ivey, who lives in Charlotte, N.C., brought the Bible with him all the way. It replaced a well-worn Bible that had been in service here for several years. The Protestant chaplain is the Rev. Donald A. Weir, who holds the rank of lieutenant commander, and is a minister of the Presbyterian Church, North, in the United States.

The Catholic chaplain is Father Walter L. Driscoll, of Boston, a lieutenant in the Navy. He humorously claims to have the world's largest Catholic parish. He and the Reverend Mr. Weir visit the stations around Antarctica by plane. The young priest's claim is true. Antarctica is as big as the United States and Europe combined. As a youth, before he entered on his seminary studies, Father Driscoll worked in the offices of the old Boston Braves. This was back in the days when Louis Perini operated the club, before anyone thought of moving to Milwaukee. The late Charles Blossfield was business manager of the farm club in Hartford. Father Driscoll recalls all the old Braves group.

ADMIRAL ALTAR BOY

It was an unusual occasion, that mass after the visit to the Pole. Father Driscoll said most of it in English, the first time the new liturgy had been used in Antarctica. Rear Admiral James R. Reedy, commander of Operation Deep Freeze, who had accompanied us to the Pole, was among the worshipers. And Father Driscoll's altar boy was an admiral of the French Navy, Francois Picard-Destellan, one of the members of the visiting group.

ANTARCTICA—THE HOUSE MOUSE

(By William J. Clew)

MCMURDO STATION, ROSS ISLAND, ANTARCTICA.—It is fairly pleasant in the vicinity of McMurdo Sound, that arm of the Ross Sea, at this time of the year, which is the Antarctic summer, when the sun travels in a big circle overhead 24 hours a day.

The temperatures rival Hartford's in December and are sometimes warmer, usually hovering in the twenties. They are subject, however, to swift dives below zero, with dangerous winds and heavy snows and everyone here is warned against complacency. There are times when you feel you are dressed too warmly. This creates another problem. You are warned against perspiration and to avoid this you are told to peel off your heavy outer garments so you won't get overheated and catch cold if a sudden Arctic gale begins to tear at you. The people who come here, the scientists, the military men and even the press, are specially selected and usually well adjusted. They obey the rules and there are few accidents and little sickness.

The summer extends from late October to the middle of February. The sun first shows at McMurdo about August 20 and continues a slow, steady rise. It appears for the last time about April 23. Then the winter comes, lasting from late April until the following August. The summer population of Antarctica is cut from 1,300 to 200, including the men in the outlying bases. The last ships leave before the Ross Sea and McMurdo Sound freeze over again. It is dark and cold and it is dangerous to leave the warm, prefabricated shelters, dangerous even to venture out to the snow "mines" to bring back pure snow to be melted for water.

INTRODUCING THE "MOUSE"

Winter closes down the harsh continent, with its tiny population of brave men. If you dared to stand in the doorway of your shelter and throw a cup of scalding water into the 70° below zero atmosphere the water would freeze instantly and crackle before it hit the ground.

This change of seasons is a desperate, frantic period for the men who "winter over." They hasten to get all the outside work done and say goodby to those leaving by ship and plane. Suddenly the quiet and the darkness descend together. The fuel and food are all in and at those New Zealand stations where Eskimo dogs are kept for emergency travel, the frozen carcasses of seals are sliced up and stored for winter dog food. All equipment is put under cover and made accessible. Man's ordeal—the fight for survival—begins.

If men venture out on errands such as to feed the dogs staked out on the ice, they attach ropes to themselves so they can find their way back. If a tractor-sled carries a party from New Zealand's Scott Base to McMurdo, a distance of 7 miles, men are roped before they venture ahead to find the markers on the trail. Inside the barracks a warm, comfortable round of life begins, centered around the "house mouse." Everyone takes a turn at being "house mouse." He is the man who collects the snow for water, sets the table, washes the dishes, brings in the supplies for the cook, makes sure the oil-fed heating system is working and sweeps and washes down the barracks. He has a long tour. At night he stays up and checks the scientific instruments and keeps the records. If he is on duty on Sunday, which is cook's day of rest, he fills in for the cook. His reward is the weekly bath, a luxury in a land lacking in readily available water, despite the fact it has more than 90 percent of earth's ice and snow.

POPULAR SPOT

We met the "house mouse" the day we arrived at McMurdo from Christchurch, New Zealand, and were assigned to BOQ (bachelors officers quarters) 10, which proved to be the most popular spot in McMurdo. "Bachelors officers quarters" is not a true description of a man's actual marital status. It simply means he is living as a single man. In most cases he has left a family back home.

BOQ 10 stands at the edge of McMurdo Station, overlooking the sound. Next door is the weather station, where we could get up-to-date data on conditions at South Pole and Byrd Station. We found out one day that a weather observer who had flown over the Pensacola Mountains thought he had found another active volcano. A party was sent out to investigate but the final word on the accuracy of his observation hadn't come in during our time on the ice. Mt. Erebus, 30 miles from McMurdo, is the only known volcano on the continent.

The BOQ contained a complement of young Navy and Air Force officers, some of whom doubled up to accommodate the influx of visitors. Fortunately, most of us had been in the service and we fitted into the limited

accommodations without any trouble. Rear Adm. James R. Reedy, commander of the expedition which runs the Antarctic operations, dropped in for short visits occasionally. The skippers of the three icebreakers, or their executive officers, also called. It was a pleasant place for social gatherings and a center of information.

All of the regulars living in BOQ 10 took their regular turn as "house mouse" and while we were there enlisted most of the visitors to help out. The most arduous task was shoveling snow for the ice melters. We had our own bar, to which all of us contributed our liquor allotment and even a small galley. Life was very pleasant.

UNCOVERING ANTARCTIC SECRETS

(By William J. Clew)

MCMURDO STATION, ROSS ISLAND, ANTARCTICA.—Dr. Alan T. Waterman, one of America's most distinguished scientists, stood in the pilot's cabin of the C–130 Hercules transport plane as we headed across the midcontinent of Antarctica toward the South Pole.

Dr. Waterman is 72 years old. A former instructor of physics at Yale University, he is one of the leading spirits of the National Science Foundation and his interest in Antarctica has kept alive the scientific work in the cruel continent since inauguration of the intensive study program in 1957. Of medium height but with the broad shoulders and slim waist and hips of an athlete, Dr. Waterman set a pace that shamed many of the younger men in this group of military and naval men, scientists and newsmen who were being introduced to the South Polar regions.

Our heading was 347 degrees. We were nearly 30,000 feet aloft. We passed over Mt. Discovery, Minna Bluff, Darwin, Byrd and Nimrod Glaciers and the Queen Elizabeth range of mountains. Then we came in sight of a giant stairway of ice and snow. This was the famous Beardmore Glacier. A big, silent mountain loomed nearby, reaching up into the cloud layer. Dr. Waterman took a picture of it, smiled, and took a seat in the rear of the cabin. The mountain peak had been named after him in honor of his scientific record. It was the first time he had seen it.

FIRST VISIT

Indeed, this modest man, who has done so much to inspire the quest for increasing man's knowledge of the world we live in, was making his first visit to the South Polar continent.

A few days before, he had given us a little talk about the value of scientific research. He asked for a little patient understanding of pure research as opposed to applied research. He pointed out some of the practical values of applied research such as the study of the world's weather patterns, some of which are born here and the findings that have resulted from the studies of the upper atmosphere. Pure research, he said, often leads to great discoveries. He cited the findings of the English physicist Michael Faraday, in the field of electricity. The British Prime Minister, Gladstone, visited him one day and asked what good all these discoveries were. "Some day you will be able to tax them," replied Faraday. His discoveries, in fact, are the basis of all the giant electrical power and light systems without which we could not function today.

Dr. Waterman said a friend asked Benjamin Franklin what good his inventions and discoveries were. "What good is a newborn baby?" asked Franklin.

Dr. Waterman used these stories to support his claim that Antarctic research is of great value to mankind. Compared to that other remote region, the North Pole, Antarctica is more valuable to science, he said, because Antarctica is a continent and offers a more stable site for studies.

WHAT ABOUT FUTURE?

The scientific approach to Antarctica has enabled man to conquer it, live here in reasonable comfort and continue his studies. The danger to life is always present but the emotional attitudes have been changed by scientific knowledge. Man no longer approaches this place in fear. In an age that prides itself on intellect and scientific progress Antarctica can no longer be considered of little value despite its isolation, its vastness, its icy covering and its cold and wind. Its mineral deposits may be needed by a rapidly growing world population someday and it may even be called upon to supply food from its seas.

It will be some time before women are allowed to live in the community as it is now set up, a big force of scientists, Navy, Air Force and Army men in the Antarctic summer and a standby group in the winter. It's an all male affair right now and for the forseeable future.

It also will be some time before Antarctica has a tourist season. Development of aircraft that can fly here and land and take off safely, however, is advancing so rapidly that this situation could change in the next few years.

Basic scientific research will remain the chief objective for some time. "Practical" discoveries will come forth from time to time to satisfy Government budget makers. (Study of the metabolism of seals, for instance, is now heading toward applied help to people who suffer from overweight). And there will continue to be room here for those who seek adventure. There is no other place like it anywhere. It is truly the last frontier.

WILLIE AND THE PENGUINS: DRAMA BENEATH ICE SHELF WARMS ROVING EDITOR WHO TRAVELS TO ANTARCTICA TO VISIT SCIENTISTS AND THE "LITTLE NATIVES"

(By William J. Clew)

When I left Antarctica last December the penguins were beginning to arrive.

They came in as preparations were being made to take off from McMurdo Station, where Operation Deep Freeze headquarters are located. Our group was returning to Christchurch, New Zealand, the staging area for the scientific expedition to the frozen continent, which is supported by the U.S. Navy's Task Force 43.

Winter Quarters Bay, which lies off McMurdo and is part of McMurdo Sound, an arm of the Ross Sea, had been cleared of ice and brash by the three sturdy little American icebreakers assigned to the South Polar regions. They were the Coast Guard's *Eastwind,* flagship of the flotilla, and the Navy's *Glacier* and *Staten Island.*

Some of us had gone up the Ross Island coast about 15 miles to Cape Royds to see the penguin rookeries, but the weather was stormy and for once, the sun, which is overhead 24 hours a day at this time of the year, had disappeared. We could not get ashore in small boats and we went back to port on the *Staten Island,* which took the place of the *Glacier* for a 2-day rest period at McMurdo. Far out on the icepack of the Ross Sea, the *Eastwind* continued its work of slicing off floes and pushing them out toward the open sea.

As we came up the channel that had been opened by the icebreakers, the Weddell seals, the Adelie penguins (a breed small in stature) and the Emperor penguins, which stand as high as 4 feet, began to follow us. This was the earliest the icebreakers had ever made it to McMurdo and it was the earliest the penguins had reached the station.

Sailors, scientists, and visitors were on hand to greet the penguins, which are amusing to most people but a serious object of study to the scientists of the U.S. Antarctic research program.

Sir Francis Drake first observed these birds centuries ago. Their preservation and protection is one of the major concerns of the scientists. Scientific interest has resulted in increasing the number of the strange birds, who are like caricatures of humans. Conservation measures, based on respect for the privacy of the birds during mating season, have stopped the attrition that began to be noticed several years ago.

The penguins use the sun as a guide to navigation and travel thousands of miles with an unerring homing instinct. They have been carried across the vast Antarctic Continent by planes hundreds of miles from their home base, tagged and released. They always make their way back unless their natural enemies, the killer whales and the leopard seals, snatch and eat them. This homing instinct and the ability of the penguins to survive in the severe Antarctic weather are continuing objects of study.

A Johns Hopkins University scientist, Dr. Richard L. Penney, designed a special radio broadcasting set to attach to the flippers of penguins taken from their natural homes and released several hundred miles away. They are flown by the men of the Navy's Air Development Squadron Six (VX–6) whose home station is at Quonset Point, R.I. The radio signals from the penguins are received in the aircraft and at McMurdo Station. Dr. Penney said the studies seek to determine whether the penguins taken from their homes will orient themselves and follow a homing pattern as they waddle (they can't fly) across the icy continent. Aircraft are used to follow the birds and map their progress.

It was Dr. Penney, in 1959, who experimented with the Adelie penguins, a small species weighing 15 pounds, by bringing five of the birds to McMurdo from their homes 2,800 miles away. They were tagged and released. Eight months later three of them had come back home. They had walked the entire distance and as a scientist said, "probably cussin' the Navy every step of the way." The penguins do not travel at night so it was estimated that they had averaged about 8 miles a day.

Scientists and Navy men use living equipment and a subice observation chamber to study the Weddell seal and other sea life. Rear Adm. James R. Reedy, the leader of the Antarctic expedition, has donned Scuba diving gear and gone under the ice with three of the men making the studies, Dr. Carlton Ray, Lt. David Lavallee and Peter Gimble. One of the objectives is to find out what bodily equipment the Weddell seal has that enables him to dive as deeply as 1,500 feet in search of food, without any ill effects. A captive seal, with instruments attached to a harness, is used in the studies.

The subice observation chamber was built at Davisville, R.I., and flown to McMurdo Sound, where it was lowered through a hole cut in the 6- to 8-foot thick ice. The scientists reach it through a tube equipped with iron rungs. They sit 15 to 20 feet below the ice for their studies. Nearby is a warm hut, with no floor. In the ice under the hut another hole is cut for the captive seal to come up and breathe. Escape is not a factor because this is the only breathing hole for miles around. When the icebreakers come and open up the sound, the captive seal is joined by a female that has come in from the open sea.

The seals stay down for exactly 28 minutes and then come up to breathe. They do not appear to fear the men and sometimes leap out on the ice floor of the hut. They spend their time searching for fish and swimming back and forth between their breathing hole and the chamber.

It was in this chamber that I sat for 20 minutes watching life under the ice and

then spent several uncomfortable minutes when I found I couldn't get out. The length of my leg between knee and sole, plus my heavy thermal boots and two heavy pairs of trousers prevented me from fitting between the first and second rungs of the escape trunk ladder.

I remember that afterwards I was surprised I didn't panic. A big man trapped in a small place is a problem. After several attempts to climb out I stripped off some of my heavy outer clothing, removed my wallet, notebook, and other bulging objects from my pockets and sent everything aloft on a rope that was lowered. Because of the subfreezing temperature I kept my boots on and made one more try, this time via the rope, in which a sling was fashioned. I stepped into this and while a crew under Lt. Comdr. Sid Wright of Cape Cod hauled away I rose high enough to use the ladder. I climbed the rest of the way myself, so warm from my exertions that I sat on the supporting framework of the tube on the surface of the ice without noticing the cold. The sun was shining, lighting up the slopes of distant Mt. Erebus, the Antarctic's only active volcano.

Far away in the icepack the three little icebreakers were busy opening up the channel. It was great to be free again.

THE AUTHOR—MARK VAN DOREN

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. GRABOWSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GRABOWSKI. Mr. Speaker, seldom has a nation produced such a gifted individual as the United States has in the person of Mark Van Doren, a resident of Cornwall, Conn., which I represent.

Mr. William Claire, former assistant to Congressman CONTE, has written a biographical article on the life and works of Mr. Van Doren and I now ask permission that this article, "The Author—Mark Van Doren" which appeared in "The Booklover's Answer," be inserted in the RECORD.

THE AUTHOR—MARK VAN DOREN

(By William F. Claire)

In his celebrated autobiography, Mark Van Doren has said that his birthplace (Hope, Ill., June 13, 1894) would be "hard to find on any atlas, though it still exists as Faith and Charity, its sister villages named a century ago, do not."

The son of a rugged country doctor, he moved at the age of 6 to Urbana, where he attended the University of Illinois and began a writing career that has spanned a half-century of excellence in poetry, fiction, and criticism.

At the university, he studied under Stuart Sherman and wrote the first of his many books, a critical study of Thoreau. Commenting some 46 years later on a reissue of the book, Stanley Edgar Hyman called it a brilliant, even staggering, accomplishment by a student.

He served in the Army during World War I and later joined his brother Carl Van Doren on the Columbia University faculty. His Ph. D. study of John Dryden became his second book and one of the first to appear under the imprint of Alfred Harcourt, Donald Brace and Will D. Howe.

While his earliest published poem had been accepted by H. L. Mencken for the smart set during his college days, it was not until 1924 that his first volume, "Spring Thunder," was printed. T. S. Eliot, whose review in England of the Dryden book had much to do with establishing its permanent fame, also wrote favorably of the new poetry.

From 1924 to 1928, he set a productive pace that has been unmatched by any other major writer. He brought out two new volumes of verse, wrote a critical study of Edwin Arlington Robinson, served as literary editor of the Nation, collaborated with Carl on a study of British and American literature, compiled his famous "Anthology of World Poetry" and continued teaching at Columbia. During this period he and his wife, the former Dorothy Graffe, also produced two children.

An epic poem, "Jonathan Gentry," came out in 1931, and after a winter spent on his Cornwall, Conn., farm, he wrote another narrative poem, "A Winter Diary." In this 1935 book, he also included 33 sonnets, which Allen Tate in a recent review said amounted to the "finest work in its genre of this century." This book, still another collection and a series of new poems entitled "America's Mythology" were undoubtedly strong factors in his Pulitzer Prize Award for collected poems (1939).

Important critical works were also written during the thirties, the most prominent of which was "Shakespeare." Writing in 1942, however, in a preface to his "Private Reader," he announced his farewell to formal criticism by stating that he "no longer felt at home, even—or especially—in its finest rooms." The publication of the "Happy Critic" recently indicates that his announcement was somewhat premature. The demand for his comments on literature continues and while his approach is appreciative rather than critical in the academic sense, the essays are masterpieces of penetration and insight. Writers examined include Hardy, Herrick, Mann, Cervantes, and Whitman among others.

A legendary teacher at Columbia for 39 years, Van Doren retired in 1959. He has served since as Boylston professor of rhetoric at Harvard sharing that chair during an academic year with Robert Lowell. He is the present chancellor of the American Academy of Arts and Letters.

At Columbia he taught such diverse people as Lionel Trilling, Allen Ginsburg, Thomas Merton (perhaps the best description of Van Doren the teacher can be found in Merton's spiritual autobiography, "The Seven Story Mountain"), Clifton Fadiman, John Berryman and the recent Pulitzer Prize winning poet, Louis Simpson.

The late James Thurber has described his impact when he said, "Mark Van Doren is so many men that I have to open my front door and my windows when he visits me in order to let all of him in."

Needless to say, Van Doren's accomplishments stagger the imagination. To his poetry and criticism can be added three novels, innumerable short stories, a play ("The Last Days of Lincoln," widely read but as yet unproduced by a major company) and books such as "Liberal Education," "Invitation to Learning" (after the CBS radio show), children's books, mystery stories and a series of illuminating introductions, ranging from the Limited Editions Club volumes to recent paperbacks.

Each generation seems to discover Van Doren in its own special way. While it is impossible to estimate the number of readers he has had during his career, his influence has been considerable. Not surprisingly, the autobiography represents the best view of Van Doren's total commitment to life and literature.

Matters have been somewhat complicated (if, as many people assume, a writer has to be placed) by the fact that Van Doren has never joined a particular school of poetry. Like Conrad Aiken, he has assiduously avoided the limelight, although it has often been thrust upon him. Critics have compared him to Frost, Hardy, and Robinson but most have been in agreement that he has forged a body of poetry unique in this century.

In recent years, Van Doren has been collecting his work in a series of books, and his next is expected to contain all of the longer poems he wishes to preserve. At the same time, he continues to write new material that demonstrates his absolute mastery of form and ever-increasing awareness of the mystery and beauty of the world.

His is the sure touch of genius. It may be an eon or two before we produce another inspired writer in this country with quite the same grasp of life in all of its particular and universal aspects. Meanwhile, he gives us some hint of the music he hears in "Undersong," a majestic poem he wrote recently which begins:

"In wonderment I walk to music pouring
Out of so dark a source it makes no sound"—

And ends, after more than 80 remarkable lines—

"Evenly, unevenly as rhymes
Rival the pure chimes
Of never ending truth that for so long
Has sung to such as me this undersong."

H.R. 2465 COINTRODUCED

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PEPPER. Mr. Speaker, I understand that the Ways and Means Committee could not accomplish everything in this bill which is an important step forward in helping our retirees and senior citizens through this great country of ours to obtain the much needed help and care that they deserve, but I deeply deplore that the Ways and Means Committee did not approve and incorporate the provisions of my widows remarriage bill, H.R. 2465, which has been endorsed by 80 Members of the House and by 5 Members of the Senate as of today. This response was in answer to a questionnaire that I sent them 1 week ago asking for their support in my fight to help our senior citizens not only in my wonderful State of Florida and my district of Dade County, but also throughout this great and wondrous land.

Why should these elderly couples have to pay these reduced benefits for a little companionship in the twilight of their lives? What they get now is so meager—$80 a month at the most for a widow and on the average getting only $67.85 a month. Why should they have to lose $20 to $30 a month of this tiny sum when the Social Security Administration says the cost of change of the system would be "negligible." Why should they have to choose any longer between real sacrifice and their living standards in living alone the rest of their lives?

I am very proud that this bill, H.R. 2465, has been cointroduced by the following distinguished Members of the House or who will support it when it comes to the floor for a vote, they being Congressmen WILLIAM R. ANDERSON,

GEORGE W. ANDREWS, FARNK ANNUNZIO, RICHARD BOLLING, GEORGE E. BROWN, JR., JAMES A. BYRNE, EARLE CABELL, RONALD BROOKS CAMERON, TIM LEE CARTER, FRANK M. CLARK, ROBERT J. CORBETT, JAMES C. CORMAN, GLENN CUNNINGHAM, PAUL B. DAGUE, JOHN H. DENT, JOHN D. DINGELL, THADDEUS J. DULSKI, KEN W. DYAL.

Also Congressmen LEONARD FARBSTEIN, MICHAEL A. FEIGHAN, PAUL A. FINO, JOHN E. FOGARTY, WILLIAM D. FORD, SAMUEL N. FRIEDEL, E. C. GATHINGS, SAM GIBBONS, KENNETH J. GRAY, SEYMOUR HALPERN, JAMES M. HANLEY, JOHN R. HANSEN, AUGUSTUS F. HAWKINS, CHET HOLIFIELD, ELMER J. HOLLAND.

Also Congressmen DONALD J. IRWIN, JOSEPH E. KARTH, JAMES KEE, EUGENE J. KEOGH, MELVIN R. LAIRD, PHIL M. LANDRUM, RICHARD D. MCCARTHY, HARRIS B. MCDOWELL, JR., THOMAS C. MCGRATH, JR., JAMES A. MACKAY, CHARLES MCC. MATHIAS, JR., SPARK M. MATSUNAGA, D. R. (BILLY) MATTHEWS, LLOYD MEEDS, THOMAS G. MORRIS, F. BRADFORD MORSE, JOHN E. MOSS, ABRAHAM J. MULTER, WILLIAM T. MURPHY, LUCIEN N. NEDZI.

Also Congressmen JAMES G. O'HARA, ARNOLD OLSEN, THOMAS P. O'NEILL, JR., CARL D. PERKINS, J. J. PICKLE, ROMAN C. PUCINSKI, JOHN A. RACE, JOSEPH Y. RESNICK, GEORGE M. RHODES, RALPH J. RIVERS, JAMES ROOSEVELT, J. EDWARD ROUSH.

Also Congressmen JOHN P. SAYLOR, JAMES H. SCHEUER, JOHN R. SCHMIDHAUSER, ROBERT L. F. SIKES, B. F. SISK, ROBERT E. SWEENEY, HERBERT TENZER, PAUL H. TODD, JR., JOHN V. TUNNEY, STANLEY R. TUPPER, LIONEL VAN DEERLIN, JOSEPH P. VIGORITO, E. S. JOHNNY WALKER, CHARLES H. WILSON, and LESTER L. WOLFF.

Also supporting my measure are the Honorable Senators HOWARD W. CANNON, JOSEPH CLARK, ERNEST GRUENING, VANCE HARTKE, and THOMAS J. MCINTYRE.

So, Mr. Speaker, I ask that this august body ask the Ways and Means Committee to hold hearings on this matter in this session of Congress. Surely no one can turn a deaf ear to so many Members who are offering their support for our senior citizens by introducing similar bills.

MARGARET SHANNON

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. WELTNER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WELTNER. Mr. Speaker, for the past 3 years my constituent Miss Margaret Shannon has observed and duly reported the action and nonaction of the U.S. Congress, and of the members of the Georgia delegation. As Washington correspondent for the Atlanta Journal, her diligence and incisiveness have combined to create an accurate and perceptive chronicle of the Nation's Capitol.

Now it becomes my opportunity to "report" Miss Shannon and to observe with pleasure the signal honor that has come her way. On April 9, 1965, the Atlanta chapter of Theta Sigma Phi, honorary journalism sorority, will bestow upon her its coveted Brenda Award for outstanding contributions to her field.

Recognition is nothing new to Margaret Shannon, for several years ago she was chosen Atlanta's woman of the year for professions. Here is continuing evidence of her ability. I join her many friends, admirers, and readers in offering congratulations upon this high honor and well-deserved recognition.

A BILL TO IMPROVE TECHNOLOGY IN LOCAL INDUSTRY

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. MCVICKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MCVICKER. Mr. Speaker, I am pleased today to introduce a bill designed to permit the Federal Government to join with state governments, universities, and local industry in stimulating the industrial and economic growth of States and regions in the Nation through the application of science and technology.

My bill is addressed to those problems about which we read every day—long-term unemployment, regional pockets of poverty, industries which are losing their competitive positions, and increasing foreign competition in both domestic and world markets. The objective I hope will be attained through this bill is devising a system for bringing the latest developments in technology into the production lines and plants of our local industry.

These mechanisms would be concentrated on the local level, utilizing local leadership, local initiative, local resources, and local participation. Federal funds, on a matching basis, would be used to encourage the establishment or expansion of local institutions specifically designed to meet the needs of the local economy.

A State wishing to participate in the program would designate an institution, either a State university or agency, to administer and coordinate the State's technical services program. This institution would prepare a 5-year plan, outlining the technological and economic situation in the State, the major regional and industrial problems, and the means to be used in assisting in their solution. The institution would also prepare an annual technical services program, including the objectives for the first year, the budget, and the responsibilities assigned to each qualified institution participating in the program.

The 5-year plan and the annual program would be submitted to the Secretary of Commerce. Federal matching funds would be made available to the designated institution to support eligible programs. The Secretary of Commerce would establish a formula designating the maximum annual Federal payment, taking the following criteria into consideration: First, population; second, level of industrial and economic development and productive efficiency; and third, technical resources.

The formula will be weighted to provide funds to States and regions where industrial development has lagged behind its potential and where technical resources are weak. The population criteria will be applied in a manner which will permit even the smallest and least populous States to participate in a meaningful and profitable program.

There are a variety of effective programs of university-industry cooperation in operation in 28 States at the present time. One especially notable program is conducted under the auspices of the Denver Research Institute, an integral part of the University of Denver, which engages in sponsored research for government and industry. To stimulate the process of technology transfer, the DRI has developed a highly motivated staff of engineer-economists, engaged in effectively interpreting the significance of scientific and technological advancements to the commercial entrepreneur. These economists are studying new techniques for coupling technological innovations with potential users in industry, thereby providing the bridge between the generation of advanced technology and its use in technologically oriented as well as underdeveloped industries. In addition, these men are carrying out fundamental research on the processes by which technology is diffused and applied, seeking new ways to accelerate the transfer of knowledge into use.

The Denver Research Institute consists of seven operating divisions: chemistry, electronics, electromagnetic propagation, industrial economics, mechanics, metallurgy, and physics. Research interests in these divisions cover a complete spectrum from basic investigations to directed developmental efforts. A number of large research programs are also conducted by the institute outside of the divisional structure.

But such programs, effective as they are, are still small in comparison to the need and opportunity in their regions. If we are to promote our economic growth to the fullest possible extent; if we are to achieve and sustain a high level of employment throughout our Nation; and if we are to improve our competitive position in world trade—the gap between the technological developments in our laboratories and their application in our industries must be erased. For the sake of our economic growth and prosperity, I urge passage of these measures.

HOME RULE—DISTRICT OF COLUMBIA

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. SICKLES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SICKLES. Mr. Speaker, today I would like to discuss with you the bill which would give home rule to the residents of the District of Columbia. This bill, supported by President Johnson and many Members of Congress, including myself, would give the District residents the right to elect their own governing officials, a right which should be enjoyed by all Americans in every part of this country, but a right which is now denied to the residents of our Nation's Capital.

All of us are concerned with the voting rights of minority groups in this country. The President has called for, and the Congress is now working on, a bill which would insure that no one is prevented from voting because of his race, religion, or national origin. We are working to do away with all the roadblocks of discrimination which prevent minorities from voting, which flaunt the intentions of the U.S. Constitution.

However, while some of our citizens are being disenfranchised by discrimination, the citizens of the District of Columbia are being disenfranchised by law. And, surely, we should all be as interested in abolishing laws which prevent our citizens from voting because of geography as we are interested in abolishing all roadblocks which prevent our citizens from voting because of bigotry.

Thus, all Americans, whether they live in California or Maryland, Alaska or Florida, should be interested in seeing that the residents of the District receive home rule, interested because all Americans should have the right and privilege of voting, interested because this right and privilege does not exist now in our country's Capital.

The District of Columbia is unique among all governmental units in this country; unique because, while it is a metropolitan city, it is also the seat of our Federal Government. Therefore, I believe that while the citizens of the District should be given control over their own affairs, the Federal Government must be allowed to retain legal safeguards in order to protect its rights. I believe that the home-rule bill will accomplish this delicate balance between District freedom and Federal safeguards.

District citizens would have control over their own affairs because they would have the right, under the home-rule bill, to elect their own mayor and their own 15-member District Council. The home-rule bill also provides for a delegate from the District to the House of Representatives.

Now, the mayor would be a strong type mayor elected for a 4-year term. He would be the Chief Executive official of the District and have the power to appoint and supervise the work of all officials who have previously been appointed and supervised by the Board of Commissioners.

The 15-member Council would be elected from 15 wards established within the city. Each member would serve for 2 years. The home-rule bill would abolish such boards as the Board of Education, the Zoning Commission, and, of course, the Board of Commissioners and transfer their functions to the District Council. The District Council would thus be the legislative branch of the District's government.

Finally, the District of Columbia would be represented in Congress by a delegate elected by the voters. He would have no vote but would be given the right to debate on the floor of the House, and the right to sit on the House District Committee and, therefore, the ability to make the wishes of his constituents known to the Congress.

The home-rule bill would also guarantee the Federal interest in the District. The fiscal affairs of the District would be supervised by the General Accounting Office. The bill also insures that the Federal Government will pay its fair share of the cost of running the District. In addition, Congress would not be deprived of its right to legislate for the District, and Congress could repeal or modify acts of the District Council. The bill also provides for an absolute veto by the President of any act of the Council which would harm the Federal interest in the District.

I hope that all Americans will join with us in support of this assurance of voting rights for the citizens of our Nation's Capital.

A HISTORIC SOCIAL PROGRAM

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. PATTEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATTEN. Mr. Speaker, we all know that our vote today on hospitalization for the aged and the other features of this bill will be very important to every American. I am proud and happy to put my fingerprints on this great document and to vote for it.

There are over 20,000 persons in the district I represent who receive old-age benefits and there are also many not presently covered by social security who would become eligible to receive benefits under the proposed bill.

The benefits would be numerous: a basic hospital insurance program; a voluntary supplementary health insurance program; a broadened and liberalized Kerr-Mills program for the medically indigent.

Also a 7 percent increase in social security benefits; improved disability insurance; modification of the retirement test; extending social security benefits to youngsters in school up to age of 22; payment of benefits to widows at the age of 60; and other gains.

This is a vote I will always remember and cherish, because it will not only help our estimated 18½ million senior citizens, but also the untold millions who will be protected in the future. Today we are taking action on one of the most historic social programs in our generation.

I am also confident that eventually, almost every American will approve of this far-reaching program just as the great majority of our people now approve of social security.

PLANNING FOR PEACE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, today I am reintroducing a resolution calling for further administration efforts to achieve disarmament under effective international control. Senator JOSEPH S. CLARK joined by 21 cosponsors is also reintroducing this planning-for-peace resolution in the other body.

I am particularly pleased to join with Senator CLARK. His dedication to the cause of world peace and his untiring efforts to accomplish this noblest of goals deserve the admiration of all his colleagues. His work serves as a great source of inspiration to all who desire peace with freedom.

The resolution would put the Congress on record as follows:

Resolved by the Senate (the House of Representatives concurring), That the President should be supported in his efforts to achieve peace and disarmament under legally effective controls and to develop international institutions capable of permanently keeping the peace.

SEC. 2. The President is hereby requested to formulate as speedily as possible specific and detailed proposals for the implementation of the foreign policy objectives of the United States regarding the establishment of an international authority to keep the peace under conditions of general and complete disarmament effectively guaranteed by adequate inspection and controls. In formulating such proposals, the President is requested to consider whether the development of effective international machinery for the supervision of disarmament and the maintenance of peace, including (1) an International Disarmament Organization; (2) a permanent World Peace Force; (3) world tribunals for the peaceful settlement of all international disputes not settled by negotiations; (4) other international institutions necessary for the enforcement of world peace under the rule of law; and (5) appropriate and reliable financial arrangements for the support of such peacekeeping machinery, may best be achieved by revision of the Charter of the United Nations, by a new treaty, or by a combination of the two.

SEC. 3. The President should make such proposals available to the Congress and to the public generally.

SEC. 4. The President is requested to transmit copies of this resolution to the heads of government of all the nations of the world and to urge them to initiate within their governments studies of matters germane to this resolution and to formulate and make generally available recommendations based upon such studies.

Mr. Speaker, this resolution in essence asks for implementation of our already established commitment to disarmament under effective international controls. President Kennedy on June 10, 1963, clearly articulated this commitment when he stated:

Our primary long-range interest is general and complete disarmament, designed to take place by stages, permitting parallel political developments to build the new institutions of peace which would take the place of arms.

In his famous speech before the United Nations in September 1961, President Kennedy spoke of the "nuclear sword of Damocles" which hangs over the heads

of all men, women, and children on this planet. As a nation we are committed to the removal of that awesome threat.

In the last few years progress has been made toward the goal of disarmament. The test ban treaty was a major step. Lesser agreements, such as the "hot line," and the consular agreement soon to go to the Senate, are most important steppingstones toward peace. The passage of the planning for peace resolution would be another steppingstone.

Yesterday President Johnson said:

We often say how impressive power is. But I do not find it impressive at all. The guns and bombs, the rockets and warships, are all symbols of human failure.

In another part of that speech the President told the world:

Our generation has a dream, we have the power, and now we have the opportunity to make that dream come true (the dream is a) dream of a world where disputes are settled by law and reason.

Mr. Speaker, let us begin to fulfill that dream by passing this resolution.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 30 minutes, today; and to revise and extend his remarks.

Mr. ZABLOCKI, for 15 minutes, today; and to revise and extend his remarks.

Mr. FEIGHAN, for 15 minutes, today; and to revise and extend his remarks.

The following Members (at the request of Mr. REID of New York) to revise and extend their remarks and to include extraneous matter:

Mr. HALPERN, for 10 minutes, today.

Mr. CAHILL, for 30 minutes, on Tuesday, April 13.

Mr. WIDNALL, for 20 minutes, today.

Mr. ASHBROOK, for 30 minutes, today.

Mr. RYAN (at the request of Mr. GONZALEZ), for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. STEED (at the request of Mr. GONZALEZ), for 30 minutes, on April 12; and to revise and extend his remarks and include extraneous matter.

Mr. WELTNER (at the request of Mr. GONZALEZ), for 30 minutes, on April 26; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. RHODES of Pennsylvania his remarks during general debate today and to include extraneous matter.

Mr. PELLY and to include an editorial.

Mr. BOW.

(The following Members (at the request of Mr. REID of New York) and to include extraneous matter:)

Mr. FINO.

Mr. ROBISON.

Mr. HARVEY of Michigan.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. HANNA.

Mr. MURPHY of New York.

Mr. DONOHUE.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 4527. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 57 minutes p.m.) under its previous order, the House adjourned until Monday, April 12, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

899. A letter from the Comptroller General of the United States, transmiting a report of inadequate administrative controls over Federal funds used for financing Federal-State programs, Department of Labor; to the Committee on Government Operations.

900. A letter from the Comptroller General of the United States, transmitting a report of failure to utilize available excess components in the production of aircraft arresting barriers, Department of the Air Force; to the Committee on Government Operations.

901. A letter from the Assistant Secretary of the Interior, transmitting a report that no change in the repayment obligation occurs relative to the request of the Belle Fourche irrigation project to reclassify certain lands under contract No. IIr-1555, pursuant to 43 U.S.C. 485; to the Committee on Interior and Insular Affairs.

902. A letter from the Chairman, Federal Communications Commission, transmitting a monthly report on the pending applications and hearing cases backlogged in the Commission as of February 28, 1965, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER: Committee on Science and Astronautics. Report of Panel on Science and Technology, sixth meeting, aeronautics; without amendment (Rept. No. 227). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H.R. 5721. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes. (Rept. No. 228). Ordered to be printed.

Mr. BOLLING: Committee on Rules. House Resolution 325. Resolution providing for the consideration of H.R. 4714, a bill to amend the National Arts and Cultural Development Act of 1964 with respect to the authorization of appropriations therein; without amendment (Rept. No. 229). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 326. Resolution providing for the consideration of H.R. 4623, a bill further amending the Reorganization Act of 1949; without amendment (Rept. No. 230). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H.R. 7294. A bill to amend title 38 of the United States Code to exclude from income pension and annuity payments under the Railroad Retirement Act of 1937 for the purpose of determining eligibility for a veteran's pension under chapter 15 of that title; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H.R. 7295. A bill to provide penalties for certain offenses committed in connection with highway construction; to the Committee on the Judiciary.

By Mr. DAGUE:

H.R. 7296. A bill to provide for the enforcement of support orders in certain State and Federal courts, and to make it a crime to move or travel in interstate and foreign commerce to avoid compliance with such orders; to the Committee on the Judiciary.

H.R. 7297. A bill to make it a crime to move or travel in interstate or foreign commerce to avoid compliance with certain support orders, and for other purposes; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 7298. A bill to amend section 5(1) of the Railroad Retirement Act of 1937 to provide benefits for children of deceased railroad employees who are over the age of 18 and below the age of 22 and who are attending an educational institution as full-time students; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNT:

H.R. 7299. A bill to amend the Internal Revenue Code of 1954 to provide for the prompt issuance of determination letters relating to the status of a trust under sections 401(a) and 501(a) of such code; to the Committee on Ways and Means.

By Mr. GROVER:

H.R. 7300. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 7301. A bill to provide for expanded research in the oceans and the Great Lakes, to establish a National Oceanographic Council, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HUOT:

H.R. 7302. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

By Mr. JOHNSON of California:

H.R. 7303. A bill to provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters; to the Committee on Public Works.

By Mr. DON H. CLAUSEN:

H.R. 7304. A bill to provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters; to the Committee on Public Works.

By Mr. KEE:

H.R. 7305. A bill to amend the Employment Act of 1946 to require the Council of Economic Advisers to advise the President regarding the effect of the importation of petroleum and petroleum products on employment in the United States; to the Committee on Government Operations.

By Mr. MATSUNAGA:

H.R. 7306. A bill to amend section 601 of title 38, United States Code, with respect to the definition of the term "Veterans' Administration facilities"; to the Committee on Veterans' Affairs.

By Mr. MURPHY of Illinois:

H.R. 7307. A bill to establish a Federal Commission on Alcoholism, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7308. A bill to authorize certain modifications of the project for Calumet Harbor and River, Ill. and Ind.; to the Committee on Public Works.

By Mr. PERKINS:

H.R. 7309. A bill to provide Federal assistance for teacher preparation programs and continuing education; to the Committee on Education and Labor.

By Mr. PHILBIN:

H.R. 7310. A bill to amend titles 10 and 37, United States Code, so as to provide authorization of 4 years' constructive service credit to veterinary officers now on active duty with the uniformed services, and that those veterinarians hereinafter appointed as veterinary officers, be so credited; to the Committee on Armed Services.

By Mr. RYAN:

H.R. 7311. A bill to amend the National Housing Act to encourage and facilitate the provision of larger family dwelling units in small rehabilitation projects being carried out under the section 220 urban renewal housing mortgage insurance program; to the Committee on Banking and Currency.

By Mr. TUPPER:

H.R. 7312. A bill to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNGER:

H.R. 7313. A bill to amend the Interstate Commerce Act, as amended, in order to make unlawful, as unreasonable and unjust discrimination against and undue burden upon interstate commerce, certain property tax assessments of common carrier property, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WRIGHT:

H.R. 7314. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

By Mr. BOW:

H.R. 7315. A bill relating to the National Museum of the Smithsonian Institution; to the Committee on House Administration.

By Mr. DOLE:

H.R. 7316. A bill to make it a crime to give false information in connection with registering to vote, to pay or accept payment for registering or for voting, or to alter any ballot or voting record, with respect to a Federal election; to the Committee on the Judiciary.

By Mr. DYAL:

H.R. 7317. A bill to encourage the States to extend coverage under their State unemployment compensation laws to agricultural labor; to the Committee on Ways and Means.

H.R. 7318. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 7319. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the individual income tax for certain expenses of higher education; to the Committee on Ways and Means.

By Mr. KEITH:

H.R. 7320. A bill to exempt oceanographic research vessels from the application of certain vessel inspection laws, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LOVE:

H.R. 7321. A bill to enforce the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mrs. MAY:

H.R. 7322. A bill to repeal section 165 of the Revised Statutes relating to the appointment of women to clerkships in the executive departments; to the Committee on Post Office and Civil Service.

By Mr. NELSEN:

H.R. 7323. A bill to amend the Internal Revenue Code of 1954 to authorize and facilitate the deduction from gross income by teachers of the expenses of education (including certain travel) undertaken by them, and to provide a uniform method of proving entitlement to such deduction; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 7324. A bill to amend title II of the Social Security Act to provide that dependent parents of individuals entitled to old-age or disability insurance benefits, as well as surviving parents of deceased insured individuals, shall be eligible for parent's insurance benefits; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 7325. A bill to provide that where the entitlement of a veteran, widow, or child to a pension from the Veterans' Administration is based upon the veteran's having served in World War I, II, or Korean conflict, the beneficiary shall if otherwise eligible have the right to elect payment of pension under either the provisions of title 38 as in effect on June 30, 1960, or as amended by the Veterans' Pension Act of 1959, whichever provides the greater benefit; to the Committee on Veterans' Affairs.

By Mr. RIVERS of South Carolina:

H.R. 7326. A bill to amend section 1552(c) of title 10, United States Code, to provide for the deduction of interim earnings from the payments of active duty pay and allowances found due members or former members of the uniformed services as a result of the correction of their military records; to the Committee on Armed Services.

H.R. 7327. A bill to repeal section 7043 of title 10, United States Code; to the Committee on Armed Services.

By Mr. TEAGUE of California:

H.R. 7328. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted during a calendar year from $1,200 to $1,800 without deduction from benefits thereunder; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 7329. A bill to provide for the conveyance of certain real property of the United States to the city of San Diego, Calif.; to the Committee on Armed Services.

By Mr. WYATT:

H.R. 7330. A bill to provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters; to the Committee on Public Works.

By Mr. YATES:

H.R. 7331. A bill to amend the Export Control Act of 1949; to the Committee on Banking and Currency.

By Mr. DOW:

H.R. 7332. A bill to amend section 1498 of title 28, United States Code, to authorize the use or manufacture, in certain cases, by or for the United States of any invention described in and covered by a patent of the United States; to the Committee on the Judiciary.

By Mr. FULTON of Pennsylvania:

H.R. 7333. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. HOSMER:

H.R. 7334. A bill to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McVICKER:

H.R. 7335. A bill to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise; to the Committee on Interstate and Foreign Commerce.

By Mrs. MAY:

H.R. 7336. A bill to provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters; to the Committee on Public Works.

By Mr. MINSHALL:

H.R. 7337. A bill to designate Vietnam as a combat zone for Federal tax purposes; to the Committee on Ways and Means.

By Mr. MORSE:

H.R. 7338. A bill to provide for the greater protection of the President and the Vice President of the United States; to the Committee on the Judiciary.

By Mr. FULTON of Pennsylvania:

H.R. 7339. A bill to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise; to the Committee on Interstate and Foreign Commerce.

By Mr. SHRIVER:

H.R. 7340. A bill to amend title II of the Social Security Act to increase widows' benefits thereunder; to the Committee on Ways and Means.

By Mr. FARBSTEIN:

H. Con. Res. 384. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.

By Mr. ROSENTHAL:

H. Con. Res. 385. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.

By Mr. REUSS:

H. Con. Res. 386. Concurrent resolution expressing the sense of the Congress with respect to securing payment by members of the United Nations of their assessment in arrears; to the Committee on Foreign Affairs.

By Mr. BROWN of California:

H. Con. Res. 387. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H. Con. Res. 388. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.

By Mr. RYAN:

H. Con. Res. 389. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.

By Mrs. KELLY:
H. Con. Res. 390. Concurrent resolution relating to freedom for Baltic States; to the Committee on Foreign Affairs.
By Mr. EDWARDS of California:
H. Con. Res. 391. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.
By Mr. KASTENMEIER:
H. Con. Res. 392. Concurrent resolution planning for peace; to the Committee on Foreign Affairs.
By Mr. ROBISON:
H. Res. 323. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.
By Mr. CRALEY:
H. Res. 324. Resolution expressing the sense of the House of Representatives with respect to the President's proposal to aid southeast Asia; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

189. Mr. MORRIS presented a memorial of the Legislature of the State of New Mexico, requesting that a Job Corps training center be established at Camp Luna near Las Vegas, N. Mex., which was referred to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GRIDER:
H.R. 7341. A bill for the relief of Dr. Ricardo R. Fuste; to the Committee on the Judiciary.
H.R. 7342. A bill for the relief of Dr. Angel Fernando Golderos; to the Committee on the Judiciary.
By Mr. HELSTOSKI:
H.R. 7343. A bill for the relief of Mr. Ip Ping; to the Committee on the Judiciary.
By Mr. HORTON:
H.R. 7344. A bill for the relief of Splendora Capponi; to the Committee on the Judiciary.
By Mr. MATHIAS:
H.R. 7345. A bill for the relief of Jennifer Johnson Mojdara; to the Committee on the Judiciary.
By Mr. MURPHY of Illinois:
H.R. 7346. A bill for the relief of Nvenka Brajkovich; to the Committee on the Judiciary.
By Mr. O'NEILL of Massachusetts:
H.R. 7347. A bill for the relief of Maria de Fatima Dias Pereira; to the Committee on the Judiciary.
By Mr. OTTINGER:
H.R. 7348. A bill for the relief of Orazio Aiello, his wife, Antonia Romeo Busceti Aiello, and their child Giorgio Aiello; to the Committee on the Judiciary.
By Mr. PEPPER:
H.R. 7349. A bill for the relief of Dr. Moises Mitrani, M.D.; to the Committee on the Judiciary.
By Mr. RESNICK:
H.R. 7350. A bill for the relief of Miss Freni Bankwalla; to the Committee on the Judiciary.
By Mr. ROGERS of Colorado:
H.R. 7351. A bill for the relief of 1st Lt. David A. Staver, U.S. Air Force; to the Committee on the Judiciary.
By Mr. RYAN:
H.R. 7352. A bill for the relief of Mrs. Bahtiyar Hattat (nee Dinc); to the Committee on the Judiciary.
By Mr. WELTNER:
H.R. 7353. A bill for the relief of Jose Ripoll; to the Committee on the Judiciary.
By Mr. BOB WILSON:
H.R. 7354. A bill for the relief of Norman Morris Rains; to the Committee on the Judiciary.
By Mr. ASHMORE:
H.R. 7355. A bill for the relief of Lt. Col. Claude E. Tabor, Jr., U.S. Air Force; to the Committee on the Judiciary.
By Mr. CELLER:
H.R. 7356. A bill for the relief of Winston A. O. Dawes; to the Committee on the Judiciary.
By Mr. MOORE:
H.R. 7357. A bill for the relief of Dr. Felipe V. Lavapies; to the Committee on the Judiciary.
H.R. 7358. A bill for the relief of Dr. Nermin Demirbag Lavapies; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

160. By the SPEAKER: Petition of the executive director, National Liquor Stores Association, Inc., Worcester, Mass., with reference to requesting the reduction in the taxes on alcoholic beverages; to the Committee on Ways and Means.
161. Also, petition of Henry Stoner, Avon Park, Fla., with reference to promoting representative democratic constitutional government in the U.S. foreign policy; to the Committee on Foreign Affairs.

SENATE

THURSDAY, APRIL 8, 1965

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers, and our God: At the day's beginning, we humbly bow at this shrine of our sustaining faith, that above the babel of crashing systems, we may hear the imperatives of Thy voice, as in these days of destiny Thou art sifting out the souls of men before Thy judgment seat.

Move our hearts with compassion, we pray, so that the vision of a unified world which denies the divisive heresy that east is east and west is west and never the twain shall meet will be fulfilled, so that for all Thy children may be solved the pressing problems of food and shelter.

Make us pioneers of the glad day when Western and Eastern hands shall be clasped in mutual concern for the liberty and dignity of every individual under all skies, as enmity shall give way to strengthened and expanded bridges of understanding and cooperation, tying together in a resistless crusade peoples and lands, one in heart and purpose—though they be half a world away.

We ask it in the name of the Elder Brother of us all, who hath declared, "The field is the world." Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 7, 1965, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4527) to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard, and it was signed by the President pro tempore.

LIMITATION OF STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

PRESIDENT JOHNSON'S SPEECH ON SOUTHEAST ASIA—VIETNAM

THE DOOR IS OPEN

Mr. MANSFIELD. Mr. President, last night, at Johns Hopkins University, the President of the United States delivered an address of profound importance to the people of the Nation. It is to be hoped that his remarks will echo in Vietnam and southeast Asia, in China and the Soviet Union, and that their significance will be appreciated throughout the world.

Mr. Johnson dwelt upon the meaning of the conflict in Vietnam and the purposes for which we have engaged ourselves in that distant land. They are, as he made very clear, the purposes of freedom, not of conquest; and of construction, not destruction. We seek the security of our freedom through the security of others, not by the domination of others.

The President left no doubt that this Nation prefers the course of peace in Asia, not a year hence or 6 months hence, but as soon as it is possible to still the guns of war. We have pledged our assistance for more than a decade to the people of South Vietnam, in order that they may have opportunity to pursue their lives and destiny in freedom. That is all that we desire in that sore-beset land. If others are prepared to accept this keystone of peace, peace can be achieved.

The door is open to the statesmen of this Nation, of Asia, Europe, and the world to find the way to that peace. The door is open to the leaders of Vietnam, North and South, to find a way to put aside the destructive instruments of war and take up the tools of national construction.

And the President has made clear that we are prepared to do our part with other nations to convert that peace, once it is obtained, into a dynamic peace, a peace of constructive benefit, not only to the people of Vietnam, North and South, but to southeast Asia as a whole. Mr. Johnson has stressed again, as he stressed in