June, 1971

SEPARATE VIEWS -- HOUSE APPROPRIATIONS COMMITTEE

REPORT ON LABOR-H. E. W.

A careful examination of the appropriations recommended in the bill demonstrate that it is a feeble response to the widely acknowledged health crisis in this country. Two years ago, President Nixon held a press conference on what he described as "a massive crisis in this area". Here are President Nixon's own words delivered on July 10, 1969:

> "I realized when the administration came in, in January, that we had a major problem with regard to health care, that the problem was primarily one of enough doctors, the quality of the doctors, enough hospital beds to take care of the massively increasing demands in this field.
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> "The report that I have received from Secretary Finch and Dr. Egeberg indicates that the problem is much greater than I had realized. We face a massive crisis in this area and unless action is taken, both administratively and legislatively, to meet that crisis within the next 2 to 3 years, we will have a breakdown in our medical care system which could have consequences affecting millions of people throughout this country.
>
> "I don't think I am overstating the case."

A year later the Health Insurance Association of America, a trade organization of commercial health insurance carriers not known for its radicalism, issued a press release which noted that:

> "The health care system today is in a condition of crisis, and one that is worsening. Panel members said the condition has been brought about by a conjunction of many forces, including shortages of manpower and facilities, rapidly rising costs, 21st century medical technology that is shackled to 19th century organizational patterns, and to the existence of a two-class system of health care which often results in inferior care, or no care for the poor and the near poor in the inner cities and rural areas."

In the words of the late Walter Reuther, what we have in America is a non-system of health care. We have no firmly announced national goals with regard to the conquest of most of the major diseases which kill hundreds of thousands of Americans each year; we have no clearly proclaimed plans on just how many doctors, dentists, nurses and other health professionals we will need in the coming decade and how to develop the capacity to train them, and chaos and confusion characterize our present limited efforts to bring adequate medical services to all of our citizens.

One does not have to go beyond the boundaries of Washington, D. C. to view the tragic consequences of the lack of planning and resources in the health field.

A series in the Washington Post just a month ago documented the point that people in this Capitol City actually die because they don't have the money to pay for medical care. At least 20 deaths a year are attributable to the fact that poor patients are shunted from private hospitals to frightfully over-crowded D. C. General. They are dumped onto the emergency wards of that hospital, which are mostly staffed by foreign interns and residents. According to the Post article, sick and dying people wait in the corridors for up to twelve hours before being seen. Our fourteen private hospitals in the District are more than half filled with suburbanites, but 2,000 poor residents of the inner city are turned away at these hospitals each year and stashed like slabs of meat on the wards of D. C. General.

The consequences are painfully predictable. Our Capitol City last year, as for most of the past decade, had the highest infant mortality rate of any city in the country. It also had among the highest death rates for pneumonia, tuberculosis, cirrhosis and veneral disease.

The shortages of key health personnel nationally are an absolute disgrace. Hearings before the House Interstate Commerce Committee this year disclosed that we need a minimum of 500,000 additional health professionals just to maintain an adequate level of medical care, including 50,000 more physicians and at least 150,000 more nurses. Yet at these same hearings, as Congressman Paul Rogers reported at a press conference on May 20th, Secretary Richardson admitted that the Department of Health, Education, and Welfare "had no goal and no plan to achieve the proper ratio of doctors and nurses to our population."

It is estimated that 40,000 of the approximately 250,000 doctors in active practice in the United States are graduates of foreign medical schools. We import 2,000 doctors a year, and another 3,000 residents. Most of these residents, and many of the doctors, are used as slave labor in our city and county general hospitals and in our mental hospitals. In a number of our mental hospitals, 75 percent and more of staff physicians are graduates of foreign medical schools. The Journal of the American Medical Association reports that last year alone one-third of the 11,000 doctors newly licensed to practice in this country were foreign-trained.

Our medical schools are able to enroll only 11,000 of the 25,000 students who apply each year. Thousands of these who are rejected are lost to medicine and the remainder -- estimated at between 4,000 and 8,000 -- are forced to study abroad. Is it not an ironic fact that the medical school enrolling the largest number of Americans is not in the United States, but in Guadalajara, Mexico. There are 1,046 American medical students presently enrolled at the University of Guadalajara.

Tuition rates at the University are $1,000 a semester, plus an enrollment fee of $1,000. All of the lectures are in Spanish. After they have finished their four years of medical school they are forced, because of an edict of the American Medical Association, to spend an extra two years in post graduate studies. After a total of six years of such study, the American medical student is treated as a foreigner and required to take a test administered by the Educational Council on Foreign Medical Graduates. If the student passes -- and he is already two years behind U.S.-educated medical students who started at the same time -- he must repeat the internship year in the United States before being licensed.

The Administration makes much of the fact that total health expenditures in this country last year approximated $70 billion, roughly 7 percent of the gross national product. This would be an impressive figure but for the fact that the "system" is so badly run that millions of people now pay close to $100 a day for a hospital bed while millions of our poor can't find one. Furthermore, one of the most distinguished health economists in the country recently completed a lengthy study of health costs for the Committee for National Health Insurance which documents irrefutably the point that we are wasting 14 billions of dollars annually because of duplicating, competitive and inefficient mechanisms in the delivery of health services.

Medicaid is a classic example of this wastage of the health dollar. As originally conceived in 1965 it was designed, through a federal-state matching program, to bring medical care within the reach of 45 million people in this country who are at or near the poverty line. In actual fact, after five years of operation, it is reaching less than one-third of this number. Furthermore, because of various deductible and co-insurance requirements and other restrictions, it is paying only about 40 percent of the medical expenses of those covered under its leaky umbrella.

Because the original legislation contained no financial or quality controls -- each state was allowed to do its own thing -- the costs of this legislation have escalated at a frightening rate. In fiscal 1970, the federal contribution for Medicaid was approximately two and a half billion dollars; the estimate in the present fiscal 1972 budget is close to four billion dollars. As Dr. John Knowles, one of America's leading physicians, put it recently:

> "Medicaid is the lousiest waste of taxpayers' money and the most ill-conceived program which ever came down the chute."

Every other health program has to pay the price for this run-away program which benefits the doctors and the hospitals, but not many patients. In his testimony earlier this year, Secretary Richardson repeatedly admitted to the Subcommittee that uncontrollable increases in Medicaid, and to some extent in Medicare, made it impossible to recommend needed increases in other major health areas. He practically confessed that Medicaid was the Penn Central of the health field, dragging down everything else in its wake.

What is the health status of the American people? How is the patient doing?

Not very well. According to recent figures released by the World Health Organization, we rank fourteenth among the major industrial nations of the world in the rate of infant mortality; eighteenth in terms of life expectancy for males, and eleventh for females. The death rate among middle-aged males in America is higher than for any country in Western Europe.

How, then, do the American people view our health care performance?

Several years ago the Blue Cross Association, concerned with mounting public criticism of the costs of medical care, commissioned the pollster Lou Harris to do an in-depth sampling of the attitudes our people had toward the health delivery system.

The results of the Harris survey can only be described as shocking. Most of the respondents to the inquiry, whether poor or affluent, felt themselves isolated from good medical care. A majority reported that they would not know where to turn in the event of a serious illness in the family. From all of the accumulated evidence, the Harris survey concluded:

> "Now, in the affluent 60's...it can truthfully be said that over one-third of this nation feels ill-cared for in its medical needs."

In the public sampling, more than half of the American people gave health a higher priority than having a good job and, among poverty groups, 72 percent of poor whites and 59 percent of poor blacks rated good health over a job or money.

Large segments of our population exhibit the deepest anxieties and frustrations when asked about the accessibility of good health care. Two-thirds of the general public feel that you can't get a doctor in an emergency; 40 percent of the general public, and two-thirds of the poor, worry that they will be unable to pay a doctor if they can locate one, and more than half of the general public, and two-thirds of the poor, told interviewers that they were terrified of a serious illness which would disable the breadwinner and wipe out all family savings.

According to a recent report of the National Center for Health Statistics, which sampled the incidence of illness among 45 million Americans at or below the poverty line, these people had four times as many heart conditions as those in the highest income groups; six times as much mental and nervous trouble; six times as many cases of high blood pressure, and so on.

How has the Administration responded to this health crisis which it acknowledged in 1969 and which has admittedly grown worse in the past two years?

It has submitted a budget for fiscal 1972 which cuts back every major health activity, with the lone exception of a new initiative against cancer. When Secretary Richardson appeared before the Subcommittee earlier this year, Chairman Flood repeatedly insisted that the only increases in the health area were in the so-called uncontrollables where federal expenditures were mandated by law -- Medicare and Medicaid. Referring to all the other health programs in the Department, Mr. Flood sharply criticized the Secretary's presentation, expressing his keen dissatisfaction in these words:

> "You don't even have a cost of living increase for these programs, taken as a total. Not even a cost of living increase."

The Administration request for the research and training activities of the National Institutes of Health for 1972 is $1,283,000,000. If the $100 million increase for a new cancer initiative is excluded, it is considerably below last year's budget. Under the President's recommendations, four Institutes -- Neurological Diseases and Stroke, Allergy and Infectious Diseases, Arthritis and Metabolic Diseases, and General Medical Sciences -- are cut sharply below last year's level. The National Heart and Lung Institute, which has under its jurisdiction diseases which kill more

than one million Americans a year, receives not one nickel increase over last year's spending level.

Over the past four fiscal years, there has been no real increase in the funds for the research and training activities of the various Institutes. Several years ago, the Office of Science and Technology estimated that the cost of medical research rises 15 percent each year because of new and more sophisticated technology, increased costs for personnel, and other factors. Using this yardstick the President's budget, in real dollars, falls $466 million short of maintaining the level achieved in fiscal 1969.

In fiscal 1971, a total of $163 million in scientifically approved grants were turned down because of lack of funds. In addition, existing research projects were cut from 10 to 15 percent, causing the break-up of many excellent research teams. Careful preliminary estimates indicate that the level of approved but unfunded research grants will exceed $200 million in fiscal 1972.

The President's budget cuts the training programs of the Institutes by $30 million. In practically all of the Institutes, the training budget for fiscal 1972 will be considerably below that achieved two and three years ago. These programs are of major importance to the health of the American people -- they train our medical doctors and other health professionals in the newest techniques which they need to treat effectively heart disease, cancer, stroke, and a host of diseases. At a time when there is a concensus that we need thousands of additional doctors and many more medical schools, it is the height of folly to cut back training programs which, in addition to providing advanced treatment techniques, are also a major source of the expanded medical school faculties we will need in the coming years.

Despite all the talk about a new cancer initiative, the National Cancer Institute was unable to fund $5.4 million in scientifically approved training grants in fiscal 1971. Because of the inadequate budget recommendations that year, a total of 41 approved projects designed to train doctors in all parts of the country in the newest techniques in cancer treatment were turned down. Two years previous to this -- in fiscal 1969 -- a much larger cancer training budget resulted in only three disapprovals. In his fiscal 1972 budget submitted in January of this year, the President recommended a further cut of $2.5 million below the fiscal 1971 level which we have pointed out resulted in so high a percentage of rejections of approved training grants. This makes us a little skeptical concerning the President's brave new cancer program. We will have to see further details before we rise and applaud.

The famed heart surgeon Dr. Michael E. DeBakey, testifying just a few weeks ago before the House Appropriations Subcommittee on Labor-HEW, charged that our national priorities are seriously out of whack when we spend per person per year $400 for defense, $122 for the Vietnam war, $40 for highways, $30 for space exploration and $7 for all medical research.

As a nation, we spend $16 billion on alcoholic beverages and $10 billion for tobacco products, yet we allocate only a little more than $1 billion a year to medical research which can save human lives rather than destroy them.

Turning to his own special area, Dr. DeBakey told the Subcommittee that heart disease has reached epidemic proportions in this country, killing one million Americans a year. By the end of the present decade, it will have claimed ten million lives -- and a high percentage of these will be in the vulnerable age bracket of 40 to 55 years.

Mainly because of heart disease, America trails 17 other countries in the world in the longevity of its male population.

The medical costs for heart disease alone exceed six billion dollars a year -- $30 per person -- yet the President's budget for fiscal 1972 allocates less than one dollar per person for research into the number one cause of death in this country.

Medical experts have testified before the Congress this year, and in previous years, that this excessive toll due to heart disease is absolutely unjustifiable. On June 6th of this year the Inter-Society Commission for Heart Disease Resources, a national Commission of the most distinguished heart specialists who had studied the problem for more than a year under a grant provided by the Congress, reported that 30 percent of the 500,000 heart disease victims admitted to our hospitals each year die during their stay there. Thousands upon thousands of additional Americans die within two hours of an initial attack and before receiving any medical attention. The Commission concluded that an emergency medical system -- which exists in many European countries -- could save most of these people. We have a limited network of intensive coronary care units in this country; they are saving 50 percent of those who would have died. But we do not have enough of them to make any real in-roads upon the hundreds of thousands of people for whom the Commission recommends early life-saving intervention.

The Administration recommends the same sum for the Heart Institute as it recommended last year -- $194.4 million. This is approximately $10 million less than the Senate appropriated for the Institute in fiscal 1971.

Under this restrictive budget, the Heart Institute during the past several years has had to cut back on some of its major projects. The famous Framingham study of the causal factors contributing to heart disease has been practically terminated. The projected long-term diet-heart study recommended after several feasibility projects financed by the Institute, is unable to get off the ground because of a lack of funds.

In 1966, the Heart Institute began a study of the use of drugs in the prevention of heart attacks. Over a period of four years, 8,300 patients in 53 clinics were studied and recruited for the project. The cost of the program has been running at a level of about $4.5 million a year, but the inadequate fiscal 1972 budget will force a cutback of about $1.3 million each year and a minimal two-year delay in the project's completion. Individual investigators in the heart-drug study have complained that they will have to reduce the number of patients being studied, thereby discrediting much of the valuable data which has been accumulated over the past five years.

For a number of years the Heart Institute has been trying to establish a network of cardiovascular research centers. Planning funds were provided over a period of four years (1966-1970) and the first operational money -- only $7 million -- was included in the fiscal 1971 budget. However, since 14 centers are now ready to go into operation, it is obvious that greatly increased funding is needed. This funding is not provided in the fiscal 1972 budget.

Undergraduate and graduate clinical training in the field of cardiovascular disease is cut to the bone. The Administration allows only $13.5 million for this vital clinical training in fiscal 1972; this is $4 million below the 1971 training figure and approximately $9 million below the 1970 figure.

The budget for the National Institute of Neurological Diseases and Stroke serves as another illustration of the strange priorities embraced by this Administration. This Institute has within its responsibility disorders that attack the brain and central nerve system, affecting more than twenty million people. Major diseases under its research jurisdiction include stroke, mental retardation, Cerebral Palsy, Multiple Sclerosis, Muscular Dystrophy, deafness, Epilepsy, and congenital deformities. It is estimated that 20 percent of all hospital admissions are due to neurological and sensory illnesses. Many of these chronic neurological diseases incapacitate people for an entire lifetime at a fantastic cost to their families and to the government.

Despite its very broad mandate, this Institute received the sharpest percentage cut in the entire NIH budget. In fiscal 1971 the Congress, over Administration objections, funded it at a level of $106.5 million; a cut of $11 million reduces the Neurological Institute's budget to $95.5 million for fiscal 1972.

Stroke is the third leading killer in this country. Last year it claimed over 200,000 lives, and it is estimated that at least two million Americans are permanently incapacitated because of the onset of strokes.

Last year Congress, advised by medical experts of the urgent need to diagnosis incipient strokes before major damage occurs, tried to do something about this problem. Noting that there are only 17 stroke centers in the country, the Senate added $12 million for more stroke centers. Unfortunately, only $5 million of this was retained in conference and more than half of this final, small amount has been placed in reserve by the Administration.

Fourteen years ago, this Institute launched one of the largest and most innovative projects in the history of medical research. It awarded sizeable grants to investigators in various parts of the country so that they could follow thousands of infants from conception through age eight in an effort to identify the causal factors responsible for mental retardation, cerebral palsy, congenital malformations and a whole host of other diseases. Over this span of years, 55,000 young children have been examined constantly during their developmental years.

Known as the Collaborative Perinatal Project, it has already produced invaluable information which has saved the lives of thousands of children. The knowledge generated by this study of the enormous significance of German Measles in the pregnant mother, producing congenital malformations in the child, was the driving scientific force which mobilized the scientific community in the successful effort to prepare a safe, and now widely used, vaccine against German Measles. Many research leads from this massive project are already in use in genetic counseling, virus immunization programs and in corrective surgical and medical therapy for previously incurable deformities.

Under the Administration budget for fiscal 1972, this highly productive project is now asked to take a cut of $2.5 million. This cut comes at a time when approvimately $100 million has been spent over a period of years in accumulating the basic data necessary to make national recommendations. Key investigators in this project have informed the Congress that if the Administration recommendation is sustained, observations will have to be cut back on 50 percent of the children who have been studied so

carefully over the past decade and more. They point out that this year and next year are the most potentially productive ones in the entire history of the project; answers will be forthcoming in such important areas as the correlation between drugs taken by pregnant women and resulting deformities in children. All of us who remember only too well the Thaliodimide drug tragedy and the thousands of deformed children born at that time because we had no hard research knowledge certainly support enthusiastically any effort to investigate intensively the safety of all drugs taken by pregnant women.

The budgets of the other Institutes could be discussed in equal detail, all documenting the point that the inadequate Administration recommendation for fiscal 1972 for the National Institutes of Health will not provide anywhere near the funds needed to finance major breakthroughs against the major killers and cripplers of our time.

Just a few weeks ago we all read in the newspapers of the first steps in the development of a vaccine against Serum Hepatitis which kills 3,000 Americans each year and which, even more significantly, makes life-giving blood transfusions a very dangerous risk. Officials at the Allergy and Infectious Disease Institute estimate that an additional one million dollars is needed immediately to start work toward the development of such a vaccine. Yet this kind of allocation is out of the question because the Administration budget cuts the Allergy and Infectious Diseases Institute by close to $5 million below last year's operating level.

Under this recommended budget, the National Institutes of Health are in pretty bad shape, but it looks like the National Institute of Mental Health is on the critical list.

The Administration requests $425,611,000 for the National Institute of Mental Health in fiscal 1972 -- only one million dollars more than the actual operating level in the current year. This standstill budget is proposed at a time when the entire mission of the Institute has been expanded by the Congress to cover much larger efforts in the fields of drug addiction, alcoholism, the development of mental health centers in poverty areas, and services for emotionally disturbed children.

We cannot understand the rationale for this backward budget. In fiscal 1970, we achieved the largest annual reduction in the number of patients confined in our state hospitals -- a drop of more than 32,000 below the figure just a year ago. Today there are only 338,000 patients in our 300 state and county mental hospitals, a remarkable reduction of almost a quarter of a million patients over the past 15 years. Apart from the alleviation of human suffering, the economic benefits are striking:

(1) The saving of $6 billion in hospital construction costs, (2) the saving of over $6 billion in patient care costs and, (3) a vast increase in the productivity of persons who formerly would have been totally removed from the labor market.

This remarkable drop in patients in our 300 state and county mental hospitals is, to a considerable degree, attributable to the growth and development of community mental health centers since the landmark center legislation was recommended by President Kennedy in 1963.

President Kennedy, in transmitting the centers legislation to the Congress, proposed a realistic goal of 2,000 centers by 1980. In the first several years of the program we kept close to this time-table, but in the past few years we have fallen

far behind. At the present moment, only about 270 mental health centers are fully operational. Another 170 centers are in various stages of development, held back by the low level of funding these past two years. When fully operational, these 440 centers will serve about 25 percent of our population. What happens then to 150 million Americans who will not have access to a neighborhood mental health center?

Despite the financial obstacles to their growth, the centers are doing a truly remarkable job. In 1969, for the first time in history, admissions to community mental health centers exceeded first admissions to state hospitals. Testifying on this point before the House Appropriations Subcommittee on Labor-HEW Dr. Albert Stunkard, Chairman of the Department of Psychiatry at the University of Pennsylvania, told the members that:

> "The community mental health centers in particular have pioneered in keeping people out of hospitals by early diagnosis and treatment and preventing re-admissions by various after-care programs."

Despite these and many other achievements, the Administration is obviously set on killing the centers program. For the second year in succession, it has recommended no money to provide the federal share of the cost of construction of new centers despite the fact that the states have reported the need for at least $50 million in such construction monies.

Even more harmful is the Administration's arbitrary and legally questionable decision to restrict grants for the staffing of the centers only to those which received previous federal construction funding. This is a clear and premeditated form of birth

control, since it puts a terminal point on the program by tying all funds to federal construction monies which it no longer recommends.

In fiscal 1971, 65 centers in all parts of the country which met all of the rigid standards and criteria of the centers legislation were told that they would not be able to open their doors because they had not received a prior federal construction grant. Many of these centers were previously approved for funding in 1969 and 1970 under the ground rules of the original community mental health centers legislation; they are now being told that all of their heart-rending efforts to raise matching monies at the local level have been a cruel waste of time because the federal government is reneging on its previous commitments.

The Administration is also determined to wipe out the training program for psychiatrists which has contributed so enormously to a six-fold increase in the number of psychiatrists in this country over the past two decades. For fiscal 1972, the Administration budget recommends a $6.7 million cut in the psychiatric residency program -- about one-third of the total funds in this area. A nationwide survey by the American Psychiatric Association -- reported to the House Appropriations Subcommittee during its hearings this year -- shows that the Administration phase-out of the psychiatric residency program will result in the loss of approximately 1,300 potential psychiatrists in each of the succeeding years. Paradoxically, this sharp cut is recommended at the very moment when we have reached a peak demand for more mental health personnel to staff mental health centers and provide new services for drug addicts, alcoholics, children, and so on.

The American Psychiatric Association also testified at this year's hearings that the cut in the psychiatric residency program in fiscal 1972 alone would result in 140,000 patients going untreated, since these residents perform a major portion of the treatment in our medical school teaching hospitals, mental health centers, and on the emergency wards of our city and county general hospitals.

The drug alcohol is the most widely abused drug in our society. While we rightfully concentrate upon drug abuse -- particularly among our young people -- we seem to overlook the fact that there are nine million alcoholics in this country as compared to an estimated 250,000 users of heroin. Even in New York City, which has been described as the drug capitol of the country, there are three times as many alcoholics as there are users of hard drugs.

Responding to this epidemic of alcoholism in this country, the Congress in 1970 overwhelmingly passed the Comprehensive Alcohol Abuse Act. President Nixon signed it into law on the last day of 1970, but he has inexplicably refused to recommend any monies for its implementation in either fiscal 1971 or in the current fiscal year. For fiscal 1972 P.L. 91-616 authorizes $100 million, of which $60 million is in revenue-sharing formula grants to the states for the comprehensive planning and establishment of services to all alcoholics in need. The newly established National Institute on Alcohol Abuse and Alcoholism has reported that preliminary applications from the states far exceed the $60 million in formula authorizations, but the Administration still refuses to budge.

The Administration is also determined to kill the Hill-Burton hospital construction program, generally regarded by the medical community as one of the most innovative and successful health programs in our entire history. Under its provisions over the period of the past two decades, 425,000 badly needed new beds have been constructed. It has been a tremendous grass roots effort -- the $3 billion appropriated by the Congress since its inception has generated more than $7 billion in state and local contributions.

Last year the Congress, by overwhelming majorities in both bodies, renewed the program for three years at a level of close to $3 billion. President Nixon vetoed the bill, but the veto was decisively over-ridden by the Congress.

Despite the very clear intent of the Congress, the Administration stuck to its guns in proposing only $89 million in fiscal 1971 for the total Hill-Burton program, as against an authorization of $382 million. A considerable portion of the $89 million was requested for mortgage guaranty loans to non-profit hospitals and direct loans to public hospitals.

This Committee last year reversed the Administration's priorities by voting $172 million in grant monies and striking out all direct loan provisions. However, even this sum was far from adequate; we noted in our separate views in last year's Appropriations Committee report that the Hill-Burton funds have been going down precipitously each year, while the hospital needs of the country have been increasing. For example, in both fiscal years 1966 and 1967, the appropriations for Hill-Burton exceeded $300 million, and in fiscal years 1968 and 1969 it dropped to approximately $265 million a year.

The Administration seemingly doesn't review the data put out by its own people who run the Hill-Burton program. Recent figures released by the Department of Health, Education, and Welfare document the need for the construction of 91,000 new hospital beds and the modernization of 227,000 beds. These same officials, on the basis of figures supplied by the state hospital authorities, estimate that the backlog for new hospital construction and modernization now approximates $16 billion.

For fiscal 1972, the Administration recommends approximately $138 million for the entire Hill-Burton program. There are no grant funds in this total for general hospital construction, long-term care facility construction, or modernization. The sum of $85 million is proposed for the construction of out-patient facilities. Stubbornly sticking to the policy rejected by the Congress last year, the Administration allocates the remainder of the requested sums to mortgage guaranty loans and direct loans.

Even if we include these loans in the Administration proposal, we arrive at a comparison of $138 million requested for fiscal 1972 as against the authorization of $402 million included in the 1970 legislation.

The banker's philosophy of the Administration's policy is graphically illustrated in this quotation from the Administration's justification for its recommendations: "The 1972 budget continues the policy of relying on interest subsidies for hospital construction and providing grants only for ambulatory care facilities."

As we pointed out in the debate on the bill last year, the reversion from the time-tested grant policy of Hill-Burton to one of mortgage loans is of little help to our financially strapped hospitals, since it will cost them hundreds of millions of dollars in

interest rates alone. Many hospitals are now paying 8 and 9 percent interest on bank loans, and in Southern California they are paying 12 percent.

Even the direct loan program, which is restricted to public hospitals, is of limited value. The Administration proposes only $30 million for this program as against a backlog of approximately $200 million in urgent requests from city and county hospitals which are on the verge of bankruptcy.

The Regional Medical Program -- popularly known as the heart disease, cancer and stroke legislation -- is in equal danger from the Administration knife. The program was inaugurated by the Congress in 1965 with the stated purpose of uniting both the public and private sectors of medicine in an organized effort to cut down the frightful toll of these three diseases which are responsible for more than 70 percent of all deaths in this country each year.

Last year, the Administration recommended only $96 million for the program. The Congress, in adding another $10 million to this request, reminded the Administration that it should be funded at a much higher level since it had the solid support of the medical profession and was saving an inestimable number of lives each year. What was the Administration response? It froze $35 million of the sum finally voted by the Congress for fiscal 1971. The Congress, considerably annoyed, added $10 million to the fiscal 1971 appropriation in the second supplemental bill, but the Administration has indicated it will also freeze this additional money.

For fiscal 1972, the Administration proposes $52 million for the heart disease, cancer and stroke program, approximately one-third of the authorized amount. Despite evidence that the scores of coronary care units established under this legislation are

saving more than 50 percent of heart patients who formerly would have died, Secretary Richardson in his testimony before the Subcommittee indicated that he didn't see any justification for its continuance.

It is very important that our people -- particularly young children -- be vaccinated against widespread communicable diseases, including polio, tuberculosis, measles, German Measles, diphtheria, and tetanus. Funds for immunization against these diseases were originally provided under the Vaccination Assistance Act, but the Administration opposed its renewal and the authorizations lapsed. Sensing the imminent danger to public health, the Congress on its own initiative in 1970 passed the Communicable Disease Control Law authorizing $75 million in fiscal 1971 and $90 million in fiscal 1972 for control programs to halt the spread of these diseases.

The Administration has refused to request any funds under this Act, arguing that these immunization activities should compete with other health programs for funds under the Partnership for Health legislation of 1966.

What are the results of this benighted policy?

Let us take tuberculosis as an example. Through the use of new drugs and new immunization techniques, many TB hospitals closed their doors and the number of new active TB cases began to drop sharply each year. In the period 1965 through 1970 alone, there was a decrease of approximately 12 million bed days for tuberculosis patients, resulting in a saving to state and local governments of $430 million.

But this year we are beginning to see a rise in the number of new tuberculosis cases. The decision of the Department of Health, Education, and Welfare to transfer the very limited funds for TB control under the Partnership for Health program from

project to formula grants has resulted in a reduction of funds in the 29 states and the District of Columbia where the tuberculosis problem is most serious.

The rate of immunization against polio, measles and diphtheria has declined markedly since the expiration of the Vaccination Assistance Act, and there are definite and alarming indications of a resurgence of these preventable diseases. For example, reported cases of measles in 1970-71 will probably exceed the number of cases reported in any year since the drive to eradicate measles began in 1966. Veneral diseases are also on the rise; the downward trend of earlier years has now been reversed because of the lack of federal funding. Infectious Syphilis in 1971 is up 18 percent over the 1970 level.

In 1967, after years of painstaking research, the National Institutes of Health developed a vaccine against German Measles which, if caught by pregnant mothers, is responsible for the birth of many deformed children. In the last German Measles epidemic in 1964, 20,000 children were stillborn and another 30,000 were born with massive congenital defects, including mental retardation, blindness, deafness and cerebral palsy. Under constant prodding from the Congress, the Administration allocated limited funds for German Measles vaccination under the Partnership for Health program. These were never adequate, since the Public Health Service stated that all children should be vaccinated against the disease. Today, four years after the program was inaugurated, less than 50 percent of the target population has been vaccinated.

The price we will pay for this shortsighted policy is fearful. Scientists predict that another German Measles epidemic will occur in 1973. How many deformed babies will be born in that epidemic?

Lead-based paint poisons are a terrible menace to the children of this country. The Department of Health, Education, and Welfare estimates that lead-based paint poisons 400,000 children a year and causes 200 deaths a year. As SCIENCE MAGAZINE recently reported: "Lead poisoning kills and cripples more children than did polio before the advent of the Salk Vaccine."

Last year the Congress authorized -- over strenuous Administration objections -- the Lead-Based Paint Poison Prevention Act providing $30 million over two years to control the disease. Throughout fiscal 1971, the Administration refused to request any money for this vital legislation. Attempts to add a small amount of funding were made in both supplemental appropriations bills, but were defeated each time by adamant Administration objections. A few weeks ago, Secretary Richardson announced that he would find $2 million for the Poison Prevention Program in his fiscal 1972 budget, an amount less than currently being spent by New York City to control lead poisoning.

In summary, then, these are some of the deficiencies in our health care system. Our opponents may agree with our description of the crisis in health care, but they will argue that current budget deficits prevent any increases in health expenditures at the present time.

We contend, and we have the documentation to prove it, that medical research and good health care vastly increase the Gross National Product. These programs convert tax-eaters into taxpayers. They remove people from the welfare rolls and from our over-crowded hospitals. Back in 1965, the Wooldridge Committee reported to the Congress that the federal involvement in medical research over the previous 20 years reaped a larger dividend in terms of increased productivity and taxes than any other single program in the entire federal government.

In the period from the close of World War II to 1968 -- the era of the major expansion of the Institutes, largely through the process of annual Congressional increases over inadequate Administration budgets -- the decline in the death rate meant the saving of more than eight million lives. During this period, the 2,700,000 who were wage earners in this group earned $102 billion in income, of which they paid $12.8 billion in income and excise taxes to the government. This sum exceeds the total appropriations to the National Institutes of Health since their inception. As a further example, funds appropriated in fiscal 1970 to the National Institutes of Health have been repaid eight times over to the federal government in income and excise taxes from wage earners whose lives were saved due to medical research successes over the period of the last two decades.

Time does not permit a listing of the enormous savings to our economy from research advances against polio, influenza, tuberculosis, high blood pressure, Parkinsonism, German Measles and a whole additional litany of diseases.

One illustration must suffice: An expenditure of less than $200 per person on arthritis research will extend by five years the income producing lives of thirteen million patients, amounting to a total national saving of $1.5 billion. Furthermore, a recent cost-effectiveness analysis shows that for every dollar invested in improved diagnosis and control of arthritis, thirty-eight dollars will accrue to our national income.

The Coalition for Health Funding, composed of 21 major professional and voluntary organizations in the health field, has recommended an increase of $2.2 billion over the President's budget for health expenditures in fiscal 1972. In his presentation

to the Congress this year Dr. John Cooper, chairman of the Coalition and President of the Association of American Medical Colleges, said this:

> "We know this is a lot of money; but we also know the health crisis is now. The crisis must be met. It is as impossible to provide a nation proper health care with inadequate funding as it is impossible to find a cure for cancer with inadequate research... The time has come for this nation to realize that support of health care is not an economic burden; it is a measure of social advance."

We are not proposing the full amount recommended by the Coalition. After a careful analysis of the President's budget, the House Appropriations Committee bill and the Coalition data, we are asking an increase of $ over the sum recommended in the Committee bill. We are pleased that the Committee has recommended increases in key health areas, but they are obviously not sufficient to give us the resources to meet the health crisis which is now hard upon us.

The right to good health care is as fundamental as the right to a free education, an adequate diet and decent housing. As the noted historian Will Durant once observed from the vantage point of a forty year study of the history of civilization:

> "The health of the nation is more important than the wealth of the nation."

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