

CONSUMER INTERESTS OF THE ELDERLY

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
CONSUMER INTERESTS OF THE ELDERLY
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETIETH CONGRESS
FIRST SESSION

PART 2—TAMPA, FLA.
FEBRUARY 3, 1967



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The following hearings on Consumer Interests of the Elderly were held with more planned but not scheduled at the time of this printing.

Pt. 1—Washington, D.C.

Pt. 2—Tampa, Fla.

CONTENTS

Opening statement by Senator Smathers.....	Page 251
--	-------------

STATEMENTS

Beckman, R. O., newspaper columnist.....	278
Buck, J. M., assistant director, Florida Commission on Aging.....	257
Cameron, Dr. Bruce, University of South Florida.....	289
Casey, Fred B., attorney, Federal Trade Commission, Atlanta, Ga.....	286
Cowl, Charles L., Tampa, Fla.....	263
Dickinson, Emily, executive director, Family Service Association.....	280
Everett, Mrs. Carolyn, director, Hearing and Speech Center of Florida, Miami, Fla.....	270
Fyvolent, Joel D., M.D., chairman, Hillsborough County Medical Committee on Drug Surveillance.....	283
Galloway, Hon. Clyde O., executive director, Florida Commission on Aging, Tampa, Fla.....	253
Lawton, Alfred, M.D., dean and professor of academic affairs, University of South Florida.....	291
Lomis, Ormond E., president, Senior Citizens Services, Inc., accompanied by Amos G. Smith and Daniel V. Walker.....	265
Marder, Bess, director, Community Services, Miami Housing Authority.....	275
Porcher, Betsy B., director, NRTA-AARP Hospitality House, St. Petersburg, Fla.....	281
Reynolds, Rev. Roy L., pastor, Lake Maggiore Baptist Church, St. Petersburg, Fla., and member, National Advisory Committee, National Council of Senior Citizens.....	260
Rich, Dr. Thomas A., psychologist, University of South Florida.....	290
Smith, Amos G., executive director, Senior Citizens Services, Inc., Clearwater, Fla.....	268
Sofge, Haley, director, Miami Housing Authority, accompanied by Mrs. Bess Marder, Social Services Director, MHA.....	273
Walker, Daniel, chairman, Committee on Visitation, Senior Citizens Services, Inc., Clearwater, Fla.....	269
Williams, Cary M., Suncoast Progress, Inc., St. Petersburg, Fla.....	261

COMMUNICATIONS

Nuccio, Nick, mayor, Tampa, Fla., telegram to Hon. George A. Smathers, Subcommittee on Consumer Interests of the Elderly, dated February 2, 1967.....	253
---	-----

APPENDIX

Item 1: Additional information from Florida State agencies:	
Galloway, Clyde, letter to Hon. Harrison A. Williams, Jr., chairman, Subcommittee on Consumer Interests of the Elderly.....	295
Jacks, Mrs. Margaret H., Florida Department of Public Welfare, letter to Mr. J. M. Buck, Florida Commission on Aging, dated January 9, 1967.....	298
Questionnaire from the Subcommittee on Consumer Interests of the Elderly.....	295
Richards, Henry E., supervisor, Special Applicant Services, Florida Industrial Commission, State Employment Service, letter to Mr. J. M. Buck, Florida Commission on Aging, dated January 5, 1967.....	296
Young, Mrs. Sue B., Florida Agricultural Extension Service, University of Florida, letter to Mr. J. M. Buck, Florida Commission on Aging, dated January 10, 1967.....	298

Item 2: Information on the food stamp program in Pinellas County, Fla.: Williams, Cary M., Suncoast Progress, Inc., letter to Hon. George A. Smathers, Subcommittee on Consumer Interests of the Elderly, dated March 14, 1967.....	Page 299
Item 3: Additional comments by Mr. Charles Cowl.....	300
Item 4: Statement of Mr. Earl Faircloth, attorney general for the State of Florida.....	301
Item 5: Statement of Mr. William V. Gruman, assistant State attorney, State of Florida.....	304
Articles of incorporation of Florida Council on Commercial Frauds, Inc.....	304
Item 6: Information related to accessibility of the elderly to public facilities: Logan, Alan R., chairman, the Governor's Committee on Employ- ment of the Handicapped, Tallahassee, Fla.....	306
Item 7: Additional information relating to Mrs. Carolyn Everett's testi- mony.....	309
Item 8: Additional information relating to Dr. Fyvolent's testimony.....	310
Item 9: Material from Fred B. Causey, attorney, Federal Trade Commis- sion, before the conference on older citizens.....	314
Item 10: Material from Mr. Burt Garnett.....	325

CONSUMER INTERESTS OF THE ELDERLY

FRIDAY, FEBRUARY 3, 1967

U.S. SENATE,
SUBCOMMITTEE ON CONSUMER INTERESTS OF THE ELDERLY
OF THE SPECIAL COMMITTEE ON AGING,
Tampa, Fla.

The subcommittee met at 10 a.m., pursuant to call, at the Hillsborough County Court House, Tampa, Fla., Senator George Smathers (acting chairman), presiding.

Present: Senator Smathers.

Committee staff members present: William E. Oriol, staff director; John Guy Miller, minority staff director.

Senator SMATHERS. The meeting will come to order.

OPENING STATEMENT BY SENATOR SMATHERS

Today's hearing proves that it is possible for the executive and legislative branches of Government to get together for a worthy cause.

This hearing on consumer interests of the elderly is taking place while a conference is going on at the Sheraton-Tampa, a few blocks away.

That conference deals with "The older citizen in today's marketplace." It is being conducted by the U.S. Food and Drug Administration and the U.S. Administration on Aging, in cooperation with the Florida State Commission on Aging.

The two subjects couldn't be more in harmony. We will, in fact, borrow a few of the conferees today at convenient times and ask them to be our witnesses. We don't want to disrupt the conference schedule needlessly, of course, and so we're going to have to move along here quite swiftly.

We will, in fact, try to maintain the timetable shown on the witness list. I'll try to hold down my questions or submit them in writing after the hearing. All witnesses have been informed, too, that they may submit supplementary statements in writing after the hearing for our transcript.

I am sure that we will have a fine record from this field trip to Tampa.

This is a formal hearing by the subcommittee on Consumer Interests of the Elderly, which is a unit of the Senate Special Committee on Aging.

The subcommittee—as its name suggests—is concerned about the value older Americans get for their money.

Just a few weeks ago—in Washington—the subcommittee called its first witnesses, and they included directors of Federal agencies and officials in national organizations.

From them we got the "big picture" as it is seen in the Nation's Capital.

But the Committee on Aging discovered a long time ago that some of our best testimony comes in the field from individuals working directly on programs or problems affecting the elderly.

And so we're in Tampa today, not only to take full advantage of the conference I mentioned earlier, but also get our facts firsthand from the people affected by Federal policies—or the lack of them.

We on the committee believe that our aged and aging population has special problems unknown to other age groups.

For one thing, persons past 65 generally have half as much to live on as younger individuals or families.

But they have extra burdens.

Four out of five aged 65 or over, for example, report one or more chronic illnesses or impairments, and so they have rising expenses that even medicare can't help with.

Many older residents in Florida came here with limited incomes, and now they find that they must stretch their dollars very thin even to meet minimum requirements. And, as we will hear today, sometimes even the minimum requirements are out of reach.

Can Federal, State, and local governments work more closely together to give the older consumer protection when he needs it and information when it will help him? We're looking for suggestions on that question, too; and I'm sure we will find a few in Tampa.

We have much else to hear about today, too:

About the cost-pinch experienced by the elderly who need drug prescriptions or hearing aids.

About the ways in which the Older Americans Act—an act long sought by the Committee on Aging and finally enacted in 1965—can be put to work to help communities organize their own grassroots projects to help elderly consumers.

About problems of elderly tenants in public-housing projects.

About the small but active minority of salesmen or promoters who regard the elderly as a prime market to victimize. They offer hope and deliver deception. They are heartless. But they exist, and they must be dealt with.

Our older Americans, I might add, are not more gullible than other Americans, but they may quite often be more susceptible. Take quackery as an example. If standard remedies and treatments fail or become too costly, victims are quite often tempted to turn to worthless products or practitioners. Anyone who has suffered the pain of arthritis—as my father does—knows what the depth of desperation is.

Our older Americans are often reluctant to talk about their difficulties. In fact, I would say that a "pride barrier" exists; many elderly persons would prefer to struggle privately rather than complain publicly. I can well understand their desire for privacy. But Congress has a duty to understand what is happening to the people of the United States. We will exercise all possible tact, but we do want the facts.

We have a full schedule and I'll close now with a personal note.

As many of you know, I relinquished the chairmanship of the Senate Special Committee on Aging a few weeks ago in order to become chairman of the Senate Select Committee on Small Business. But, as I said when I made the change, I intend to remain an active member of the Committee on Aging.

It is good to be with you today to continue that work.

First, we will have the Honorable Clyde O. Galloway, executive director of the Florida Commission on Aging, followed by J. M. Buck, assistant director, Florida Commission on Aging. At this point, while Senator Galloway is getting set up, I might state that I was with Congressman Sam Gibbons night before last and he would like to express his regrets to your people that he could not be with you today but he has a great interest in this matter and he wanted to be here.

I also have a telegram from Mayor Nuccio.

TAMPA, FLA., February 2, 1967.

HON. GEORGE A. SMATHERS,
Subcommittee on Consumer Interests of the Elderly, Hillsborough County Court House, Tampa, Fla.:

I REGRET VERY MUCH THAT A VERY IMPORTANT MEETING WHICH I HAD PREVIOUSLY SCHEDULED PRECLUDES MY JOINING YOU THIS MORNING. WE ARE PLEASED TO BE THE HOST CITY FOR THIS SPECIAL HEARING AND SEND OUR BEST WISHES FOR YOUR SUCCESS. WE KNOW YOUR ACCOMPLISHMENTS WILL HAVE A DIRECT BEARING NOT ONLY IN OUR CITY AND STATE BUT IN THE NATION. WE HOPE YOUR STAY WILL BE ENJOYABLE AND THAT YOU WILL COME BACK TO VISIT US AGAIN AS INDIVIDUALS AND AS A GROUP.

NICK NUCCIO, *Mayor.*

STATEMENT OF HON. CLYDE O. GALLOWAY, EXECUTIVE DIRECTOR OF THE FLORIDA COMMISSION ON AGING, TAMPA, FLA.

Senator GALLOWAY. Senator Smathers, members of the Senate subcommittee, it's a pleasure to appear before a committee such as this in behalf of approximately 1 million Floridians of whom we are charged with the responsibility of serving.

Since this particular subcommittee is concerning itself with consumer interests of the elderly, my testimony will deal directly with this subject, and related items that are pertinent to the problems, as they are related to the Federal Government, the State of Florida, and the segment of Florida's population the Commission on Aging holds itself out to serve.

The cost and responsibility of providing our citizens with necessary services imposes an increasingly heavy economic burden upon our governing bodies and particularly our State and Federal Governments. For instance, expenditures in Florida for these particular services during the current biennium exceeded \$479 million; and the combined budget requests of existing State agencies call for in excess of \$100 million increase for this next biennium.

To better substantiate this point, I call your attention to our mental hospitals and welfare department.

In 1952, 15.5 percent of the residents of our mental hospitals were 65 years of age and over, as compared to 28.2 percent in 1966. The cost of our State hospitals in 1952 was \$6 million as compared to the present \$23 million.

I point this out for one purpose—public handouts which divest our citizenry of its fundamental responsibility are not the answer. To illustrate this point I call your attention to a demonstration project that was carried on in one of our senior day centers. In this particular center 300 persons were chosen who had reached the age of 65 and over.

In 6 short months of membership by these people, their costs and visits to medical clinics had declined 87.9 percent. Out of the 300 only one was admitted to a mental hospital, whereas normally there would have been between 40 and 60. To further illustrate my point, here in Florida in one of our counties where a real active senior citizens program was implemented, less than 2 percent of its people 65 years of age and older are subjected to welfare rolls. In contrast, other counties where no program or programs exist over 60 percent of their citizens 65 and over are on welfare rolls. Since receiving Federal funds and the launching of the Commission on Aging program, we have been able to move into counties where we have solicited and received the services of 223 community leaders in 12 counties. We have, also, received 60 volunteers who are willing to give of their time, talent, and skills at no cost to city, county, State or Federal Governments for the relief of their counterparts. We have also established councils from 30 professional groups within the State who are interested in this problem of aging. A sum total of 315 people's resources have been pulled together without any cost to the city, county, State, or Federal Governments. We contend that if this pattern is followed throughout the State that we will at least level off the expenditures of the different agencies concerned with the indigents and underprivileged.

Senator, with this information in hand it was obvious to us in the Commission on Aging that new and different approaches had to be made. In so doing, we developed four major principles as guides in this endeavor. They are as follows:

1. To provide a mechanism by which governmental and local agencies could work hand in hand to keep people out of institutions and keep marginal income people off of handout rolls.
2. To apply practical preventive measures now, in order to preclude expensive crash programs in the future which are sure to become a necessity.
3. To help local communities apply the finding of previous and current research to the solutions of local problems.
4. To implement proven programs on a statewide basis that have worked in other parts of the State.

Let me hasten, however, to add at this point, that the accomplishments we have achieved would not have been possible had it not been for the Federal funds made available to the State by the passage of the Older Americans Act.

Now that I have mentioned this act, let me bring to your attention the need for some changes in this act:

1. The amount of money provided is sorely inadequate. In Florida we had in 1965 approximately 772,000 citizens who had reached the age 65 and over. We received, during the 13 months we had been in operation, \$302,200. This is less than 50 cents per person for the 2-year period or less than 25 cents per annum. If the job we have undertaken culminates in success, adequate funds must be provided in order to employ adequate staff and community personnel. We have asked the State for a budget of more than \$2 million for this purpose.

2. The formula used for division is unfair. The formula by which the Federal appropriations was divided reflects the Supreme Court's philosophy of invidious discrimination. Fifty thousand dollars were taken off the top of the appropriations for each

State regardless of the number of aged people in particular. This took 53.5 percent of the appropriation. The remaining 46.5 percent was divided on a percentage of population basis. Our contention is that the Federal Government should be consistent. If the principle of one man-one vote is going to apply, so should the principle of one man-one dollar. Florida under the present setup got shortchanged \$122,399.

3. The provisions for employment, in order to comply with the civil service regulations or other Federal regulations are discriminatory against the aged person. We are forced to subject ourselves to the merit system in order to qualify for these funds. With the age requirement being what it is both in civil service and the Florida merit system, we are prohibited from employing people 65 and over unless we can get the rules waived and only then by contract.

4. The administrative percentage amounts are impossible to do the job. It is utterly ridiculous to even think of administering a statewide program for the aged population with funds made available under the arrangements provided for in the Older Americans Act. The provision is 10 percent of the total State allocation or 15,000 whichever is greater. The State put up \$22,500 of emergency money to match this 15,000 which was spent during the last 6 months of the first year. For this fiscal year the State had to put up \$47,500 just to carry through with the programs we already had in progress, not to mention any new ones or any expansion of the existing ones. Senator, I bring this to your attention as I stated before, as constructive criticism to point up the need for changes in order to make a good law a better one.

Yes, our consumer problems of the elderly are varied and many. There is no question about the State Commissions on Aging being the appropriate agencies to deal with these problems. Number one, we are in a better position to know where the problems are both in merchandising and consumption. We know better the products that appeal to the elderly and we also know where the commercial people use the elderly people as their prey. We have at this time established communication with over 300 senior citizens organizations that represent upward of 500,000 people. With that kind of acceptance and adequate funds to develop the proper rapport we will unquestionably be in a better position to handle this problem than anyone else.

To substantiate what I have just said I offer the following information. We had complaint after complaint from our elderly people about their automobile liability insurance. It seemed that after a person reached the age of 65 and stumped his toe his automobile insurance carrier cancelled his policy. We started with the help of our insurance commissioner, Hon. Broward Williams, negotiating with several companies to develop a policy designed for the older people. This negotiating has gone on for over a year. We will, within the next 10 days or 2 weeks announce the entire program. But to get back to my point, we mailed out about 3,000 inquiries and have received approximately 1,000 responses up until now and more are still coming in. We, as a State agency, will have, when this is complete, been able to assist approximately 1,000 senior citizens in supplementing their income plus providing a service so desperately needed.

We have in Florida the most enticing climate for in-migratory retirees of any State in the Union. Along with this we have many fine retiree living accommodations, nursing homes, homes for the aged and retirement hotels. We have just received a grant under title IV of the Older Americans Act to make a comprehensive study of facilities, which will enable not only Florida but every State in the Union to upgrade these facilities and provide more adequately the necessities for retirement living. We are not at this time able to report on any of our findings in that the mechanism to make this study is still in its formative stage.

We are working through our commission committee on education and rehabilitation, since transporting school children or ownership of school buses rests with our education department, to try and improvise a method by which our elderly people could utilize this means of transportation, when not in use otherwise, to shopping centers, medical clinics, senior centers, churches, and recreation parks. If this can be accomplished, it will be of tremendous value to the elderly in that we will be able to better scrutinize their buying habits and offer guidance to improve them.

In relationship to Senate bill 2877, which I understand you have reintroduced, we stand unequivocally behind this measure. We adopt the philosophy contained in this bill and believe it to be in keeping with the four guides used in our overall program. As intimated previously we know that, if given a chance, the marginal income person would rather earn his keep than to be divested of his dignity and categorized with the irresponsible. Any documentation we can furnish to insure the passage of this bill will be forthcoming.

The commission knows that if relatives are permitted to deduct medical expenses from their Federal tax they will divert these funds toward the maintenance of the health of their relatives. No. 1, no one likes to pay taxes, No. 2, no one likes the redtape they have to go through to receive these benefits and last, but not least, we all would rather be our brother's keeper than to shift this responsibility to the Government.

Senator, I trust this testimony has given you a better insight into our problems and I know we can in the future depend on your support. You have been most cooperative in the past and speaking for the Florida Commission on Aging and all of Florida's senior citizens we appreciate it and look forward to the day you become chief executive of this great State and all its fine people.

Senator SMATHERS. Thank you very much, and more about that later. I ought to issue a statement about that, but anyway—getting to the problems of the present—we will let that stand. However, thank you for your testimony and your ending side remark.

In order to save time, I am going to introduce those men who are sitting with me. I have with me very able counsel, Mr. William Oriol who works directly with the chairman of this committee, Senator Harrison Williams of New Jersey. Bill Oriol is sitting to my left as counsel for the subcommittee and to his left is Mr. John Guy Miller who represents the Republican part of our committee. I might say he does very well. We do not have much partisanship in this committee, if any; we find that the Republican and Democratic interest in those aged 65 and over is absolutely identical. We find no difference in the needs of the aged be they Republican or Democratic.

Bill, do you care to ask a question?

Mr. ORIOL. I would like to note for the record that through your office, Senator Galloway, we received letters from other State agencies and they will be submitted for the record. Additional questions will be sent directly to you.¹

Senator SMATHERS. Any questions?

Mr. MILLER. No.

Senator SMATHERS. All right, Mr. Buck.

STATEMENT OF J. M. BUCK, ASSISTANT DIRECTOR, FLORIDA COMMISSION ON AGING

Mr. BUCK. It was my privilege to testify at the hearing of the U.S. Senate Special Committee on Aging, held in Miami, December 2, 1959. That hearing was presided over by one of your colleagues, Senator MsNamara. At that time, I was manager of the retirement department of the Florida Development Commission and was serving as executive secretary for the citizens advisory committee on the aged.

My testimony was to the effect that the problems of the aged and the aging fell into four major groupings:

1. Enough money to live on.
2. The struggle to stay well in the later years.
3. A suitable place to live.
4. Meaningful activity.

It is an unusual privilege to appear before the U.S. Senate Special Committee on Aging 7 years later and testify to the progress which has been made during this period of time in meeting the needs of older people.

It is my view that Congress took a giant step toward improving the lot of older people by passing the 1965 Amendments to the Social Security Act. I have particular reference to medicare, which removed, insofar as practical, the specter of catastrophic illness for the elderly and their children.

By passing the Older Americans Act in 1965, Congress gave States the opportunity to establish a State plan, under which matching grants could be made to communities to demonstrate the economic and social advantages of providing community services to enable people to age with dignity and independence. In order to effectively administer this title III grant program, the Florida Commission on Aging has established citizens advisory councils on aging in 12 Florida counties which contain 70 percent of Florida's population 65 and over. Matching grants have been made to these county councils to set up information and referral services in each. At this point, I would like to list the objectives of these information and referral centers:

To expedite referrals for individuals in need of health and welfare services;

To increase the accuracy of referrals to health and welfare services;

To reduce the time spent on referrals by professional personnel in health and welfare agencies;

To more fully utilize available health and welfare services;

To measure unmet health and welfare needs;

¹ See appendix, item 1, p. 295.

- To promote the meaningful use of leisure time;
- To expand the use of volunteers thereby utilizing the wisdom, skills and talents of older people;
- To encourage part-time employment for older people in a variety of needed services.

If Congress will make the necessary funds and personnel available, we are confident the functions of these locally based information and referral centers can be expanded to provide "Friendly visiting programs," "Homemakers services," "Meals-on-wheels for shut-ins," "Increased legal aid for the indigent elderly," "Activities program for residents of nursing homes," "A talent registry," whereby older people can offer their services in part-time employment or as unpaid volunteers, "Establish transportation pools," "Conduct safety and accident prevention programs," "Various programs to stretch the incomes of older persons." All these services would be aimed at helping older persons to remain in their own homes as long as possible.

We are particularly interested in, and fully support, the proposed title VI amendment to the Older Americans Act. The older Americans community service program will enable our commission, through its county councils, to promote part-time employment for people 60 years and over in a wide variety of needed community services at local levels.

We endorse your proposal, Senator Smathers, to provide income tax incentives to children who contribute to the support of elderly relatives. We believe it will tend to preserve the family unit and tend to keep older people out of institutions and in their own communities.

Since the general public is prone to think of the aging as people who are 65 and over, I wish to say for the record that the problems of aging, with whom our commission is concerned, are not simply the indigent nor the proportion living in State-operated institutions. We must not lose sight of the tremendous impact which technological changes are having on our citizens between the ages of 45 and 64. In fact, there were almost as many men between 45 and 64 with annual incomes of less than \$3,000 as there were men 65 and over with incomes under \$3,000. In a few short years, these men and women will reach 65. So we must start now developing those services and living patterns in our communities which are not only needed now but which meet the needs of coming generations. According to Florida Development Commission studies, the average age of men planning to retire in Florida has steadily declined from 64 years of age in 1957 to 58 years and 9 months in 1965. Since age begins to operate against both men and women in procuring gainful employment long before they reach 65, we are actually talking about 30 percent of our population, namely the 11.2 percent 65 and over and the 20.6 percent who are between 45 and 64.

Wherever there are people who have retired, whose lives are no longer meaningful or satisfying, there is need for community action that will provide opportunities for useful and rewarding participation in community life. We believe State commissions on aging, organized as they are on a clientele rather than a program basis, are better prepared to furnish the State leadership and to muster the necessary community support than any other agency.

Senator SMATHERS. Thank you very much, Mr. Buck. I might add that you are 74 years old and still able and still employed and making

a wonderful contribution. Thank you, gentlemen, and thank you, Senator Galloway.

Before we call the next witness I want to read something. I hope you will forgive me for doing this. I do it in all honesty without any political exhortation whatsoever.

As you people know, I knew President Kennedy very well, very intimately. As a matter of fact, I had him here in Tampa the week before he was assassinated in Dallas, Tex. I brought him to speak before the chamber of commerce and he came at my invitation.

There is a writer named Hugh Sidey who writes for Time-Life magazine who has never been really very friendly in the things he has had to write about President Johnson in his article entitled "The Presidency." I have reference to this letter he has written for Life magazine, this week's Life magazine, about President Johnson. This was the first time I have seen Hugh Sidey write something that I thought properly expressed the way I believe President Johnson feels about these difficult problems. I want to read just a part of the column because I think it's well expressed and so poignant. I think you will enjoy it.

This is "The Presidency" by Hugh Sidey, a blueprint based deep on feelings.

"Lyndon Johnson is at his best when he is talking about ways to help people out of misery. He has a feeling for the subject, carried over from the hill country, and it shows in what he says and does."

He goes on to say, "His message on older Americans sent to the Congress last week was moving, and in a year when he will have to curtail many dreams, both sweeping and imaginative. There was a convincing simplicity in the language of his statement."

And he has a quote. "One of the tests of a great civilization is the compassion and respect shown to its elders."

"Johnson wrote, 'Too many of our senior citizens have been left behind by the progress they worked most of their lives to create. Too often the wisdom and experience of our senior citizens is lost or ignored.'"

Then I will skim over a portion and go to this part. "A small town boy knows about old folks. In the urban areas people are often stratified. But in a town like Johnson City, population 611 at the last count, every citizen lives in full view of everyone else. The banker resides within sight of the courthouse custodian; the healthy live amid the infirm; the old are all about. Old people mean much in the small towns which send most of their young to megalopolis. The elderly provide continuity and legends, but they are also ignored. They sometimes control the commerce, but they also sit idly on the park benches. And when they become burdens, as many do, their final humiliation is seen by all, their contributions largely forgotten, their weight resented by many."

Then it goes on to say: "Lyndon Johnson has seen it all, and the image of age in the hill country has stayed with him." It goes on further to say that Mr. Johnson "Can recall line by line the dialog between himself and his father when the elder Johnson, suffering from heart disease, got out of his bed in an Austin hospital and demanded to be taken back among his people to die. There were no modern medical facilities, no nursing homes to ease his final days in Johnson City."

President Johnson tells that story very well. I have heard Mr. Johnson tell that story myself 15 times. What he said was that he went in to see his father who was quite ill and Lyndon was in his twenties, I believe. He went to the hospital in Austin which was quite far away. When he got there he said, "Pop, how are you feeling?" His father stated, "Lyndon, get me my pants." He said, "What for?" His father said, "Get me my pants." And he said, "What for?" And his father said, "I am going home." He said, "Why?" And he said, "Because when I die I want to be among people who care."

And Sidney has gone further to say that "Even as President, Johnson has gone back to the hill country and sought out men and women who helped him along his way. More than once he has found them crippled and despairing in tiny rooms of homes overburdened with children. He has turned away in sadness from the miserable, makeshift nursing homes where once-proud men sat in lonely stupor, relics of themselves in body and in spirit."

Johnson said in his special message, "We should look upon the growing number of older citizens not as a problem or a burden for our democracy but as an opportunity to enrich their lives and, through them, the lives of all of us."

"Lyndon Johnson is so complex and elusive in so many things that often it is difficult to get a clear view of him. The message on older Americans gives a rare chance. What always rings true in him, what has been constant from his political beginnings to now, is his desire to ease some of life's cruelties."

I thought that that was sufficiently moving and I thought I would put that in the record and have everybody hear it.

Our next speaker is Rev. Roy Reynolds of St. Petersburg, a member of the National Advisory Council of the National Council of Senior Citizens, who is accompanied by Mr. Charles Cowl and Mr. Cary Williams.

Excuse me, Mr. Buck?

MR. BUCK. I had promised to give 1 or 2 minutes of my time to Colonel Paul here but we ran overtime and I was unable to keep that promise. If the opportunity presents itself for him to make a statement, a short statement, I hope he will have the opportunity.

SENATOR SMATHERS. Sometime during the morning we will give him the opportunity. Thank you, Mr. Buck.

Reverend Reynolds.

**STATEMENT OF REV. ROY L. REYNOLDS, PASTOR OF THE LAKE
MAGGIORE BAPTIST CHURCH, ST. PETERSBURG, FLA., AND MEM-
BER, NATIONAL ADVISORY COMMITTEE OF THE NATIONAL
COUNCIL OF SENIOR CITIZENS**

Reverend REYNOLDS. Mr. Chairman, I appreciate the opportunity to appear before this distinguished subcommittee on consumer interests of the elderly.

My name is Roy L. Reynolds, and my interest in the elderly is both from the viewpoint of a minister of the Gospel and as a member of the National Advisory Committee of the National Council of Senior Citizens.

Since you are a Floridian, Mr. Chairman, I am sure you will agree with me that our salubrious climate beckons to the entire Nation.

Therefore, when the elderly of our Nation reach retirement and seek a haven where they may spend their remaining years in comfort, honor, and dignity, they naturally look in the direction of favored Florida. Tens of thousands have come to the western sun coast of our delightful State. However, please permit me to emphasize that this mecca of the multitudes has much to offer all ages, as almost 90,000 pupils in Pinellas County schools alone testify.

In spite of all that we have to offer, we still do not have a magic formula that solves the many problems faced by the elderly. Many are not prepared for retirement when it is forced upon them by advancing age. The emotional and financial adjustments that must be made are aggravated by failing health and inadequate income. Funds that are insufficient to begin with shrink in value as the cost of living continues to increase. What had been looked forward to by many of the elderly as their "golden years" soon becomes for them a grim struggle for survival. At the present time more than 2 million recipients of social security payments are forced to seek public assistance to meet their basic needs. The story is told of one senior citizen who picked up his social security check at the post office and directed his steps toward home. On the way, as he thought of the meager amount of the check, a masked man with a gun stepped out from behind a building and told him to put up his hands. He promptly did so, and then said, "Go on and rob me if you want to, but you'll have to do it on credit." Needless to say, I support President Johnson's proposal that social security payments be increased.

The true facts concerning the plight of the elderly are often difficult to ascertain because their pride prevents them from revealing their actual circumstances. Medicare Alert uncovered many things that needed to be brought out into the open.

What are the problems of the elderly in the suncoast area? I have asked a man who is eminently qualified to answer this question to come and share my time before you today. This gentleman retired 3 years ago after 27 years with the Social Security Administration; that is, since its inception. He is presently serving with Suncoast Progress, a nonprofit organization through which the Office of Economic Opportunity programs in Pinellas, Pasco, Hernando, and Manatee Counties must be processed and developed. He also directed the Medicare Alert program in the above-named four counties, and much of his testimony will be from evidence and experience gained during that time. Mr. Chairman, I present Mr. Carey Williams.

**STATEMENT OF CARY M. WILLIAMS, SUNCOAST PROGRESS, INC.,
ST. PETERSBURG, FLA.**

Mr. WILLIAMS. The time is pitifully short and the subject is inexhaustible. I realize that there will be many repetitions in our discussions today, and will try to touch lightly on the various problems of the aging.

I speak for a county, Pinellas, with 31.5 percent of the population over 65 (census, 1960). In this population bracket 58.7 percent had incomes of less than \$2,000; 41.5 percent incomes of less than \$1,500, and 22.2 percent with incomes under \$1,000.

I speak for a city, St. Petersburg, with a 1960 population of 180,000; 50,000 of these were over 65, and an additional 25,000 between 55

and 64. The projected over-65 populations in 1970 will be 79,500-plus.

For the purposes of this report, I speak more fully of the plight of our elderly in census tracts 14 and 15, comprising the downtown area of St. Petersburg. This area has recently come under close scrutiny, due to the organization of neighborhood councils under the CAP program. The population in this area in 1965 was 5,730; the average age 70-plus and the average family income \$1,680. Adjoining this area is census tract 13, with a population of 2,651, the average age being 65 and the average family income \$2,000.

The population of these areas is almost 100 percent white. Because of their physical condition and lack of transportation, because of limited income, these folks are forced to live in this area, handy to stores, restaurants and churches. Hundreds are living in one room, with no cooking facilities. We have talked with people with a 50-cent-per-day allowance for food. How do they manage? They sleep late, go to one of the Central Avenue Drug or dime stores and have waffles and coffee. Late in the afternoon they have a quarter left for more waffles or a bowl of soup. Malnutrition is rampant. When questioned about the lack of public knowledge concerning their plight, one old gentleman stated that, "He was raised in an era when one stood on his own two feet, and where demonstrations and rioting in the streets was considered un-American."

This condition might be eased by the utilization of low-cost housing projects aided by rent supplements. Such a project has been initiated in St. Petersburg by the senior citizens organization, but has bogged down somewhere along the line of referrals. With the advent of a kitchen in their lives, the food stamp program could add to their meager food budget. This program for some reason, is not operative in Florida.

Another problem confronting the elderly is the high cost of drugs and prescriptions. At this stage in life, one almost invariably faces the need of medical assistance. Medicare has been the answer to most of the doctor and hospital needs, but not for the drugs. Consequently, they are forced to resort to patent medicines because of the expense of going to a doctor and getting a prescription. It is not uncommon, in this area, for the drug clerk to diagnose the ailment of an oldster, and sell him a patent medicine. The inclusion of prescriptions in the medicare coverage would help to remedy this condition.

Obviously, an increase in the amount of social security payments will go far to alleviate the problems of the elderly. During a quarter of a century engaged in the administration of the program, I have observed that beneficiaries receiving minimum benefits have had low income during their working years and have had little opportunity to provide for their retirement. Conversely, those entitled to a high social security benefit, have had high earnings, and usually have made some provision for their retirement years. Therefore, it seems that social security raises should be greater for those in the lower brackets, possibly by raising the minimum benefits to a more realistic amount.

It is also hoped that any increase in benefits will not be rendered meaningless by a corresponding decrease in benefits from the Veterans' Administration or by an increase in income taxes. In the past, some States have decreased the amount of assistance grants in the amount of the social security increase. It has been suggested that the Federal Gov-

ernment insist that the States base their assistance payments on a full budget allowance in order to receive matching Federal funds.

The Medicare Alert program in St. Petersburg received over 4,000 applications for the 45 jobs available. A wealth of education, experience, and wisdom was represented in these applications and suggests a reservoir of manpower anxious to produce. However, our retirees drawing social security are limited as to the amount of their earnings, as are those drawing veterans benefits. The liberalization of the retirement test for social security beneficiaries would go far to correct this condition. The Federal Old Age Assistance Act allows the State to provide special incentives to allow older welfare recipients to become employed. This provision could be made mandatory.

In areas with concentration of retirees, there exists a need, an urgent need for senior citizens multiservice centers, where there is available professional information and referral services. If appropriations were sufficient, this could be accomplished under the neighborhood facilities program. Such a center has been incorporated and proposed for our downtown area of St. Petersburg. This project appears to be dying on the vine, because of the inability to guarantee the community's small share of the budget.

I have attempted to touch some of the bases in these too few minutes, but am certain that the pros on the panel will come up with proposals that will solve all of our problems. We seniors are here and will be around in ever-increasing numbers. What are you going to do with us?²

Senator SMATHERS. Thank you very much, Mr. Williams. There is just a statement that I would like to make in answer to that last question you asked me but I won't do it at the moment because of the time schedule.

Reverend REYNOLDS. Mr. Chairman, I also have another witness that your committee will be interested in hearing. He was with the United Steel Workers of America for 28 years until his retirement in September of 1966. He was for many years the southern director for older and retired workers (covering Florida, Louisiana, Mississippi, and Alabama), and the legislative representative for the steelworkers. He has also served as vice president of the National Council of Senior Citizens representing the State of Florida. I present Mr. Charles L. Cowl.

STATEMENT OF CHARLES L. COWL, TAMPA, FLA.

Mr. COWL. Thank you, Mr. Chairman. In the interest of conserving time I will submit written testimony within the next week or so. But I wanted to digress and get something on the record.

On behalf of the people whom it has been my privilege to represent in the last several years I want to say this publicly. I want to give you our sincere thanks for the work and the attention and the encouragement you have always given to the seniors when we came to you. It wasn't always so popular. You were our only hope many times when the majority of the Florida delegation in Washington was very opposed to hearing the seniors. And I want to thank you. Thank you sincerely because you have been a godsend to many of us in many ways.

² Additional information received from Mr. Williams, see appendix, Item 2, p. 299.

I want to agree thoroughly with Mrs. Peterson's testimony last month when she said we have to do something about stretching the senior citizen's dollar. But they have to have dollars to stretch. I think she said a mouthful.

I appreciate very much, sir, your package bill you have introduced on January 11 and I would like to take 2 seconds, if I may.

Senator SMATHERS. Certainly, go ahead.

Mr. COWL. I don't think your proposed 10-percent increase in social security is enough. And I have one very vital thing, probably a remnant of my past occupation.

I see no reason why there should be a ceiling on income for people who are able to do a job. All this does is present exploitation on some that people are going to capitalize on. It seems to me a real travesty for the Congress to pass a minimum wage law and then say to a bunch of people paying insurance for years, "You are only entitled to sixty cents an hour," and that's what it amounts to. Because most of them work 48 hours a week and as far as overtime or anything—if they get any more then they are going to lose the money they paid in. And I do not regard social security as a dole or something. I think that is something that we paid that we should receive and I feel pretty keenly about this and I think this ceiling should be removed.

It was asked in the committee what should be done about co-operation between Federal and State agencies. I think there should be a closer liaison between them. I think, first of all, I think one of the first things that would be a godsend for the aged, to put out a newsletter to the senior citizens, the committee on the aged. They get very little information about this. They have no way of getting it.

And as far as the various State agencies, well, I guess they mean well. The senior citizens, sir, have been studied to death. They are constantly being put on the board. These study groups—we don't need supervised recreation. They don't need a place to be shoved off in the corner but they need to live and they need a little money to live on simply. They have more experience than anybody else but it would take a little while to talk about this.

I think it would be a very good idea for the stockholders to get a financial report periodically from their company. The senior citizens are stockholders in all of these various agencies.

Finally, I think a financial report of how their money is spent might be a good idea. You don't know if there are abuses or not. But it would relieve the suspicion that some of these agencies are not handled properly and are fronts for payoffs and that's what a lot of us think. I will submit more about that.

I just want to close with one thing. When I talk about State agencies studying things and giving our people nothing but conversation, I want to say that we have definitely been studied enough. Many of these agencies are for everything except giving these people consideration. Thank you.³

Senator SMATHERS. Thank you for your statement. Your remarks will be useful and we thank you.

Reverend Reynolds.

Reverend REYNOLDS. Our climate appeals to the con artist as well as to the retirees and tourists. Therefore, we have an influx of these un-

³ Additional comments received from Mr. Cowl, see appendix, item 3, p. 300.

savory characters during the winter months. They come in the form of tradesmen who will replace the roof on your home, paint your home, put topsoil on your yard, black top your driveway, etc. These unscrupulous "businessmen" offer their services at reduced prices and the quality of their work is so inferior that often it has to be redone causing double expense rather than a saving. You can readily see that these consumer problems apply to all, regardless of age. However, the elderly are particularly vulnerable because they cannot do these things for themselves.

I would also like to call attention to the practice of auto insurance companies raising their rates for the elderly driver with their decision being based upon age rather than upon driving ability.

Mr. Chairman, I would like to emphasize that old age is as much a state of mind as it is of wrinkles or gray hairs. Therefore, with an increasing number joining the ranks of the elderly each year, I suggest that attention be given to preparing our citizens for their retirement years. Retirement is not an experience to drift into unconsciously. It calls for preparation, and many persons simply do not know how to prepare for this period of life. Certain basic questions must be answered, such as, "What can I do now to help me manage to live on my reduced income?" "How will I spend my time?" "How will I keep healthy?" "Where will I live?" "What skills do I have that will carry over into retirement?" "What new things should I be learning now to use later?" Calling attention to the importance of such preparation might well be within the purview of this committee.

Again I thank you, Mr. Chairman, for the privilege of appearing before this distinguished committee.

Senator SMATHERS. Thank you, sir, and I agree that certain programs should be conducted to prepare our citizens for their retirement years.

I won't go into answering these questions, I might take too long and take time from the next witness.

I'd like to next introduce Mr. Ormond E. Loomis of the Senior Citizens Services, accompanied by Mr. Amos G. Smith, executive director.

I might say, ladies and gentlemen, while they are coming up—of course, as you know, these problems which are being raised at the moment—we are really doing something about them, I think. We are endeavoring to do something about each one of them. We are trying to increase social security payments. We are trying to raise the level of that amount of money which a person can earn without losing social security benefits. We are trying to get drugs covered under medicare and we are making progress on all of them. The continued pressure on your part makes it possible to finally complete these projects.

All right, Mr. Loomis and Mr. Smith, if you are ready to go ahead.

STATEMENT OF ORMOND E. LOOMIS, PRESIDENT, SENIOR CITIZENS SERVICES, INC.; ACCOMPANIED BY AMOS G. SMITH AND DANIEL V. WALKER

Mr. LOOMIS. Senator Smathers, Your Honor, and the distinguished members of your staff.

I came prepared with a statement in which I undertake to answer the questions you raised or the points you have dealt upon. My printed

statement covers three pages which would take about 15 minutes to read. I therefore suggest that I put the printed statement in the record for your use and refer now to only parts of it. As I proceed I shall be happy to be interrupted at any point by you or your associates. Do you want this?

Senator SMATHERS. Yes, what we will do will be just as you suggest. We will make the statement in its entirety a part of the record and then you can speak as you like and read it, the portions you desire. If the occasion arises to question you, we shall.

Mr. LOOMIS. Perhaps one of my incentives for appearing here is that I am an elderly citizen and am an active participant in an agency which deals with the problems of older citizens who live in our upper Pinellas County community of Florida—the cities of Clearwater, Largo, Dunedin and Safety Harbor, Tarpon Springs, and other smaller communities in the northern half of Pinellas County.

I became a resident of Clearwater some 12 years ago. About 9 years ago we endeavored to form an agency which would undertake to serve the needs and general welfare of our older residents. I was pushed into activity by a group of people who said we ought to do something about those who needed employment to supplement their current retirement income. As preparation we brought together a number of men and women to decide what we could do and how we should do it. They met every other week for 2 months with an attendance ranging from 40 to 60. In this fruitful series of meetings we studied various areas of need. The meetings resulted in the formation of a corporation known as the Exchange Services. It functioned solely as a referral agency which dealt chiefly with employment, health, housing, adult education, and community activities.

After a year and a half of effort we discovered that there were so many gaps between the existing facilities and the needs and interests of retirees that we reincorporated under the name "Senior Citizens Services." Since that time we have developed several operating committees, now a total of nine. Each of these is briefly described in the written text submitted for the record.

Senator SMATHERS. I don't want to cut you short but this is a rather lengthy statement. I was just looking at the figures you submitted.

Mr. LOOMIS. May I call your attention to our conclusion presented on the last page. If there is anything significantly characteristic of our work, it is the use of volunteers. We have in excess of 500 volunteers who work without financial compensation. Their compensation is in the good they do for others and for their community. It helps these volunteers in their sustained efforts to have the backing and encouragement of a business organization equipped to report the needs and provide the management and resources for individual and united action.

Thank you, gentlemen, for permitting us to submit our report and recommendations.

(Mr. Loomis' prepared statement follows:)

PREPARED STATEMENT OF ORMOND E. LOOMIS, PRESIDENT, SENIOR CITIZENS SERVICES, INC., CLEARWATER, FLA.

Senator Smathers, your honor and the distinguished members of your staff: I appear as a witness before your Committee because of my concern for the future of our older citizens. I am one of the blades of grass supported by the grass roots to which Washington and other legislative areas refer.

My name is Ormond E. Loomis. For twelve years I have lived in Clearwater, Fla. I am an active official of Senior Citizens Services, Inc., a Florida corporation designated by its charter as a charitable institution created to deal with the needs, interests and general welfare of retirees and other older citizens of our community at all levels of income, experience and resource. It is non-secretarian, non-partisan and non-discriminatory in matters involving older Americans of all racial or social backgrounds.

Organized in 1958 to function as a referral agency, it was chartered early in 1959 under the title Service Exchange. It was established to supplement and make fuller use of community facilities rather than supplant or minimize the activities of any of them. Many gaps in public and private services to older residents revealed the need of a wider range of assistance than was available through existing organizations. Because of these gaps the program of Service Exchange was altered and its organization was reincorporated in October 1960 as the Senior Citizens Services, Inc. It continues to function under this title. All of its officers, directors, and the members of its nine operating committees serve as volunteers without compensation. Only the full-time Executive Director and five secretaries receive financial compensation.

At this point let me present a recently published booklet which describes our purposes, procedures and some of our attainments to date, and ask that it be incorporated in our evidence for use in your files. The booklet shows the structure of our organization and lists the officers and members of our Board of Directors, the Chairman of our Operating Committees and the members of our Advisory Board. They are participating groups and in their aggregate personnel (including committee members and associates) total over 500 dedicated, volunteer unpaid men and women, most of whom are retired, older citizens.

Details of our operations and the problems encountered in dealing with the consumer interests of our elderly will be presented by Mr. Amos G. Smith, our Executive Director, and by Mr. Daniel V. Walker, Chairman of the Operating Committee which concentrates on the needs and problems of our low income retirees and handicapped.

Before they speak, let me cite a few facts in answer to the questions you raised in your letter to us of January thirtieth.

The present estimated population of Pinellas County is approximately 458,000. Of this number 119,149, or roughly twenty-six percent, are 65 years of age or over. Less than one-fourth of one percent in our County are on welfare. Additional numbers are eligible but because of pride and a sense of freedom and self-respect they do not apply. Instead they live on the fringe of penury and want. The best evidence I can obtain from authoritative sources is that approximately 17,000 of our older citizens are medically indigent. Although they are not paupers and would rather die than become recipients of welfare, they cannot afford to consult a physician or to purchase any drugs he might prescribe.

Our Social Security office in Upper Pinellas County has supplied the following figures as of December, 1965, the latest date for which statistics are available.

Type	Total number	Monthly amount	Average	Percentage of total beneficiaries
All beneficiaries.....	121,034	9,595,445	\$79.20	100
Retired workers ¹	77,689	6,900,339	88.82	64.2
Wives and husbands ¹	19,600	932,192	47.56	16.2
Widows and widowers ¹	11,248	876,601	78.20	9.3

¹ OASI benefits only.

On a National basis in June of 1966, the average monthly OASI payment awarded for retired workers was \$93.77; wives and husbands, \$46.44; and widows and widowers, \$71.51. On the same basis, the average disability payment for a worker was \$101.34, and for wives and husbands, \$35.55.

Based on population estimates by the Pinellas County Planning and Zoning Commission as of April 1, 1965, 27 percent of Pinellas County's population are Social Security beneficiaries. Benefits in force, in Pinellas County, increased 87.6 percent between 12/31/62 and 12/31/64 and by 63.5 percent between 12/31/59 and 12/31/64. We feel the period between 1964 and 1966 will show another significant increase.

The foregoing figures and other evidences from our experience over the past eight years justify three general observations.

1. There is a considerable number of talented, conscientious men and women in our community who are willing to serve their fellow man over long periods of time as effective, unpaid volunteers.

2. It helps volunteers in their sustained efforts to have the backing and encouragement of a business organization equipped to report the needs and provide the management and resources for individual and united action.

3. Cooperation and support of local institutions such as churches, clubs, business organizations and public officials can become increasingly helpful as the facts of need and general welfare become known.

Out of these facts and the pressures they encounter we submit to your Subcommittee on Consumers Interests of the Elderly three recommendations or requests:

1. That provisions be made for employment of qualified senior citizens at appropriate financial compensation which will provide income in addition to their low and painfully inadequate income now supplied through Social Security.

2. That more funds be authorized and appropriated for the creation of local community centers where specific services can be given to supply physical, social and cultural resources as aids to health, recreation, and participation in wholesome community life.

3. That widows and widowers who are 65 years of age or over whose total income, including Social Security, is less than \$200.00 per month be granted an amount sufficient to bring their total monthly income up to \$200.00 per month without limiting their freedom to earn by employment an additional \$150.00 per month.

Senator SMATHERS. Thank you very much, Mr. Loomis, for a very constructive suggestion.

Mr. LOOMIS. If I may introduce—

Senator SMATHERS. Just an introduction. We are running a little behind.

Mr. LOOMIS. Let me introduce our executive director, Mr. Amos G. Smith.

Senator SMATHERS. I recognize him as being very competent and able in his field and I shall take his statement and make it a part of the record.

STATEMENT OF AMOS G. SMITH, EXECUTIVE DIRECTOR, SENIOR CITIZENS SERVICES, INC., CLEARWATER, FLA.

Mr. SMITH. I believe it would only be fair to assume that persons will be pinpointing their testimony toward areas of their contacts with senior citizens. We realize you will have presented to you the great problems in automobile insurance, medical expense, tax deductions in their income tax reports, the number of quarters at age 68 to 70 to be eligible for social security, the lack of consideration for monthly drug expense and increase over and above the \$1500 allowable annual income.

Mr. Loomis, president of our Senior Citizens Services Corp., and Mr. Dan Walker, volunteer chairman of our committee on retirement benefits will offer vital statistics as to the number and need of the elderly in our community so I will confine my remarks to the following brief paragraphs.

In the operation and contacts with the elderly of our nine operating committees, we find transportation is one of their major problems as they grow older. We also find that many of these people have been retired for 10 or more years on a very low based retirement program which has become lower due to inflation of the dollar. These people

are many, and they need relief both financially and socially. I believe the financial part has been, and is being considered by legislation. However, it is the social aspect that must be considered. This can only come about by the development of the Senior Citizens' centers with adequate staff to put life in the late years of the elderly. This type of project with a variety of programs conducted by volunteer leaders under trained staff management is one of the greatest requests made to our office daily.

Finally, we placed 670 persons over 60 years of age, and mainly over 65, in part-time employment during 1966. This indicates the need for supplemental income. We had 800 of our senior citizens avail themselves of the benefits of adult education classes, of which 143 were offered. We had hundreds go through glaucoma and diabetes clinics.

In summary, the elderly are mainly interested in health, education, employment, recreation and social activities. Moneys must be provided for these programs and the service properly staffed.

Mr. LOOMIS. Mr. Daniel Walker, who is chairman of our committee on visitation.

Senator SMATHERS. All right, Mr. Smith, thank you. Mr. Walker, if you could help us with time and make your statement we would like you to present as much as possible.

STATEMENT OF MR. DANIEL WALKER, CHAIRMAN, COMMITTEE ON VISITATION, SENIOR CITIZENS SERVICES, INC., CLEARWATER, FLA.

Mr. WALKER. Mr. Chairman of the subcommittee, ladies and gentlemen, in an effort to collect reliable data in support of the matters considered here today, we have had individual organizations of people in contact with those in the age and economic bracket that are directly affected by the lower costs that are frequently supplied by prescription drugs.

The first such groups were churches and there we felt in Pinellas County there are 8,536 senior citizens who are in a class described as economic distress. Next we go to the files of the Federal Surplus Food Distribution Center and find that there are 80 families being supplied out of two distribution centers in Pinellas County. Certainly this is a large area of real need.

And then we go into the employment system and find that there are 1,608 in the current active files: 588 are in the 45-to-65 age bracket with 124 over 65. This figure is projected all over Pinellas County with an increase to three times the above figures of 1,176 in the 40-to-65 age group and 2,348 over 65.

The fourth group or the fourth category is the municipal school system. There we learn that 5,480 students show up every month without lunch money. There are inconsistencies. We readily admit that. For example, the parents of the school children—this would certainly not be the senior citizens but it presents an area which should be covered. We are not including these children in our financial figure but simply supplying this information here for the edification of this hearing.

And then 34 percent of this surplus food is not for the senior citizens. 66 percent of the 7,080 families, to be included in our financial figure.

The churches in Pinellas County have supplied us with figures that total 8,536 persons in this age group who are needy, and this is a pretty depressing figure. We have actually 16,382 elderly people whom we can actually count and there is little doubt in this—that there are twice the number since many do not know how to take the first step to obtain assistance at any relief agencies and do not know of them until someone brings them to the attention of the agency.

It is further reliably estimated that our senior citizens, and this is further reliably estimated—that use our services and are not churchgoers and no church affiliation. Then the church affiliation should be doubled and that would bring it up to 21,919 and with a total population of 480,000—it is definitely needed and they will be materially benefited by this bill. I respectfully submit this information from the Senior Citizen's Service of Clearwater, Fla.

Senator SMATHERS. Thank you for this knowledge, and thank you, Mr. Smith.

Mr. SMITH. There's just one thing I would like to say.

Senator SMATHERS. If Mrs. Carolyn Everett would start coming forward.

Mr. SMITH. You have what I have to say documented and you are certainly entitled to it but I would like to say this to anyone in this room, and you personally, that my connection as a public official and my connection with you in the particular areas that we are working in—it is hard to see you retiring from office. We will lose a great friend and certainly hope that you will decide another direction in public service.

Senator SMATHERS. Thank you. I would like now to introduce Mrs. Carolyn Everett, director of Hearing and Speech Center of Florida. Mrs. Everett, go ahead.

STATEMENT OF MRS. CAROLYN EVERETT, DIRECTOR, HEARING AND SPEECH CENTER OF FLORIDA, MIAMI, FLA.

Mrs. EVERETT. Senator Smathers, and members of the committee, it is a pleasure to be here today to testify for the senior citizens and this subcommittee on consumer interests of the elderly.

The need is all over the Nation. I have spent a great deal of time working in Dallas, Tex., and Miami and with people who have problems with communication.

Have you ever stopped to think what it is like not to be able to communicate with your family or hear the sound of a voice? This is tragic and this is something that has to be done for our senior citizens.

I would like to read just briefly, because I know of the shortness of time.

Greater Miami and Dade County, Fla., is known to have a population of 120,000 senior citizens. There is an estimate that there are 12,000 senior citizens in Dade County that could have a hearing problem. This is according to the American Hearing Society. It is better known as our National Association Speech and Hearing Agencies. One out of every 10 persons have a hearing problem.

The senior citizens who are eligible for old age assistance grants and on receiving the maximum social security payments would be unable to purchase a hearing aid or to pay the minimum repairs that can be purchased by companies now licensed as hearing aid dealers.

The senior citizens need a rehabilitative service that could aid them and acquaint them with the hearing aid and assisting in the repairing of the hearing aids, including receivers and batteries and cords.

Have you stopped to think what the price is for a hearing aid? It depends upon the hearing loss you have. But they range from \$75 to \$600 with one year's guarantee. If you stopped to think what it costs to recondition a hearing aid and with that it's only a 6-months guarantee. It's \$75 to \$125. The repair of hearing aids, a maximum of overhauling them would be \$30 to \$40 and minor repairs average \$10 to \$12.50. The batteries range from \$2 and depending upon the type of hearing problem and how they use the hearing aid there would be a difference in this cost.

This is the problem we need to solve to aid more of our senior citizens. There should be testing, a complete hearing test and evaluation, and normally this ranges from \$15 to \$25. The special evaluation is \$10 to \$15 and this raises a question. Why should you have speech evaluation? Many of our senior citizens have had strokes.

We should have speech and hearing clinics for speech and hearing evaluations and this would be a potential help to these people to rehabilitate them and get their speech and hearing restored if possible in order for them to communicate with their family. That runs into money, too, \$10 to \$15 for therapy. Speech therapy would cost \$4 for 30 minutes. This is private. If you have group sessions, if you are in a group where they practice reading one to another, that's a dollar per session.

If the following services were performed by a certified American Speech and Hearing Association therapist at our center—we found out that these people need hearing tests and examinations and that means an ear, nose, and throat examination.

We need lipreading classes and counseling services to be available for the hard of hearing and deaf. Senior citizens need psychological services because of complications that arise when they lose their hearing. This help in assisting the hard of hearing in our senior citizens is a necessity.

I have submitted to you the current needs for the senior citizens of Dade County. This survey was made by our senior citizens committee on aging sponsored by the Welfare Councils of Dade County; Robert Segal, consultant, and I submit that to you for your records.

Thank you, Senator.

(Statement of Mrs. Carolyn Everett follows:)

PREPARED STATEMENT OF MRS. CAROLYN EVERETT, DIRECTOR, HEARING AND SPEECH CENTER OF FLORIDA, INC., MIAMI, FLA.

Greater Miami (Dade County, Florida), is known to have a population of about 120,000 Senior Citizens. One might estimate that there are 12,000 Senior Citizens in Dade County that could have a hearing problem. According to the American Hearing Society in Washington, known as the National Association of Speech and Hearing Agencies, statistics show one out of every ten persons have a hearing problem.

Senior Citizens who are eligible for Old Age Assistance Grants or receiving maximum Social Security payments would be unable to purchase a hearing aid or to pay for repairs, reconditioning or purchase of minor repairs such as ear molds, batteries, cords and receivers at the prices now listed with the Hearing Aid Dealers.

Senior Citizens need rehabilitative services that would provide for the following:

(1) Adequate expenditures for hearing aids, and for reconditioning of hearing aids, and in assisting in the repairs of hearing aids, (including receivers, ear molds, batteries and cords).

(2) Prices of hearing aids range from \$75.00 to \$600.00 guarantee for one year only. Reconditioning hearing aids—6 months guarantee \$74.00 to \$125.00. Repairs of hearing aids—range \$30.00 to \$40.00 maximum service. Complete overhaul. Minor repairs average around \$10.00 to \$12.50. Ear molds—price range \$7.00 to \$42.50. Batteries—price range \$2.00 up—depending on type of hearing problem. Cords—price range \$2.00. Audiological Testing—\$15.00 to \$25.00. Speech Evaluations—\$10.00 to \$15.00. Speech Therapy—\$4.00—30 minutes session. Aural Rehabilitation:

(a) Private—\$4.00—30 minutes session.

(b) Group Sessions—\$1.00 per person, one hour session.

The following services were performed by Certified ASHA Speech and Hearing Clinicians at the Hearing and Speech Center in 1966:

Screening for hearing problems: 125 patients, 24 Audiological Tests, 7 Otological Examinations, 3 Stroke patients, 47 Lipreading Clients, three sessions weekly.

Counseling Services are available to the hard of hearing, deaf, and aphasic Senior Citizens.

Senior Citizens are in need of psychological services, especially when they suddenly lose their hearing.

Adequate recreational facilities for the deaf and hard of hearing Senior Citizens and aphasic.

See attached report on the current needs of Senior Citizens in Dade County. This survey was made by the Senior Citizens Steering Committee, Mr. Edward Grafton, Chairman, and Mr. Robert Segal, Consultant, Welfare Planning Council of Dade County.

(Enclosure.)

CURRENT NEEDS OF SENIOR CITIZENS IN DADE COUNTY

The following needs were reported in the Survey:

1. Homemaker Services.
2. Foster Home Care Programs.
3. Increased bed capacity in non-profit nursing homes.
4. Improved nursing home care so as to provide restorative and rehabilitation services.
5. Pre-retirement counseling courses in industry.
6. Transportation for clinic appointments and visits to doctors' offices.
7. Low cost housing for those not eligible for public housing.
8. Increased public housing.
9. Medical care at moderate cost.
10. Low cost drugs.
11. Neighborhood outpatient and diagnostic clinics.
12. Recreation and camping facilities.
13. Provision of hearing aids and hearing aid repairs.
14. Provision of speech therapy, lip-reading, puretone testing and speech evaluations.
15. Community health services.
16. Need for a better understanding of the Medicare provision.
17. Need for an adequate level of financial assistance under the public welfare programs.
18. Need to raise social security benefits.
19. Need to develop a variety of non-institutional services to help the aged remain in their own homes.
20. Hot lunch programs or "Meals on Wheels".
21. Implementation of Title XIX of Medicare (medical and ancillary services to the aged).
22. Development of protective services for the elderly who can no longer manage or handle their funds adequately.
23. Need for more trained professional workers to work with the aged.
24. Community Senior Citizens Centers (not only in public housing).
25. Special State institutions for housing and care of advanced senile patients.

26. Need for a revision of the five year Florida residency requirements in the Constitution for eligibility for welfare benefits.
27. Lower costs for public transportation.
28. Low cost dental care.
29. An up-dated cost of living study.
30. An evaluation and determination of quality of services provided to senior citizens by social, health and welfare agencies.
31. Concern for the needs of the bed-ridden, incapacitated elderly person, both with physical and emotional problems.

Senator SMATHERS. Thank you, Mrs. Everett. Thank you for your contribution. Just one second. Mr. Oriol has a question.

Mr. ORIOL. Mrs. Everett, you have suggestions on possible Federal action that could be taken in connection with some of the problems you have described?

Mrs. EVERETT. We will send to you written responses.

Senator SMATHERS. We will make that part of the record.⁴

Mrs. Therese Pavlik, chief chemist and associate director of the Good Housekeeping Institute, New York City. Is she here? If not, I call Mr. Haley Sofge, director of the Miami Housing Authority, accompanied by Mrs. Bess Marder, community services director. We will then have Mrs. Emily Dickinson, executive director, Family Service Association of Hillsborough County.

Mr. Sofge and Mrs. Marder, we are delighted to have you.

STATEMENT OF HALEY SOFGE, DIRECTOR, MIAMI HOUSING AUTHORITY, ACCOMPANIED BY MRS. BESS MARDER, SOCIAL SERVICES DIRECTOR, MHA

Mr. SOFGE. Thank you, Senator. We are pleased to be here, and, as you stated, I am director of the Miami Housing Authority.

Our authority has been one of the front runners of the public housing program in attempting to supply housing for our elderly senior citizens in Miami. Senator Smathers knows that. We built the first public housing of its kind in the Southeastern region especially designed for the elderly. In 1960 we started a development, identified as Donn Gardens, a small project with some 64 units. We learned by doing, in the development of this first small project for the elderly, and we profited from this experience. Since this project was constructed in the early stages of public housing developments for the elderly we made some mistakes but we used this experience to advantage in future programing. This project was well accepted in the city and the county. We were able to proceed to develop some three or four new specially designed projects for the elderly and this whole program has been most successful.

You will recall, too, Senator, that our authority was first in the country to purchase already developed property consisting of one-bedroom apartments and, as you know, these properties were remodeled for the elderly. We gave our applicants a choice of moving at once or waiting until we finished the remodeling. Their choice was to move in. We gave them sidewalk superintendent cards and in many ways they helped us adapt the buildings to their needs.

I feel, sir, that there is much still to be learned in the design of apartments suitable to the needs of the elderly. All Federal programs con-

⁴ See p. 309, appendix.

cerned with elderly housing are still subject to evaluation as to the design and use of materials, in particular in the kitchen and the bath. For instance, in dealing with the elderly person who needs a refrigerator we actually found that he needed a larger refrigerator due to the fact that he was limited in his ability to shop. The elderly wait for a welfare check and they do not make too many trips to the store. When they do, they bring home a large amount of groceries at one time. It may be possible to develop a special top burner and oven for the elderly, with built-in safety features, and the volume of elderly housing may warrant such a study by industry. In fact, industry has a role here and possibly we should interest industry in special design studies of elderly needs in terms of furniture, bath and kitchen equipment—and I am not speaking of an institutional design but one that would assist the elderly.

Senator SMATHERS. May I ask you a question?

Mr. SOFGE. Yes, sir.

Senator SMATHERS. At this point, what does it cost under the program that we have instituted in Miami, the Florida Federal program that you have handled so well—what does it cost to buy existing dwellings? What has been your experience as to the cost to buy existing apartments and constructions and then convert that for housing for the elderly? Is there a lot of money involved in that? What I am trying to drive at is this. Do you think from your experience that it would be cheaper in the long run to go ahead and build as we have done for example in these apartments or do we save money in trying to achieve these existing structures and remodeling them?

Mr. SOFGE. Senator, I think we need both. We need property that's located in neighborhoods with good shopping and transportation. The purchase of a developed property makes sense where the design lends itself for adaptation for the elderly. If the market place is fairly soft, it is possible to purchase a developed property, remodel, and adapt it to the needs of the elderly, and produce a considerable savings over a 40-year period.

Senator SMATHERS. Well, I wasn't quite sure and I wanted to ask the question.

Mr. SOFGE. There are many things that we must take into consideration in considering the developed property especially for the elderly. For example, two-story structures are so often considered wrong for the elderly. We found in Miami however, that many of our elderly residents migrated from areas where they lived in three and four-story walkups. Many preferred the two-story dwellings and it was feasible for the Authority to acquire these dwellings, keeping in mind the long-term management structure of the public housing program wherein tenant transfers can be made for health and other reasons. I feel the purchase of developed properties should be complimented with the construction of specially designed units. In this way you have an unusually flexible operation providing more independent type living arrangement in some of the smaller developed and remodeled properties, with more concentrated services being made available to the elderly who prefer and need the services in the new specially designed projects. Our Robert King High Towers high-rise development for the elderly is an example. It is located near the Jackson Memorial Hospital complex and the elderly residents of the project and the neighborhood

benefit from the programs supplied by Metropolitan Senior Centers, Inc. in a multipurpose community facility provided by the Authority. All of this provides a very flexible operation and it can be said, Senator, that the purchase of developed properties generally produce some savings in cost if the buildings are structurally sound, lend themselves to remodeling and adaptation, and are made available to an authority at a reasonable asking price.

We feel, too, that the baths lend themselves to special design consideration. In Miami it would be helpful to study the operation of windows and doors and all things that open in terms of ease of operation.

I would like to close by saying this: That public housing sponsored by the Federal Government cooperating with the State and local government is producing a commodity, a basic commodity. Standard decent housing with special designed features for the elderly is our goal.

I would like to say, too, that we know in Miami, and I am sure it is true throughout our great country, that the elderly people moving into our housing developments are generally paying from \$60 to \$70 to \$80 per month, for substandard or marginal housing. Certainly these are houses not necessarily designed for their needs. When they move into public housing their purchasing power is increased. This increased purchasing power resulting from reduced rental costs is particularly valuable to the elderly person with limited income. It permits additional funds for other needs, but it is still a very limited increase in purchasing power.

With me is Mrs. Bess Marder. She is Community Services Director for the Housing Authority. She has a more direct role in dealing with our elderly population. She will speak in more detail as to the consumer interest and needs of the elderly population.

May I take this opportunity to thank you, sir, for inviting us.

Senator SMATHERS. Thank you, Mr. Sofge.

STATEMENT OF BESS MARDER, DIRECTOR, COMMUNITY SERVICES, MIAMI HOUSING AUTHORITY

Mrs. MARDER. Senator Smathers, and gentlemen.

I am pleased to be here. Can you hear me?

Senator SMATHERS. Yes.

Mrs. MARDER. I am here this morning not as an authority on consumer interests of the elderly but as one who has a day-to-day awareness of these interests, of the small problems and those which loom large to the low-income elderly who are residents of public housing in Miami.

1,659 of the apartments operated by the Miami Housing Authority—42% of our units—are occupied by persons 62 years of age and over. 807 of these are in five developments especially designed for the elderly. The remaining 852 are in family developments.

But let me give you a picture of the people rather than of the apartments. Their average age is 71; average yearly income \$1,600 per family (1,100 per person); the average rent they pay, \$33.41 a month. Of the persons living in the developments for the elderly, more than 70 percent live alone. The great majority of the residents are retired, living on social security, pensions, old age assistance grants, or a combination of these.

Looking at these people as consumers, this statistical picture tells us that their buying power is extremely limited. They face all of the problems of any consumer of limited means, plus those brought by increasing age and infirmity.

For our purposes it would be better to separate the elderly into two groups: The "young" old—those who, whatever their age, are functioning adequately both physically and socially, and the "old" old—those who, whatever their age, have physical psychological ailments which impair their ability to function. This group, of course, are the primary consumers of my department's product—community services. We struggle with their problems of illness and medical care, isolation, declining mental faculties—and where we are so sadly deficient. We are virtually helpless with no community provisions for protective services.

However, let me get back to the elderly as consumers of other than our services. Among the "young" old as a whole we find that they follow the patterns they have held to for years. If they have been quality shoppers in the past, they remain so, even with their limited incomes. Women living with their husbands tend to shop for and prepare better balanced meals. Those living alone, and they are in the majority, have lost interest and prepare what is quick. TV dinners, canned chili and spaghetti, cheese, frozen or canned vegetables if they use them at all, primarily one course or one process meals. It's interesting that the men who cook for themselves do a much better job. It is also interesting that in contrast to popular belief, our elderly residents are quick to try new products—anything that is easy to prepare: instant hot cereals, instant breakfasts, frozen dinners, pop-up toasted desserts, any new product that is advertised on TV. The additional cost of the precooked foods is considered well worth it, or not considered at all. Diet foods are of course a big item—and an additional financial drain. We also find a heavy concentration on sweets—cookies, candy, frozen cakes and pies. Games and gimmicks have great appeal. And we have a new breed of shoppers too—the men. Even among the married couples, the men have assumed this responsibility. Some accompany their wives, some shop alone. It gives them something to do, a feeling of involvement, of usefulness—and with some it gets them out of the house and from under the housewife's feet for a few hours. We cannot overlook the importance of marketing to our elderly as a social experience. I have often wished that we could have "geriatrically oriented" markets near our projects, which in addition to the wide aisles and convenient shelves which most of our stores have today would have a slower pace, lighter weight shopping carts, products with labels and directions printed in big letters, chatty clerks, and delivery services.

We find that the food habits among our Negro residents differ from those of the white. They eat little beef, veal, or lamb, concentrating on chicken, pork; and these are largely fried. They are more apt to buy at small markets, even when a supermarket is near by, paying higher prices, of course, and keeping a running credit account which they rarely check.

For our "old" elderly, food shopping as well as any kind of shopping is a real problem. They use the nearest market regardless of its limitations or rely on others to shop for them. Their interest is nil

and their diets are poor. Some use catering services and some, unhappily, really just don't eat.

If we ask our tenants what, as consumers, their complaints are, their first response after the limitations imposed by their income, is TV. They have a valid complaint. TV plays a very important role in their lives. It is their main form of entertainment and with some it is almost their only means of communicating with—or relating to—the outside world. If the TV goes, it is a calamitous occurrence and the requests go out for "instant" repair. The costs of repair are high and the elderly are a captive and an unknowledgeable audience. They must have their TV, so they pay and other needs suffer. I'm afraid there are many abuses in this area. It is an interesting note that a National Educational Television program titled "Your Dollar's Worth—Television Repair" dealing with the frauds and misrepresentations in this area was scheduled for programming in Miami on the NET station on November 6 but the program was withdrawn.

My time is running out and I would like to limit myself very quickly to two or three more areas. If there are any questions—

Senator SMATHERS. Yes. Do all of these individuals have TV sets, or do they go down to a community set?

Mrs. MARDER. We do have TV rooms in the senior centers, but a great many tenants have their own.

Senator SMATHERS. Would you say 90 percent?

Mrs. MARDER. I couldn't quote a figure but you go into any apartment and regardless of the quality or quantity of the furniture you will see the TV.

Senator SMATHERS. For example—I am merely throwing this thought out—would the Authority think it is possible or practicable for them to make a contract with a TV repair service which would cater only to that one housing authority and give them a flat rate, that sort of thing, and help reduce the price? Has any repairman talked about that, a form of a built-in market?

Mr. SOFGE. Senator, you may have given a good suggestion and we will check it out. There would be some difficulties that would be involved, to be sure, but it is a good suggestion.

Mrs. MARDER. We have given the names of a number of TV repair people in the immediate area to our tenants but we hesitate to recommend anyone in particular.

Now to the other areas I would like to cover. The first applies primarily to our Negro residents. The door to door salesman. It has been said by our Negro workers that the white person goes downtown to shop, but the Negro waits for the "Man." He comes on the day the checks arrive, cashes the check, and sells them—or takes payments on what has already been sold—clothing, linens, household goods, small appliances, or insurance. The tenants don't leave the house on the day he is expected and they pay dearly for his services, just a seemingly small amount each time but it comprises a good part of their income and the payments go on forever.

The purchase of furniture items is another area particularly problematic to the Negro. It is bought on time at nearby stores, and after several payments the accounts are turned over to small loan companies. This alone is alarming to the elderly tenants—they have not or could not read the small print explaining this process, the interest

rates, the penalties. They become alarmed at the bills from the finance companies rather than the furniture store. And then there are the penalties for late payments and sometimes the repossession of the furniture.

As consumers of services—whether the services be those of a doctor, a dentist, or a repairman—our elderly are at a distinct disadvantage. Payment is asked in full. Who knows if they will live long enough to pay for the dental plates on time?

Let me just mention the elderly as consumers of vast amounts of patent medicines and vitamin pills and go on to my last area: the elderly as consumer of funerals, and here again the Negro seems particularly vulnerable. Almost every one has a \$500 policy which he has been paying for as long as he can remember, to take care of his burial expenses. But it is rarely enough. Funeral directors play upon the need to do the best possible for the deceased and the funeral costs far exceed the ability to pay. In general, with many of our residents, money is, or has been put aside for the funeral and no need is great enough to make them touch it. They have provided for themselves far better in death than they were able to in life.

I have discussed primarily here our well elderly or the young elderly. The old elderly have all of these problems and many more which however, I won't go into.

I would also like to mention that the increase in social security will not affect many of these people because in Florida, the old age assistance grants will be cut in the amount of social security increase, so actually they will benefit not at all.

We are happy to have this committee at work on that.

Senator SMATHERS. Thank you very much. We regret very much that the State took the action it did with respect to the old age assistance. The Federal Government passed this bill. They recommended and worked and voted for an increase of social security benefits and then to have it drift out the other end was not the idea. We hope we will be able to arrive at some understanding with the States that are not continuing to grant this money or perhaps there will be another program unless they hold up their end. We have tried to increase, not decrease. This was not to be used as a convenient place for them to get off the hook themselves. Thank you very much.

I would now like to introduce Mrs. Emily Dickinson, executive director, Family Service Association of Hillsborough County. Before you start, Mrs. Dickinson, we have in the audience one of my very dear friends and long-time workers and spokesman on behalf of the elderly. Mr. R. O. Beckman. Mr. Beckman, will you stand up and be recognized. Did you want to put a statement in the record?

Mr. BECKMAN. Just a very brief statement that I would be pleased to leave with the committee.

STATEMENT BY R. O. BECKMAN, NEWSPAPER COLUMNIST

Mr. BECKMAN. It is a privilege to attend another hearing by legislators so genuinely concerned with current impediments to satisfactory retirement. Ever since the 1961 White House Conference on Aging, no public or private agency has surpassed the Senate committee in publicizing and furthering recognition of the innumerable issues created by an expanded aging population. At the taproot of

effort to improve the well-being of the later years lies the arduous task of moulding a youth-accented public opinion. The attitude toward old age must be changed from apathy to empathy. The new Administration on Aging should now be able to help your committee carry the ball.

I understand this hearing deals with suggestions for specific topics of elderly consumer interest that might be looked into. Two timely topics relating to insurance may be in order. Insurance protection at any age is vitally needed but older persons now find they can neither live without insurance nor live with what is offered them in supplemental medicare coverage or in automobile insurance. Surveys I have made of commercial health supplements show excessive costly coverage for hospitalization but practically none to meet the cost of doctor bills. Older Americans able to pay for added coverage are forced to spend more than they did before the advent of medicare. As to automobile insurance, drivers over age 70 will soon vanish from the highways because of the excessive and discriminatory cost of auto insurance and of rising traffic congestion and hazards. Older drivers are forced to become assigned risks because carriers will not insure them. Major companies offer protection only if a combination of liability and comprehensive insurance is bought in metropolitan areas that may reach \$300 a year.

In earlier hearings frequent reference was made to exploitation, misrepresentation, fraud, quackery, and confidence schemes. A less reprehensible topic, perhaps involving only misrepresentation, may also be deserving of your attention. I refer to reputedly nonprofit organizations of senior citizens, large or small, that claim compassionate regard for their members but which may conceal commercial motivation or self-seeking desire for power or influence. Can such a group faithfully and democratically demonstrate the will of its membership? Does autocratic or oligarchic control conduce to exploitation?

In a democratic State voluntary groups need to guarantee independence of spirit and freedom from enforced domination. Organizations that have nothing to conceal will be glad to cooperate with your committee in strengthening public confidence in the growth and potential of senior groups that are becoming a wholesome and necessary social phenomenon. Thousands of enthusiastic volunteers are dedicating vast time and effort in implementing laudable service ideals publicized by their organizations. If full information as to controls and finances is speciously withheld, they should be made aware of it.

During 14 years of close contact with retired men and women and readers of my "Vintage Years" column appearing twice weekly in a number of newspapers, and as a member of various senior organizations, I have gathered documented data which suggests that the direction of certain groups may be open to question. Should your committee be interested in exploring the matter, I will be able to supply pertinent facts under oath. Let me thank you for your courtesy in allowing me to bring these subjects to your attention.

Senator SMATHERS. We will make it a part of the record at this point and we want to thank you for your continued interest and continued writings, particularly the column you have been writing. It's been very helpful.

Now for Mrs. Emily Dickinson. We will be happy for you to proceed.

**STATEMENT OF EMILY DICKINSON, EXECUTIVE DIRECTOR,
FAMILY SERVICE ASSOCIATION**

Mrs. DICKINSON. Thank you, Senator Smathers, and this very distinguished audience. Let me say how pleased I am to have the opportunity to be here today.

My testimony will probably be a little different than you have heard, and I want to tell you that I represent the Family Service Association.

The Family Service Association of Tampa, Fla. a nonprofit United Fund-supported private agency has worked with the needs and problems of aging persons in Hillsborough County for 60 years. The agency has recently completed a 3½-year study on services to the aging under the auspices of the Family Service Association of America. The study was financed by the Ford Foundation. I tell you these things so that you may know that the many and diverse problems affecting elderly persons have been of concern to us for many years.

The emphasis today, as I understand it, is on the elderly as consumers. During the years we have had as part of our agency function a homemaker service. It is our policy not to employ anyone under 55 years of age and I'll be glad to tell you why, if you ask me.

The homemaker has played a vital part in keeping the elderly person a consumer. She reactivates their interest in life and needs. She shops for them or takes them shopping. She gets them out and into the stream of life. I'll give you one illustration which proves that the older person can again become a consumer.

A physician referred an elderly lady, recently widowed, to us. She had taken to her bed although there was nothing physically wrong with her. She had decided she was going to die. Our homemaker working under the guidance of the caseworker started slowly, first getting her out of bed to show her where she kept things in the kitchen. (She was not eating.) But with the homemaker she did eat some lunch. The next step was shortening some dresses. She had not been out of the house in weeks. Within a month the two of them were walking 14 blocks to the supermarket and she was buying proper food again. Then she decided she needed some new clothes so they went shopping. Then she began to take some interest in other old people in the neighborhood and first with the homemaker's help, she had one or two in for tea. Her fears and phobias disappeared. She even decided she could fly north to see some of her family. She was 78. She became a human being and also a consumer.

Another elderly lady was referred by a friend in the North. She said she thought some one was taking her "for a ride." We went into the case and found the lady quite ill and feeble. Once again we used our homemaker. We found that a so-called friend was indeed getting all she could from her. The story is long. I'll make it short. We helped her to get her finances straightened out. Our homemaker took her and still takes her shopping each week. We were able to interest friends who added a yearly amount to her income and sent money for her medical care. She now buys what she needs plus a few luxuries. Our homemaker goes over her immediate needs with her, goes with her to cash her checks and pay her bills. She has had her house painted,

has put in a floor furnace, gets to the beauty parlor regularly, sees her doctor regularly and last year she saved every month until she had enough to buy a fur piece. She has been a consistent but careful consumer. One day we noticed she had a new ring. She said, "It's not a diamond, it's an imitation but a good one and it's set in gold. I always had rings but I had to sell them—needs." Buying habits of older people, just like the rest of us.

The homemaker becomes a friend and a confidant. Working with the agency she can be trusted. Multiply this case by the hundreds of lonely forgotten people who have lost all interest in life and contribute nothing to the country.

Of course, the older person must have more than just subsistence in order to be a consumer. We have found jobs for many and they become once more useful and they have money to spend.

This leads me to our foster grandparent project under OEO. Our grandparents must be at least 60 years of age. The average age of ours is 67 plus. They are now employed people. Their children and neighbors look at them with respect because they are working and earning money, our status symbol in our modern world. What has happened? Most all of them have paid off back debts. How many debts can a \$10 bill pay in 1 day if it moves swiftly? I believe experiments have shown that it can put a few hundred dollars in circulation. They have bought new teeth, new clothes, fixed up and repaired old cars, and three have put new roofs on their houses. The most they can earn under our program is \$25 per week.

Once given the opportunity to earn (not made work), they put their money into circulation. It doesn't matter whether you are 17 or 70, you enjoy having a television. You enjoy being able to buy a good dinner at a good restaurant, you enjoy buying a present now and then for friends and those you love. The 1960 census showed we have 7,613 persons over 65 in Hillsborough County. There are more now. If each one had \$10 more per month to spend this would put \$913,560 into circulation each year.

Along with the need for work and more adequate income are the still more important factors of human dignity, the need to be needed and the need to be truly useful.

Senator SMATHERS. Thank you very much, Mrs. Dickinson. We appreciate your recommendations.

Mrs. Betsy Porcher, director of the National Association of Retired Teachers and American Association of Retired Persons Hospitality House of St. Petersburg.

Mrs. PORCHER. Senator Smathers, gentlemen. I am happy to be here representing our organization.

**STATEMENT OF BETSY B. PORCHER, DIRECTOR, NRTA-AARP
HOSPITALITY HOUSE, ST. PETERSBURG, FLA.**

Mrs. PORCHER. Our organizations, the National Retired Teachers Association and the American Association of Retired Persons, was founded originally because of the need, felt and seen, of the person who is beyond middle age. We have, in every way possible, cooperated with the Government and other organizations interested in the problems which face the elderly—adequate housing, insurance, drugs,

and consumers problems. In a recent editorial in one of our national publications entitled "Circumstances, Challenge, and Choice," Dr. Ethyl Percy Andrus, our national president, states, "to be alive is to be involved in the happenings of the world about us."

About 2 years ago, in cooperation with Mrs. Esther Peterson, who at that time was the President's Special Assistant on Consumer Affairs, our organizations established three consumer information centers. In St. Petersburg, we obtained all publications possible, and had them available to not only our members, but anyone who wanted them. We also distributed questionnaires asking what these people wanted most or what they thought would be most helpful to them. The two answers on practically every questionnaire was, "Why are prices so high—and still getting higher?" "How can we best know that we are getting our money's worth?"

Dealing with the first question—How can these people living on small incomes meet the price demands when they continue to rise? Even within the past week, milk and bread have advanced in price again.

The chief thing we hear from these people at our consumer desk is, "Yesterday, I bought a 12-ounce box of cottage cheese for 23 cents, today I went back to the same store, and it was the same package, the same quantity, same brand, but the price had been raised several cents." How are we going to control this rising price in our community, especially where the greater percentage are the elderly or older Americans living on social security or a small pension?

Why, a poverty program, when it does not help a retiree who has pride and dignity, trying to get along on his income without going to welfare, when prices continually rise, even the staple articles? This concerns me, as an individual, and also as director in St. Petersburg of two national organizations, which deal with the older person. This is why we are interested in the conference now going on which has been called "The Older Citizen in Today's Market," and why we are interested in this hearing.

We know within our own organization that not many of our members could be classed in the real poverty area but most of them are of moderate means—or in the small-income bracket.

One of the areas in which we have tried to educate the consumer in getting the most for his money was to avoid food fads and quackery—and to learn how to read labels on cans and packages to protect their health as well as their pocketbooks.

In my opinion, the labeling and packaging law has been helpful but not nearly adequate. Just the other day, I went through a chainstore grocery. Many of the packages and cans did list ingredients . . . but also listed many other things that meant nothing to me, nor would they to few others, I'm sure.

Preservatives are in almost everything and, no doubt, unless taken in large quantities, would be more or less harmless. Harmless, that is, to the average person, but supposing you suffered from diabetes, hypoglycemia, high blood pressure, or heart trouble?

One well-known brand of pork and beans (Campbell) did not list ingredients, but if sugar had been added and not put on the label, a diabetic would definitely be harmed by consumption of this product. To my amazement, I found sugar in sausage. To those of us who must

not consume sugar, except in natural fruits and vegetables, this is disconcerting, especially if you are on a high meat protein diet.

One thing more, I should like to add, it would be of great benefit to our elderly population if different kinds of labeling could be used on baby food products. Instead of labeling them as baby foods, why not try to get companies to put adult labels on these same foods, which would not embarrass the older person when they go to buy them. This, I believe is one of the most important steps to help the elderly. They may, jokingly, say—"I have gone back to my babyhood, I have to eat puree food" but this is strictly a cover-up. They really are embarrassed and feel somewhat belittled!

The quantity of drugs contained in any proprietary medicines are required to be listed according to the amounts of each. Why shouldn't food products contain the quantities of chemical additives to be listed on labels or packages to protect the public from consumption especially if such chemicals are contraindicated in certain health problems or ailments? This is where our Labeling and Packaging Act does not do an adequate job.

Independence, dignity and purpose has always been the slogan and goal of our organizations. This would be a good thing for every elderly person to feel and achieve—not many want to be set aside as a special group or be classified in a special category. But since we are, it is good to know there is a growing concern over our problems.

Senator SMATHERS. Thank you very much. I congratulate you for what you are doing in our splendid State. Thank you.

At this time I would like to introduce Dr. Joel D. Fyvolent, chairman of the Hillsborough County Medical Committee on Drug Surveillance.

Dr. FYVOLENT. Thank you, Senator.

STATEMENT OF JOEL D. FYVOLENT, M.D., CHAIRMAN, HILLSBOROUGH COUNTY MEDICAL COMMITTEE ON DRUG SURVEILLANCE

Dr. FYVOLENT. Senator Smathers and members of the committee, I wish to speak to you today briefly on the problem of selection of medications for the elderly patients.

Elderly patients, as a group, are the largest consumers of medications. They are also more prone to serious side effects of medications as contrasted to the young and middle aged groups. There are several reasons for this increased incidence of adverse effects. First, they have the most exposure to medications. Degenerative diseases may require multiple medications and long-term administration. Sensitization and allergic responses often increase concomitantly with greater duration of use. Due to certain kidney, liver, heart and vascular disorders, metabolism of drugs may be greatly altered and dosages should be adjusted accordingly. Also, with increasing age, memory often fails and instructions concerning medications become confused or forgotten.

Therefore, proper selection of drugs is especially important for the aged. Drugs are becoming more and more complex in their action. Adverse reactions to drugs are becoming more commonplace. No drug does only one thing; all drugs have side effects, some beneficial, some harmful. In medicine we developed our missiles and then need effective

antimissiles often for the unwanted adverse reactions. Proper judgment concerning the selection of medications concerns many factors and involves both the art and the science of medicine.

Fortunately, more sophisticated design and control of the evaluation of the merits of new products are available and can be utilized to give us more reliable information and largely eliminate the experimenter's bias and other problems. The old medicine man testimonial approach that 10 patients tried the product and liked it provides little help to the conscientious physician who is trying to evaluate the true merits of the product in a particular situation.

This type of "testimonial," unfortunately, is still found far too often in medical journals. This type of report is, however, easy to perform as one does not have to trouble with the sophisticated well designed clinical experiment which requires considerably more effort. However, the publication explosion and academic dictum, "publish or perish," often results in many otherwise excellent universities as well as others turning out this type of poorly controlled work.

Even when one can find well controlled studies demonstrating that the drug is effective in the treatment of a certain disorder, this is not enough information for the practicing physician. He needs to know not only that "product X" is effective in the treatment of a certain disease, but also how "product X" compares to "Y" and "Z" which are being promoted by different pharmaceutical companies for the same purpose. This type of well designed comparative data on products currently available is extremely difficult to find in the medical literature. The AMA annual book on "New Drugs" is good, but it avoids much discussion of comparative benefits and there is no mention of approximate costs of medications discussed.

In the fiscal year 1965, the Public Health Service research project grants numbered over 17,000! Approximately less than 5 percent of these involved well controlled and designed clinical studies which compared relative values of medications currently available for the practicing physician. I do not wish to underestimate the value of basic research. Hopefully, this research will lead to more specifically effective remedies through a greater understanding of the mechanisms and pathogenesis involved. However, it seems to me that some emphasis should be placed on how to best utilize what medications we now have available while awaiting the fruits of basic research.

The cost of medications is obviously very important for the elderly patient even with the advent of medicare. The cost of medications is a taboo subject in medicine.

The medical student is taught amazingly little about the cost of medications during his formal medical school education or his post-graduate training. His "ivory tower" instructors well insulated from such horrible realities by their research work and limited contact with patients who actually pay for their medications usually fail to mention drug costs.

The over 2,000 different individual advertisements mailed to practicing physicians yearly conveniently fail to mention the cost of their products nor will the physician find any mention of the cost of medications in the medical literature describing the product.

If the physician or his family needs medications, the pharmaceutical company most generously provides him with a supply, at no cost, of course.

When the young physician does find out about costs, it is when he prescribed the "latest antibiotic" for a relatively minor infection and the patient rightly complains, "Say, that prescription you gave me last week cost me \$15!"

Fortunately, in a competitive society, costs do vary. But some guideline of approximate cost should be readily available when the physician is trying to learn about relative merits of one medication as compared with another.

In general, I think the FDA is doing a good job despite an impossible task. I do think communications between the FDA and the practicing physician, however, could be improved.

The product brochure or so-called insert in the package of a drug has through the efforts of the FDA, changed from what used to be information about the product colored with a good dose of advertising, to a reliable, up-to-date statement of the known actions, indications, dosages and adverse reactions which might be anticipated. Unfortunately, however, in actual practice, these product brochures or inserts are not read by many physicians. I believe the reasons for this should be studied and measures taken to remedy this accordingly. This study should not only include the various reasons why physicians do not utilize the product brochure, but why medical schools do not emphasize its values.

I would also suggest that the FDA elicit the cooperation of medical schools and outstanding recognized specialists in private practice and organize regional community programs at regular intervals which would discuss relative merits of pharmaceutical products based upon such considerations as efficacy, safety, toxicity and cost.

Clinical research grants emphasizing well designed controlled studies of these problems might be made more readily available to be utilized in these programs. Combining the knowledge of specialists in private practice and universities might improve population sampling as well as other aspects of the experimental design.

Senator SMATHERS. Thank you, Doctor. One question.

As you point out in your statement of the elderly, the impoverished elderly, and the paying for these medicines, under the medicare program thus far it is not incorporated to include basic drugs. I gather from your statement—I don't want to put you on the spot—but I gather from your statement that the recognition that the drug costs are enormously high and prohibitive to the people who are poor, very poor, and you would have no objections to including this under medicare, the exceptional drugs. Is that correct?

Dr. FYOLENT. Yes, I think this might be helpful.

Senator SMATHERS. Thank you very much, Doctor.⁵

The next witness is Mr. Fred B. Causey, attorney-advisor, Atlanta office, Federal Trades Commission. Then our last witness will be Dr. Alfred Lawton, professor of academic affairs at the University of South Florida, and Dr. Thomas Rich, psychologist, also the University of South Florida. Mr. Causey, go ahead.

⁵ For additional material relating to Dr. Fyvolent's testimony, see p. 310, appendix.

STATEMENT OF FRED B. CAUSEY, ATTORNEY, FEDERAL TRADE COMMISSION, ATLANTA, GA.

Mr. CAUSEY. Senator Smathers, gentlemen of the committee. I am sorry I have not had an opportunity to prepare a written statement for your records. Since getting an invitation to this hearing I have been out in the field working and had no opportunity to prepare such a document or even make any research on the comments that I have to make at this time. For that reason my comments will have to be very general in nature without the benefit of having been able to research this material. Also, I can't be sure that any particular comment might be relative to a case in litigation. It will be general for that reason.

I do not intend to imply that all of the businesses in this area of consideration are engaged in deceptive practices that we are talking about that affect very seriously the elderly citizens. The vast majority of the business people are actually proponents of fair play in their field. From my personal observation, and in dealing with this sort of thing, that is the deceptive practices, I have noticed that some of the areas in our business community in which these occur more frequently possibly affect the elderly persons and there are some that I will mention.

One is the area of home improvement. This would include such things as patios, porches, carports, shower doors, aluminum siding. Now in this latter particular area, we have had a considerable amount of trouble recently with misrepresentations pitched to, of course, any prospective purchaser of aluminum siding. Frequently these are the elderly people. The product is introduced to the prospective purchaser by advertising, sometimes by mail, sometimes by referral. It often includes that element called bait and switch in which the advertised item is at an extremely low price, is then found not to be available and the prospect is switched to a more expensive item.

Then there is the model home pitch as a means of misrepresenting to the prospect that he will get a discount on the purchase price of this products is another way the prospect is sometimes fleeced and deceived. Another is the actual statement that they are representing a nationally advertised concern where, in fact, they are not.

This particular area of deception is the only one where I can give you a specific case example because a friend of mine in Washington did mail me a copy of a news release and the Commission's complaint and order against a concern down here in Florida selling aluminum siding. This matter was settled by consent without further litigation as the company, without admitting they violated the law, agreed to cease the practices. But the complaint charged them with these things I have mentioned, and some others too. I would like to include this document.

Senator SMATHERS. Without objection we will make it a part of the record.⁶

Mr. CAUSEY. I might add this note in this connection, too. I do have a copy of the comments that I made this morning before the Conference for Older Citizens that is going on at the Sheraton Tampa Motor Inn. When I get an opportunity to put them in a readable fashion, I will include that along with this and forward it to you.

⁶ See Federal Trade Commission press release, p. 322, appendix.

The things I have noticed, talking about aluminum siding—for example, what presents a great problem to the Federal agencies and possibly to the local agencies in trying to regulate and control this is that usually the unscrupulous salesman out there gets a contract signed and then he gets the financing. The prospect signs the contract and the next thing he knows he is paying—he is having to pay his note to a finance company that he never heard of before. What happens is the concerns sell the paper to a finance company immediately. And, of course, then you have a third party holder in due course and the prospect may not have any recourse on the contract. I don't know what would be the answer to this particular problem, but the facts I have observed are that most of these operators of this type could not be in business if it were not for this financing. So whatever could be done in this area would certainly ease the problem. If they can't get into business without this financing, then we are eliminating this type of operation going on in our community. It is not peculiar to any particular region as far as I know and it's probably less in Florida than some other areas. But it goes on all over.

Another area in which the elderly are frequently victimized, along with many other people, is that of business opportunities offered for sale, either franchises or businesses represented as a going business. You usually find again the problem that this can sometimes take the savings of a lifetime because these franchises may run as high as \$10,000 or even higher. And some people fork out that kind of money and later find out all in the world they have is a franchise.

Another area of business in which deception of this type is not infrequent, is in the sale of food freezer plans with the representations being that you can own and buy the food freezer and the food for the same cost you are going to pay for the food. This is frequently found to be untrue. In fact, the business—I have had people tell me that the usual result is that the food costs go up over what they were before. The people start living a little higher and higher again. Here again financing is a critical element that I have observed in aiding the unscrupulous to foist this kind of thing on the elderly people and others.

Another area is that of land sales, and I can't say too much about that. In the first place, I don't know too much about it. I observed with much pleasure that Florida is trying to do something about it locally through the Florida Installment Land Sales Board. This is an agency of the State designed to provide some regulation in this field. The thing about this, I am told by one of the attorneys, is that although this agency has strict supervision over the advertising, the salesmanship that is used in the selling of land has become so sophisticated it is difficult to combat. If you hear all of the details, it must be fabulous. I'm sure that with more local regulation more can be done with local laws. That will help.

Another device that provides a means for deception of the elderly as well as many others is the concealment of contract provisions in a contract. I have seen this work in many different ways and a lot of times it is just the way that the form is printed. The most recent one I saw was a contract where the entire contract was contained in two innocuous lines down at the bottom of the page. It looked like it was just a part of the form put on by the printers. As a result the prospective purchaser never read it. He doesn't know until later that he is burned. I don't know what the answer would be to that. But some

regulation requirement as to the disclosure of contract provisions in such a way to make it clear and easy for anyone to ascertain what these provisions are—this is most necessary.

There is one other thing that I would like to mention that has occurred to me and it doesn't come from our experience with the Trade Commission. In fact, it's something that we have no jurisdiction over and I believe our chairman stated to you January 18—I believe he mentioned something about the Commission's interest in a proposal of State agencies regulating hearing aid dealers and fitters. After my talk before the group this morning a gentleman came to me and asked me this question. I pass it on just for your information and consideration. "Why is it that the Federal Trade Commission doesn't do something about prices on hearing aids?" Of course the Trade Commission is not a price control agency and we do not approach it from that angle. But my reason for bringing that up is simply that sometimes the cost of these hearing aids according to my informant is quite exorbitant. As mentioned, it's sometimes over \$200. Of course, our agency has jurisdiction of advertising and practices used in selling hearing aids if there is interstate commerce.

As to interstate commerce, you have your home improvement people and food freezer plans and many of the others who frequently attempt to avoid any Federal jurisdiction by confining their activities wholly to intrastate activities. Fortunately many of them we find in interstate commerce one way or the other and as a result the FTC has issued orders against many of them. They do move around. I have observed that.

We have had a problem, for example, in carpet sales where a man entered the area and set up and splashed the area with advertising and sales and the next thing you know they are gone and 2 or 3 months later you hear of another similar operation 200 or 300 miles away in another city. You get into it and find the same thing again. It is hard for us to catch these people. The local agencies and local authorities observing these things are doing a good job, but their tools are often not adequate.

So in conclusion I would simply state that, without attempting to make any recommendations or suggestions as to solutions to all of these problems, certainly our agency will do all it can but local regulations are a very important thing. Further the education of the consumer. Unfortunately this class of our citizens are maybe not too experienced and they are easily set up for fraud. They need education. If a public agency could do something to educate these people it would make a contribution that will be extremely helpful in this area.

I believe that concludes my statement.

Senator SMATHERS. Thank you very much, Mr. Causey. May I ask one question. Do you find from your experience that the incidence of fraud and deception is higher in the elderly group? I'm speaking of the age 65 group or above.

Mr. CAUSEY. It would be almost impossible for me to answer that question because I have never considered it myself before this came up. Since our work is directed to matters to protect all consumers, the fact that we run into so many of them who are in the elderly group is incidental. I would say that it is substantial, but I could not say with any authority at all how substantial it is.

Senator SMATHERS. Under your authority, do you people who operate in this field, do you usually go into these matters after there has been a complaint made to you or do you have the authority to go into them on your own initiative?

Mr. CAUSEY. Both. Our Commission can move at its own instance and the Commission in Washington does maintain monitoring of advertising in TV and newspaper and so forth. Many of the matters in that field arise at that point where something is observed, or appears to be in connection with some other information that is thought to be misleading or false. And then we move on complaints.

Senator SMATHERS. This committee, as you know, has looked into the matter of deception and land sales throughout the country and found specific instances of things they felt were deceptive in the practices in the State. I am happy we now have a law passed by our State legislature that limits this type of thing rather well. This agency in the past few years has made a momentous contribution in this field.

This committee, as I understand it, led by Senator Williams has exposed many frauds in the field of hearing aids, land sales, food products, and investment property, drugs and so on. And, regrettably, most of this deception has victimized the elderly citizens group. We appreciate what you are doing and thank you very much.⁷

Our last witness is Dr. Alfred Lawton and accompanying him will be Dr. Rich and Dr. Bruce Cameron.

Gentlemen, we are delighted to have this array of knowledge and information in front of us.

Dr. LAWTON. Senator, we come as a committee and I will ask Dr. Cameron to begin and then Dr. Rich and then I will try to finish up.

Senator SMATHERS. All right, thank you, gentlemen. Dr. Cameron.

STATEMENT OF DR. BRUCE CAMERON, UNIVERSITY OF SOUTH FLORIDA

Dr. CAMERON. Senator Smathers and members of the committee, I have been asked to make a brief statement about the state of research on aging from the point of view of a sociologist, and more generally that of a person interested in the social sciences.

In our society age is used as an index of many other personal characteristics. For many purposes, laws or procedural regulations require that a person be not younger than or not older than specific ages. However, we all know that human beings both develop and deteriorate at different rates. As a result, although we use age as an index, we all recognize that it is imprecise. Not every child is ready to enter school at age 5 or 7 or whatever age a particular State statute requires. Not every person is mature enough to show good judgment in voting at age 18 or 21. Not every person is equally competent to drive a car at age 14, 16, 18, or whatever. Age is imprecise in indicating general personality characteristics at the lower levels and even more so at the upper. We all know people who evidence all of the incapacities we associate with senility as early as 45. On the other hand, we all know a few aged people well into their eighties who show no such signs of impaired judgment, although they naturally have less physical vigor

⁷ Additional exhibits received from Mr. Causey, see p. 314, appendix.

than they once had. To assume that age automatically correlates with other significant characteristics is obviously unsatisfactory.

Despite this imprecision in the meaning of age, there are real role changes which occur to all of us as we age. We do not give up our powers of reproduction at any exactly predictable age, but eventually all women cease to reproduce. We do not lose our physical powers of locomotion at any particular age, but if we age long enough all of us slow down and eventually stop. More important than this, as we age we become less able to compete with other people in society for certain kinds of roles, if only because other people think so. This means that all people in our society face significant and often traumatic changes in their lives as they are displaced from positions of importance and are made to assume lesser positions, or, in fact, must retire completely from their previous occupations.

It is clear that there are both real problems and pseudo-problems which we must disentangle before we can make definitive statements about the problems of aging. The problems of the urban aged poor differ from the problems of the rural aged wealthy. The problems of the aged widowed woman differ from the problems of the aged widower man. The problems of the person who lives with his children or in-laws differ from those of the person who in advanced age lives by himself. For example, the isolated aged woman may have difficulty managing her finances, whereas the isolated aged man may be unable to prepare his food. Aged people who must live with their children or in-laws face numerous conflicts over use of the household and the ways in which things affecting them must be done.

We have barely touched these questions in research so far, and we have a great deal of work to do in identifying the proper problems before we can begin to provide the proper answers.

Senator SMATHERS. All right, sir, thank you very much.

Dr. Rich.

STATEMENT OF DR. THOMAS A. RICH, PSYCHOLOGIST, UNIVERSITY OF SOUTH FLORIDA

Dr. RICH. All segments of our population, regardless of age, are susceptible to marketing approaches, both ethical and fraudulent. The danger in posing this question is that it tends to ignore the fact that most of the changes noted in older people are most highly related to their general intelligence, education, income, and health status, not age. At least one study has indicated that older people, when permitted by health and economic circumstances, follow the same pattern of expenditures as a young consumer.

Within the elderly population there are factors which would create special targets that might lead to increased susceptibility to fraudulent claims. These target groups may be described as follows:

(1) There is a small segment of aged who would be classified as senile and are no longer able to make appropriate judgments concerning their own behavior, particularly when they live alone or in unsupervised settings.

(2) An increasing proportion of the elderly population consists of widows. While many of these widows have very limited income, many have taken over the management of estates of all sizes and must make

decisions about things such as household repairs, automobile insurance, and a whole realm of things not within their previous experience. They are in a position to make rather poor judgments about purchases and are open to fraudulent claims. The same may be true in some respects to widowers who initially are faced with the problem of making simple household purchases.

(3) Some elderly live in what resembles a state of social deprivation that is comparable to the isolation techniques used in brainwashing to increase the suggestibility of people. A lonely person living in such a state of isolation would again be a special target.

(4) Depression is more frequently encountered in the elderly and sometimes as in younger groups one way of attempting to offset this is through making purchases of unnecessary things as a way of gratifying oneself.

(5) A whole constellation of factors related to physical concern can be observed in the elderly. Many of his actions are counterreactions to signs of aging. It is certain that both men and women purchase to ward off pains, to improve appearance, and to somehow keep up with our youth culture. This is clearly one of the reasons why he has been so susceptible to advertising in this particular area.

(6) Even when the elderly person realizes the doubtful value of the product that he is purchasing, the fact that for a week or so he may have some hope of alleviating pains, irritations and signs of aging may be sufficiently reinforcing for him to feel satisfied about his purchase and at a future time expend more money for the next claim or cure on the market.

(7) A new problem may be emerging and that is that the present generation of elderly still represent a time in the American economy when we tended to buy what we needed, and not as much on the basis of want. Many people have said that today we appear to buy what we want. We are certainly no longer a subsistence economy. What will happen to this pattern of buying when the present generation reaches old age and experiences the expected sharp drop in income?

Thus far I have talked about consumer characteristics in the elderly that may be contributing to their susceptibility. I think most of the points raised today suggest a need for research rather than implying that we have answers. The need for consumer education in the elderly has been recommended many times, but we need special studies to determine real needs rather than projecting our middle class needs and our middle class incomes to the needs and incomes of the elderly. In a previous statement made here today it was pointed out that it doesn't help to teach the elderly how to stretch a dollar if he doesn't have a dollar.

In summary I would like to point out that there is a continuing need for adequately trained workers in the field of aging, capable of bringing to bear all of our knowledge including the focus of today's conversation, consumer education.

Senator SMATHERS. Thank you Dr. Rich. Dr. Lawton, go ahead.

**STATEMENT OF ALFRED LAWTON, M.D., DEAN AND PROFESSOR OF
ACADEMIC AFFAIRS, UNIVERSITY OF SOUTH FLORIDA**

Dr. LAWTON. My subject today will be why are the elderly so susceptible to fraudulent and deceptive practices.

When one confronts the question—Why are the elderly so susceptible to fraudulent and deceptive practices—two further questions immediately present themselves. Are the elderly more susceptible to fraudulent schemes and deceptive practices than are people of younger ages? And, the second, are the present elderly any more susceptible to hoaxes and quackery than they were when they were younger?

To answer both, or all three of these questions would require a great deal of carefully designed and prolonged research. Even then, the answers may only pertain to the actual group studied and might not hold true for persons of different social or economic status or for those becoming old in another era. It is also unwise to compare one generation with another. The living conditions of people in one generation span is different with the different life scale. Many of today's young adults never knew a horse intimately. At the same time many of today's aged did not learn to drive a car until they were adults. It should be expected that each of these two generations would apply completely different values standards to the utility of horses and automobiles respectively.

Many things regarded by youths as commonplace are mysterious and awe inspiring to the aged. As an example, atomic relationships form a part of today's school studies but present only dimly comprehended and awesome concepts to the elderly. So, a bit of hocus-pocus alleging to utilize the secrets of the atom for miraculous cures might be ridiculed by a youngster while being considered as a reasonable reality by the oldster.

It is not surprising that the products of this rapidly advancing scientific age do confuse the older people. After all, during their lifetime, mankind has passed from the horse nearly to interplanetary travel, from voice communication to TV by satellite transmission, and from bedside symptomatic medicine to cardiac transplants. When a senior citizen has seen so many, once impossible things, become reality during a single lifetime, it is hard to expect that he could differentiate between the true and the alleged miracles when both are being announced with the same amount of "advertising agency" fanfare. Perhaps today's youths will be even more susceptible to the sophisticated frauds of future years after they have lived through an even more accelerated period of scientific progress.

Another factor that makes today's senior citizens have difficulty separating fact from fiction may be found in their general lack of education when compared to modern standards. Two-thirds of those over 65 years of age did not have more than elementary school education and over 90 percent of these persons did not have schooling beyond high school. Today's scientific sophistication therefore often exceeds the training today's ages may have received.

Certainly there are many other things that make the aged person of the present era susceptible to and easy victims of fraudulent and deceptive practices. Of course, we have also spoken of waning memory and the failing intellectual powers with senility which may often be a prime element.

I have prepared a list of trite phrases that would bring to mind reasons which could cause even the most alert elderly to fall victim to the blandishments of deceivers. Take, for instance, social isolation with indifference to self. There I have reference for example to a group

who are indifferent to death. A person may court suicide by carelessly putting himself in front of an oncoming car. Even if he is only injured, life could be better for he will be well taken care of in a hospital.

And then I mention Judas goats. You know the slaughterhouse trick. You have the goat lead the sheep up to be slaughtered. There are those that are leading their peers among the elderly by deceptive practices into the hands of those who would defraud them.

Then there is pension—tension. Every retiree asks, "will my money last long enough for the lifespan that lies ahead?" "Will it reach a value, a lower decreased value over today's dollars?"

Another phrase is known to most physicians and that is, "I'm just as good a man, or woman, as I ever was." People are trying to convince themselves of this. They will try any number of alleged cures that would help restore their lost vigors.

Another phrase is "unfulfilled dreams." It has been said that youth dreams of things he desires to fulfill in his life. But the aged people have not fulfilled all of their dreams of their youth and they realize now that they probably never will. A short-cut to those dreams offers a very enticing way of life. I think some of the land frauds spoken of by the previous speaker and you, Senator Smathers, fall into this realm. A great house often means to him achieving the way he meant to live.

And then, of course, the aches and pains. It is just a sheer fact that the longer one lives that people accumulate a mass of ailments and chronic diseases. They become more susceptible to accidents. They wish just for a moment to be free of arthritic pain, of any pain. This has led to the taking of many valueless unknown drugs which are often sold by deceptive practices. The elderly will take these drugs in order that they can tie their necktie or do something else without pain, just once more.

Impending death is very real. Friends and relatives are fast disappearing and the elderly can visualize themselves also passing away. Many people, most people will do a great deal to avoid this possibility or to postpone it. Even devices are being marketed today so that you can die now, be frozen and reconstituted when the cure has been found for the disease that you die of.

Senator SMATHERS. I hope that comes along soon.

Dr. LAWTON. We can suggest Federal legislation and try to teach our senior citizens and protect them from others by passing certain laws, regulations, and restrictions. But perhaps for the younger people we can offer superior training during youth on how to be successful senior citizens. They must be taught that some day they will be old; some day they will be retired people. We need to teach them how to live in retirement and how to live in these latter years with their aches and pains and to resist the things that have been mentioned.

Senator SMATHERS. Thank you very much, Doctor.

I might state this, gentlemen—I think all of these points have been presented quite well. We, as legislators are not so much concerned, cannot be too much concerned, as to the reasons why but with the fact that these things do happen. Because they do happen and there is evidence of fraud against people, we are faced with the actual situations that must be remedied. Our job as legislators is to try to improve the situation.

We thank you very much for your useful contributions.

I would like to conclude by saying that we are all aware of many things that need to be done. I am sure that all the agencies of the Government are alert to the problems, the growing problems, of the aged, and I think all of us recognize that there are too many elderly people that do not have sufficient income and we must raise our social security payments. We know that we must make it possible for not only the social security payments to be increased, but we must increase the level of outside income which these elderly people can earn without losing their social security benefits. This has been a problem of great concern to me in the past and I introduced bills over the past 15 years, I am happy to say, that have increased that level.

There is also evidence from our hearing this morning that we want to go forward in increasing medicare so it will cover essential drugs. In the meantime, we have a bill in—Senator Williams and I—which would continue to permit those 65 years old and older to deduct all of their medical expenses, which unfortunately now is not the case. It used to be the case but through inadvertence in the Ways and Means Committee of the House we made a mistake and it took away the right of the people 65 years and older to deduct all of their medical expenses and we will have to change that all this year. It will have to be done in the future to continue to protect and recognize ever increasing elderly population and certainly this Committee on the Aged is ready to act on this and we thank you for your suggestions today. Thank you. The meeting will be adjourned.

APPENDIX

ITEM 1. ADDITIONAL INFORMATION FROM FLORIDA STATE AGENCIES

JANUARY 20, 1967.

Mr. HARRISON A. WILLIAMS, JR., M.C.

U.S. Senate, Chairman, Subcommittee on Consumer Interests of the Elderly, Washington, D.C.

DEAR SENATOR WILLIAMS: Upon receipt of your letter of December 15, we decided the best way to reply thereto would be to submit the questionnaire which accompanied your letter to knowledgeable people in three agencies. The last response was just received today.

The attached Exhibit A is the categorical response made by Henry E. Richards, Supervisor, Special Applicant Services. Exhibit B is the categorical response to the questionnaire made by Mrs. Margaret Jacks, Assistant Director, Public Assistance Division, Department of Public Welfare. Exhibit C is the categorical response to the questionnaire made by Mrs. Sue B. Young, County Extension Home Economics Agent.

While we have no doubt that some of the elderly are the victims of fraud and deception, we have the feeling that as a group they are no more gullible than the public as a whole. We cling to the notion that since the majority of older people are in the low income group that their problems fall into four groups; namely, (1) enough money to live on; (2) the struggle to stay well in their later years; (3) suitable living arrangements, and (4) something meaningful to do. We believe Title III of the Older Americans Act is a step in the right direction especially if the State Commissions on Aging can develop at community levels such programs as "Information and Referral Services", "Friendly Visiting Programs", "Homemaker Services", "Home Care Programs", "Meals-on-Wheels", "Increased Legal Aid for the Indigent Elderly", "Activities for Residents of Nursing Homes", "Programs to Stretch the Income Dollar of the Older Person", and "Part-time Employment".

We believe the 1960 Amendments to the Social Security Act will, in large measure, remove the specter of catastrophic illness from older people and their children. We are convinced that S. 2877, titled, "The Older Americans Community Service Program", if fully funded and implemented by State Commissions on Aging, will be another giant step forward, and we sincerely hope that you will be able to move this federal legislation rapidly in this session of Congress.

Finally, we trust Senator Smathers' proposal to provide income tax incentives for younger people who contribute to the support of elderly parents will be another step forward in preserving the family unit and in keeping older people out of institutions.

If Congress will extend Title III of the Older Americans Act and enact Title VI, we believe that the state agencies administering these two titles can conduct continuing educational programs at community levels that will enable the majority of older people to protect themselves in the market place.

Sincerely yours,

CLYDE GALLOWAY.

(Enclosures.)

QUESTIONNAIRE FROM THE SUBCOMMITTEE ON CONSUMER INTERESTS OF THE ELDERLY OF THE U.S. SENATE SPECIAL COMMITTEE ON AGING

1. Are State, county, or local agencies in your State conducting consumer information programs that may be of special assistance to the elderly?

2. Are any bills of special interest to the elderly as consumers either pending or soon to be introduced in your State legislatures? Were any such bills introduced in recent sessions of the legislature?

3. Do you believe that you have adequate statistical information on buying habits and budgets of persons past retirement age in your home State? What more may be needed? To what special uses would you put such information?

4. Have conferences or reports recently been conducted in your State on nutritional needs of the elderly? If so, what were the major conclusions? Do you have additional observations?

5. Several authorities on aging have said that some products should be designed expressly for the elderly. For example, it has been suggested that furniture could be adapted to meet needs of Older Americans. Do you see any such needs? In what particular areas?

6. Has the Food Stamp Program been established in your State? Has it caused any special problems for the elderly? Do you have suggestions for improvements?

7. The Federal Trade Commission, through its program of Federal-State Cooperation, is attempting to encourage action at a State and local level to stop the use of trade practice that occur primarily within a single State and that would be unlawful if used in interstate commerce. Do you see any opportunities for Federal-State action that would be of special help to the elderly?

8. The Federal Trade Commission, working with the Council of State Governments, has developed suggested State legislation to prevent consumer deception and unfair competitive practices, and also to regulate hearing aid dealers and correspondence schools. Has your State legislature acted as yet on any such proposals? Do you have any comment on the need for such action?

9. The Food and Drug Administration is also attempting to be of service to State regulatory agencies. Do you see any opportunities for Federal-State teamwork on such problems as the use of questionable medical devices, detection of useless "cures" or therapy for cancer and other diseases that are of special concern to the elderly, and the identification of deceptive practitioners or salesmen who move from one State to another in order to avoid regulation, and practices related to the use of over-the-counter or prescription drugs?

10. Subcommittee studies will probably be made during 1967 on the following subjects:

- a. Use and cost of hearing aids.
- b. Nutritional needs of the elderly, with some reference to consumption of vitamins.
- c. Correspondence school "second career" opportunities for the elderly.
- d. Franchise sales or other "business opportunities" directed at the elderly.

We would appreciate any information or suggestions you may be able to give us on any of the above topics.

11. Do you see any ways in which cooperative extension services or county agents can be assisted in their efforts to give information to elderly consumers?

12. Have consumer education programs conducted with OEO funds been of special help to elderly consumers? Have you any suggestions for broadening such programs?

FLORIDA INDUSTRIAL COMMISSION,
FLORIDA STATE EMPLOYMENT SERVICE,
AFFILIATED WITH U.S. EMPLOYMENT SERVICE,
Tallahassee, January 5, 1967.

Mr. J. M. BUCK, *Assistant Director,*
Florida Commission on Aging,
Tallahassee, Fla.

DEAR JIM: For what they may be worth to you here are my thoughts about the questionnaire on "Consumer Interests of the Elderly." My points follow your questionnaire:

1. Consumer Information programs in local areas?

A. Florida State University sponsored a "Congress on Consumer Affairs" in October, 1966. For information write Mrs. Jeanne Brock at FSU.

B. University of South Florida's Continuing Education Department has held "Consumer Seminars" to advise housewives. Write Mr. James Pope, University of South Florida, Tampa, Florida.

C. The American Association of Retired Persons (Lloyd H. Gardner, Vice-president Area IV, 11410—114 Terrace North, Largo, Florida) has operated drug, insurance and travel services for members in St. Petersburg and Long Beach, California. They have information and referral services.

2. No bills of special interest to elderly consumers are now pending in the Florida legislature. Constitution Revision will pre-occupy that body for this (January) month. The regular session in April will consider any *new* legislation. Personally, I would like to see a consumer counsel—"OMBUDSMAN"—type of legislation proposed. So far as I know there is no organized plan to offer this concept, however. I am organizing a consumer advisory committee which may help clarify the need for laws.

3. Availability of data about buying habits and budgets of the elderly? Good information in this area is sadly lacking. If Florida is to have a good adult education program of real service to elderly consumers, information of this kind is of basic and fundamental importance to meeting specific needs for specific kinds of information needed by all consumers.

4. Nutritional Needs of the Elderly were discussed by Dr. Mary McCloud, Consultant Nutritionist of the State Board of Health, at the October, 1966, "Congress on Consumer Affairs" at FSU. I believe Charlotte Lattimer, Home Demonstration Agent in Pinellas County, has also held conferences and meetings on this, too.

5. Furniture designed for the elderly should be of the same general design—for ease, comfort, utility—as that designed for handicapped persons. Mr. Alan Logan, Post Office Box 7368, St. Petersburg, Florida 33734, could advise on this subject. He is state chairman of the group seeking total accessibility for the handicapped and removal of architectural barriers. Another furniture expert is Mr. Leo Axlerod of The Empire Furniture Company, Miami, Florida.

7. Trade practices legal in one state but illegal under interstate commerce? There is no national law establishing standards for weights and measures. State laws are inadequate, and Florida, for example, conforms to only 60% of the minimum "model law" protecting consumers in Florida. Probably what is most desirable is a national law based on the metric system, but this will be costly, if inevitable, and a long uphill struggle.

8. Legislation on hearing aids and correspondence schools? None has been enacted, but both need attention. Probably the State Department of Education should seek specific authority under the new constitution to license all public and private schools as well as to certify teachers. At present the latter is their only authority to regulate abuses in education. The Department of Education may authorize contracts with private schools under the MDT act. The Industrial Commission approves veteran training courses through the State Apprenticeship Council.

9. Opportunities for regulatory state agencies to team up with federal agencies to prevent "quack-cure" abuses? It goes without saying that such teamwork should exist in many more areas. It does exist already between Florida State and federal departments of agriculture, Florida State Board of Health and the federal Department of Health, Education and Welfare, also between State Department of Public Welfare and federal counterparts. What is now needed is the State Consumer Counsel (OMBUDSMAN) of the Scandinavian variety. All state agencies are sensitive to criticisms; and no governor, state senator or representative can handle consumer complaints as objectively, impartially and expeditiously as the Consumer Counsel (or OMBUDSMAN). As the "people's man," he can do painstakingly careful fact finding and take tactful corrective action with officials.

10. C & D. Correspondence schools and franchise sales "opportunities" can be better regulated by state law requiring full disclosure of material facts in advertising copy so that any advertisement would be legally regarded as an implied warranty of the product or service. Since older consumers are particularly vulnerable in these areas, they need protection against their own apathy and ignorance.

I hope this information will be useful. I have responded only on those points in which I felt I had something to say.

Sincerely,

HENRY E. RICHARDS,
Supervisor, Special Applicant Services.

STATE OF FLORIDA DEPARTMENT OF PUBLIC WELFARE,
Jacksonville, January 9, 1967.

Mr. J. M. BUCK, *Assistant Director,*
Florida Commission on Aging,
Tallahassee, Fla.

DEAR JIM: I have answered the questions on the questionnaire on "Consumer Interests of the Elderly" to the best of my ability.

A number of questions I do not feel competent to answer.

Yours sincerely,

Mrs. MARGARET H. JACKS, ACSW,
Assistant Director, Public Assistance Division.

Answers to questions on questionnaire, Consumer Interests of the Elderly

1. Social workers of the State Department of Public Welfare are instructed to discuss consumer information with all recipients, particularly as it relates to their sound use of their assistance monies for the purchase of goods and services. In this way it is hoped that recipients of public assistance can be helped to make best use of the funds available to them.

2. _____

3. _____

4. We have recently in cooperation with the nutritionists of the State Board of Health reevaluated all standards of assistance for older people with consideration being given to nutritional needs of older people and the cost of adequate diets.

5. With the increasing number of persons in our society in the older age bracket, it would seem only logical that buildings and articles such as furniture used in the activities of daily living, should be so constructed that they facilitate independent functioning of older people. This attitude is already reflected in architectural designs but it seems to me that more can be done, particularly in the area of household furnishings, electrical equipment and fixtures, etc.

6. The Food Stamp Program has not been implemented in Florida. It is under consideration at the present time but would require personnel which is not currently available to our Department.

7. Our primary concern at the present time is in relation to the questionable practices of some home improvement companies which result in our clients being defrauded. Such activities have come to light in a number of different counties. These practices have resulted in recipients losing property in some instances and in others not receiving the quality or quantity of services which should have been received in relation to the charges made.

8. We are not sufficiently informed on the types of regulations which might be proposed with respect to consumer deception and unfair competitive practices, particularly in relation to the purchase of hearing aids, etc. We are requesting funds which would permit our Department to make vendor payments for prosthetic devices. If this program is approved we will anticipate controls which will minimize this problem.

9. We would certainly be in favor of any programs which would reduce the problem of deceptive practices and sales techniques for the sale of "cures" and therapy which result in unsound treatment. It would appear to us, however, that one of the primary solutions to this problem is continued educational programs for the consumer.

10. See previous comments.

11. Our Department is currently planning with the Farmers Home Administration for meetings with recipients of the public assistance part of which are to be focused on consumer information.

12. We do not have sufficient information on which to base an answer to this question.

FLORIDA AGRICULTURAL EXTENSION SERVICE,
UNIVERSITY OF FLORIDA,
INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES,
Cocoa, Fla., January 10, 1967.

Mr. J. M. BUCK, *Assistant Director,*
Florida Commission on Aging
Tallahassee, Fla.

DEAR MR. BUCK: The following are a few comments from Brevard County regarding the questionnaire which accompanied your letter of December 21, 1966.

1. Yes. Extension Service—a Grant through Higher Education Act.

2. _____.

3. In reference to Brevard County—no. Rapid change makes census figures of little value. Consumer Education programs should be built around such information.

4. Survey now underway. Conclusions not available until mid-summer.

5. Large print in magazines, books, at reasonable prices.

6. _____.

7. _____.

8. Legislation concerning consumer deception and unfair competitive practices are most needed where senior citizens are concerned. They are more easily influenced by such practices, and in most cases can least afford them. This particularly applies to health remedies.

9. Same statement of #8 refers here.

10.c. Value of "correspondence" schools questioned. Consider adult education classes as offered by junior colleges or already established educational programs much more valuable. These must be presented in community in which they live and probably transportation provided.

11. Transportation to and from classes would help.

12. Aware of none being done.

Very truly yours,

MRS. SUE B. YOUNG,
County Extension Home Economics Agent.

ITEM 2. INFORMATION ON THE FOOD STAMP PROGRAM IN PINELLAS COUNTY, FLA.

FEBRUARY 15, 1967.

MR. CAREY WILLIAMS,¹
St. Petersburg, Fla.

DEAR MR. WILLIAMS: You have already been of great help to the Subcommittee on Consumer Interests of the Elderly. I wonder if we might ask you and your associates in Suncoast Progress for one more service.

The St. Petersburg Times of February 4 said that you and others are working to establish a federal food stamp program in Pinellas County.

The Subcommittee is very much interested in the food stamp program and its special potential helpfulness to the elderly. We would, therefore, appreciate any discussion of:

1. Can anything more be done to make it easier to establish such programs?

2. Once they are established, can such programs be made even more accessible and helpful to the elderly?

Any other points bearing upon the Subcommittee inquiry will, of course, be welcome.

Sincerely,

GEORGE A. SMATHERS.

SUNCOAST PROGRESS, INC.,
St. Petersburg, Fla., March 14, 1967.

HON. GEORGE A. SMATHERS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SMATHERS:

YOUR LETTER OF FEBRUARY 15, 1967

The Federal law which established the Food Stamp Program provided that participation would be voluntary on the part of each state. It also provided that the state agency responsible for the administration of the Federally aided public assistance programs shall be the only agency responsible for the intrastate administration of the Food Stamp Program. This, in Florida, can only mean that the State Welfare Department, regardless of any *state* law, shall be the one agency which, if the program is initiated in Florida, will be responsible for:

(1) The certification of applicant households; both those receiving public assistance benefits and non-assistance households

¹ See testimony of Mr. Williams, p. 261.

(2) The acceptance, storage, and projection of food coupons after their delivery by the Federal Government to receiving points within the State

(3) The sale and issuance of such coupons to eligible households, and the control and accounting thereof.

There are Federal funds available to finance only a limited share of the administrative costs incurred by the State agency in the certification of non-public assistance households. The entire cost of certifying those on State assistance rolls, the handling of the food stamps, and their issuance to all eligible applicants, plus approximately 40 percent of the cost of certification of non-assistance applicants must be met by the State agency. With the Florida State Welfare caseworkers carrying such large caseloads under the existing Federal and State programs, and the requirement by the Federal Government that these caseloads per worker be reduced if Federal matching funds are to continue at the same level, it would appear impossible to put an additional work load on the present staff. To secure additional staff requires legislative action by the Florida Legislature plus appropriations.

The Florida Plan of Operation specifies that if a county desires this type of service, the Board of County Commissioners must request it and be willing to finance all local costs of operation. In many of the poorer counties of Florida, where the need of the program is the most urgent, local funds for the administration are not available.

There seems to be some doubt in the minds of the State Welfare Office and some of the Board members, both as to the effectiveness and the public desire for the stamp program. In Pinellas County, we are circulating petitions asking for the inauguration of the program.

Obviously, community participation in the operation and financing of the program is necessary and we are attempting to create a grass-roots demand. Possibly an increase in the Federal grant for its administration would be helpful.

The Food Stamp Program can't solve all the problems of the low-income folks, but it will help to provide more and better food and a balanced diet. As stated in another report to the Committee, malnutrition is rampant among a large segment of our elderly here, who get just as hungry as Europeans and Asiatics. Can we afford to ignore them?

Respectfully yours,

CARY M. WILLIAMS.

ITEM 3. ADDITIONAL COMMENTS BY MR. CHARLES COWL

TAMPA, FLA., *February 23, 1967.*

U.S. SENATE,
Special Committee on Aging,
Senate Office Building,
Washington, D.C.

GENTLEMEN: At the risk of appearing redundant, I should like to repeat, in essence, and add to my testimony before Senator Smathers at the Hearing on Problems of the Aged, held in Tampa, Florida on February, 3rd, 1967.

My name is Charles L. Cowl, 4103 Empedrado, Tampa, Florida, 33609. I am retired, having just recently left the employ of the United Steelworkers of America where I served in many capacities, the most relevant of which was that of Legislative Representative and Southern Director of Older and Retired Workers in four Southern States. I have also served until recently as the Florida Board Member of the National Council of Senior Citizens.

I wish to state first of all that I am completely in accord with President Johnson's recommendation for a 20% increase in Social Security. Mrs. Esther Peterson's testimony before your Committee in January outlined the need for more money very adequately and I am very much in agreement with her testimony.

The Senior Citizen has been "studied" to death. He is studied for supervised recreation, supervised diets, supervised purchasing, supervised living in supervised areas and every other phase of his existence. The only recommendations that have *not* been made to him is how he should die—but the implication left is that if he would do so, and soon, he would greatly benefit his Community and lift a terrific burden off the overpaid shoulders of those who are "studying" him.

Except in some rare cases, "All that the average senior citizen needs is more money." He has demonstrated for at least 65 years that he knows how to live and has so proved. Give him enough money to continue to live like a dignified human being and he will do so without being a "trial and tribulation" to those State Agencies that spend all the Federal money they receive to "study" him.

And while we speak of money I would like to know how you justify, morally, the placing of a ceiling on earnings? You pass a much needed Bill raising the minimum wage in the interest of bettering the economy of the Country, and while you are doing this you say, *in effect*, that a person who has reached 65 years is worth only 60¢ per hour.

You do not have a Law penalizing a man who has invested his money in private insurance plans to provide income for his waning years. How do you justify the placing of a penalty on the man who invests in Government Insurance which is exactly what Social Security is. Why must you put a penalty on a man or woman who is merely collecting the money he has invested (even though by compulsion) through the years of work? This ceiling on earnings to Social Security recipients is morally wrong and it gives employers an excellent opportunity to take advantage of any aged person who either wants to or must augment his pitiful stipend which in many cases is not enough to keep body and soul together. I think that the ceiling on earnings should be entirely removed. It is class legislation at its very worst and I think that it is indefensible.

May I also plead, abjectly if necessary, for the need of Federal and local officials to work hand-in-hand in planning down-to-earth action capable of helping our elderly in the market place? I think that this is a matter that is vitally necessary if the elderly are to receive even an infinitesimal part of the Federal Funds that have been put into programs for their help.

As an example:

The Florida Commission on Aging received some \$200,000.00 six years ago for "study". Two years later they asked the Legislature for twice the amount for "further study". Last month the Director requested over *one Million dollars* in the budget requests, and I have yet to find someone who has benefited from any of this money. Remember I make no accusations of wrong doing—unless you count an absolute waste of money wrongdoing. Last September, as a sedative or soporific, I was added to the Commission. Yesterday I received my *FIRST* notification of a meeting, probably as a result of the Governor's threat to revamp the Committee with members of HIS Party. I have resigned because I am ashamed to have the elders ask me "what is the Committee doing?" These things are cited, not out of a feeling of enmity but from a feeling of absolute frustration because I honestly feel that the older people are entitled to better treatment than they are getting from State Agencies. I would suggest a CLOSE TIE-UP with Federal Agencies with a strict accounting of all funds. Even if it did not change the situation it would at least let the people concerned know about what is being done with money appropriated for their welfare—and the actuality could not possibly be worse than the suspicions that have been engendered.

In the matter of removing Medicare Deductibles (a situation about which I also feel quite keenly), I respectfully submit an article from the Senior Citizens News by William R. Hutton, which expresses the needs of Seniors better than I possibly could do. Mr. Hutton concisely voices the complaints that have reached alarming proportions, and I would like to have his excellent article accepted as a part of my testimony.

Respectfully submitted.

CHARLES L. COWL,¹ retired.

ITEM 4. STATEMENT OF MR. EARL FAIRCLOTH, ATTORNEY GENERAL FOR THE STATE OF FLORIDA

STATE OF FLORIDA, ATTORNEY GENERAL,
Tallahassee, February 23, 1967

HON. GEORGE A. SMATHERS

U. S. Senate, Special Committee on Aging, Senate Office Building,
Washington, D.C.

DEAR SENATOR: Thank you for your letter of January 30, advising me of the hearing in Tampa of the Subcommittee on Consumer Interests of the Elderly.

¹ See testimony, p. 263.

I am very interested in a strong joint effort of the local, state and federal governments to counter this alarming trend of more widespread fraudulent practices against our older citizens. I have enclosed some observations which you and Mr. Oriol have been so kind as to indicate might be included in the transcript.

Please be assured of my continued desire to cooperate in this effort.

With warm personal regards, I am,

Sincerely,

EARL FAIRCLOTH,
Attorney General.

(Enclosure.)

CONSUMER FRAUDS AND THE ELDERLY

Mr. Chairman, I am pleased to have this opportunity to submit some observations on a problem which has become of major proportions to the economic security of the elderly.

This Sub-committee has already done excellent work in the area of consumer frauds affecting senior citizens and has wisely, I think, recently broadened its scope to all matters affecting consumer interests of this group.

The whole area of marketing practices and buying habits of the elderly must be explored if we are to come to grips with the basic economic problem of stretching the limited pension incomes of the retired. Studies have shown a shocking percentage of these to be clearly inadequate.

We in law enforcement are, of course, primarily concerned with fraud and deception of the aged, but we are fully aware that cooperation between all parties seeking improvement in the economic picture is very important.

Chairman Paul Rand Dixon of the Federal Trade Commission has aptly pointed out before this Sub-committee that economic deception of older people results too often in real tragedy, in that life savings in many instances, are wiped out in one fell swoop and simply cannot be replaced.

Your hearings have also brought out that a helpful legislative attack at the State level might include several approaches—licensing for instance, as well as investigation and prosecution. I have felt, in addition, that a State's Chief Legal Officer can contribute much in working toward state-wide coordination of information and enforcement, in dealing with fraudulent operators who jump from county to county within the state. I feel, too, that not only uniformity of approach within the state but, where possible, with other states and the Federal government, is both effective and fair to businessmen. It is discouraging to an honest businessman to have to compete with a sharp operator who recognizes no rules to the game and yet is immune from Federal action because he is not "in commerce." If the State law is inadequate, some segments of an industry may be restricted and others may not, promoting unfairness. We are reminded that the Federal jurisdiction spelled out for deceptive trade practices is not as broad as that granted in other areas of economic regulation. The Sub-committee will no doubt be considering this.

For reasons of uniformity and effectiveness, I plan to submit to the upcoming Florida Legislative Session a proposal which will provide a deceptive trade practices act in Florida patterned after the Federal Law now in Section 45 of Title 15, United States Code. In addition to using Federal language, the bill will require use of the extensive Federal case law as a guide in construing its sections. Thus, at the outset, a businessman knows where he stands under the new statute and will not be required to go through costly and time consuming litigation to determine its exact legal scope.

Additionally, the Federal case law has already spelled out clearly that intent to deceive is not a necessary element in civil action for the benefit of the public and that the defense of technical truth in like manner will not be sufficient if there is actual deception involved. These hurdles have often stymied State efforts to combat fraudulent practices. The Federal injunctive approach furthermore underlies the primary purpose of government action in this area, which should be, I believe, to solve problems as well as prosecute. Finally, use of the civil injunction, as provided in the Federal Statute, is a less drastic measure and doesn't present problems of proof encountered in criminal prosecutions. Its effectiveness in halting a particular practice when criminal activity is not present should be open to State as well as Federal agencies.

A further advantage of the Federal type of Statute lies in the availability of compliance agreements between the agency and the businessman. This is a swift and effective tool to bring about cessation of a practice which injures the public.

The people are served without damage to a businessman who, in the particular situation, may have been unaware of his agents' practices and who is glad to comply.

In short, the Federal approach allows greater freedom of choice in use of law enforcement tools to cope with this many-faceted problem.

We have been receiving at the state level very valuable help from Mr. Gale Gotschall of the Federal Trade Commission in his capacity as Assistant General Counsel for Federal-State Cooperation. We look forward to taking advantage in the future of the considerable Federal knowledge in related consumer agencies gained over many years. I would like to underscore, for purposes of the Sub-committee's information regarding legislation, my strong feeling as to the desirability of Federal-State cooperation. Should my proposed deceptive practices bill be enacted into State law, I would envision a routinely conducted exchange of information between the Attorney General's Office and the Federal Agency most appropriate to the particular problem involved. Just as the State Attorney General can furnish an over-all state crime picture to a particular county prosecutor, the Federal government can furnish helpful nation-wide information to the State. As has been recently pointed out to this Sub-committee, there are many practices in the gray area of interstate versus intrastate activity which cannot be easily classified. Coordination here would seem to be essential. This seems to be unfortunately especially true in Florida whose climate, physical and economic, attracts across its state lines undesirable and transient purveyors of fraud and deception. This same climate also attracts large numbers of older citizens who form a natural prey for the sharp operator.

The retirees often have at their disposal a cash fund representing a life's savings which they naturally want to invest in a retirement home, a new source of retirement income or perhaps a cure for medical problems. The hearings of this Sub-committee have shown that fraud in all these areas has been alarming. The Food and Drug Administration advises that at least \$1 billion a year is spent on falsely promoted, worthless or dangerous products in the health field alone. A substantial part of this staggering economic impact is felt by our senior citizens—those who can least afford it.

Without any solicitation on our part, our office has been receiving as many as twenty (20) or more complaints per week from people who believe they have been victims of some type of fraudulent operation. Many of these complaints are from non-residents—tourists and visitors—who apparently appeal to the Attorney General because they know of no place else to turn.

There is no question but that government must mount a supreme effort at the local, state *and* national level to reverse this vicious growth which is apparent to all.

A year ago I asked two members of my staff to begin developing a plan of action by which the Attorney General's Office might offer some assistance in this area. Subsequently, a very limited program was implemented in our office. Unfortunately, that effort has been greatly handicapped by lack of funds and personnel not to speak of enforcement powers, but at least a start has been made and the nucleus exists for a more comprehensive program. Perhaps Federal grants in such situations should be considered. In the field of public education and information, for instance, Federal help could be invaluable. I see the information war as a vital adjunct to our campaign.

In seeking the substantive state law provisions mentioned earlier, I will also seek sufficient appropriation from the Florida Legislature for the adequate staffing by lawyers and investigators of a Consumer Protection Division in the Attorney General's Office, I hope to obtain at least minimum funds necessary for an informational program as well.

I can assure you of my continued determination and my full cooperation with the appropriate Federal Agencies in achieving a greater umbrella of protection for the irreplaceable savings of our older citizens.

ITEM 5. STATEMENT OF MR. WILLIAM V. GRUMAN, ASSISTANT STATE ATTORNEY, STATE OF FLORIDA

STATE OF FLORIDA,
OFFICE OF THE STATE ATTORNEY,
Tampa, Florida, March 2, 1967.

HON. GEORGE A. SMATHERS,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR SMATHERS: Thank you so much for your letter of January 3, 1967. The undersigned was unable to reply sooner due to the pressures of arranging a conference, which to some extent, was similar to the one that you held in Tampa on February 3, 1967.

I thought your Committee might be interested in our work, therefore, I enclose a copy of the Charter of our Florida Council on Commercial Frauds, Inc. and the program of our First Annual Seminar.

As you can see, we are attempting to police Florida business with the aid, assistance and management of Florida Chambers of Commerce and Florida elected officials and I thought that you might be interested in knowing of our activities.

The undersigned would be happy to make available to your Committee such information as we have secured regarding this area of study at any time suitable to the Committee.

Let me thank you for your assistance and cooperation in our joint interest.

Respectfully,

PAUL ANTINORI, JR.,
State Attorney.

(Enclosure.)

ARTICLES OF INCORPORATION OF FLORIDA COUNCIL ON COMMERCIAL FRAUDS, INC.

(A Nonprofit Florida Corporation)

We, the undersigned, do hereby make, subscribe and acknowledge the Articles of Incorporation of the Florida Council on Commercial Frauds, Inc., under the laws of the State of Florida for the uses and purposes as shown herein.

I

The name of this Corporation shall be Florida Council on Commercial Frauds, Inc.

II

The purposes for which this Corporation is organized are as follows:

To promote and foster the success of ethical trade, commerce and business; to protect the consumer from unscrupulous and fraudulent business and foster confidence by the consumer in ethical business; to exchange information among law enforcement and commercial agencies regarding commercial frauds, and to assist in enforcement of the laws relative thereto; to provide a Statewide agency for dissemination of information and reports from other such agencies and the Federal Trade Commission and other Federal agencies; to foster effective prosecution of known frauds and by so doing inhibit the development of those fraudulent business practices and schemes which have heretofore victimized the unknowing businessman and consumer; to do all other manner of things in support and development of the purposes of this corporation, including, but not limited to, those powers enumerated in Section 617.01, Florida Statutes Annotated.

III.

The membership in this Corporation shall be limited to law enforcement officers, prosecuting attorneys of the State of Florida and its various political subdivisions, representatives of Chambers of Commerce and Better Business Bureaus as presently constituted in Florida and as hereafter may be constituted, and businessmen and consuming members of the lay public who are interested in promoting and developing those purposes as otherwise shown herein.

IV.

This corporation shall exist perpetually.

V.

The subscribers to this corporation are as follows:

- Paul Antinori, Jr., State Attorney, Hillsborough County Court House, Tampa, Florida;
 William Victor Gruman, Assistant State Attorney, Hillsborough County Court House, Tampa, Florida;
 Mario Trejo, Better Business Division, Tampa Chamber of Commerce, 801 E. Kennedy Boulevard, Tampa, Florida;
 Thomas J. Hanlon, Assistant State Attorney, Hillsborough County Court House, Tampa, Florida;
 W. Scott Christopher, General Manager, Tampa, Chamber of Commerce, 801 E. Kennedy Blvd., Tampa.

VI.

The affairs of the corporation shall be managed by a Chairman, an Executive Vice-Chairman, two Vice-Chairmen, a Corresponding Secretary, a Recording Secretary and a Treasurer, said officers to be appointed by the Board of Directors of this corporation.

VII.

The names of the officers who are to serve until the first appointment under these articles are as follows:

- Paul Antinori, Jr., Chairman
 William Victor Gruman, Executive Vice-Chairman
 Mario Trejo, Vice-Chairman
 Mrs. Betty Riggins, Recording Secretary and Corresponding Secretary
 Thomas J. Hanlon, Treasurer

VIII.

The first Board of Directors of this corporation shall consist of the subscribers hereto, who shall serve as said Board of Directors until the first meeting of the members hereof, which said first meeting shall be called by the Chairman to be held on reasonable notice within one year from date of filing hereof.

IX.

The by-laws of this corporation shall be made, altered, or rescinded by the Board of Directors, subject always to the vote of the membership, approving or disapproving same. Any by-law changes or enactments by the Board of Directors shall be fully valid and binding upon the corporation from the date of such enactment or change until the next meeting of the membership and shall so continue thereafter, if not rescinded by the membership. Amendments to these Articles shall be by majority vote of the membership.

In witness whereof, the undersigned, being all natural persons fully able to contract under the laws of the State of Florida, have hereunto set their hands and seals on this, the 25 day of April, 1966, in Tampa, Hillsborough County, Florida.

MARIO TREJO.
 PAUL ANTINORI, JR.
 W. SCOTT CHRISTOPHER.
 WILLIAM VICTOR GRUMAN.
 THOMAS J. HANLON.

State of Florida, County of Hillsborough.

Before me, the undersigned authority, personally appeared Paul Antinori, Jr., William Victor Gruman and Thomas J. Hanlon, to me well known and known to me to be the persons described in and who executed, the foregoing instrument for the purposes therein expressed.

Witness my hand and official seal this, the 25 day of April, 1966.

MARLA JEAN SCHMIDT.

Notary Public, State of Florida at Large.

My Commission Expires: Notary Public, State of Florida at Large—My Commission expires October 6, 1969 (Bonded through Fred W. Diestelhorst).

State of Florida, County of Hillsborough.

Before me, the undersigned authority, personally appeared Mario Trejo and W. Scott Christopher, to me well known and known to me to be the persons described in, and who executed, the foregoing instrument for the purposes therein expressed.

Witness my hand and official seal this, the 25th day of April, 1966.

MARLA JEAN SCHMIDT.

Notary Public, State of Florida at Large.

My Commission Expires: Notary Public, State of Florida at Large—My Commission expires: October 6, 1969 (Bonded through Fred W. Diestelhorst).

ITEM 6. INFORMATION RELATED TO ACCESSIBILITY OF THE ELDERLY TO PUBLIC FACILITIES

THE GOVERNOR'S COMMITTEE
ON EMPLOYMENT OF THE HANDICAPPED,
Tallahassee, Fla., February 22, 1967.

DEAR SENATOR SMATHERS: I thank you for your recent invitation to attend the subcommittee hearing in Tampa and for the opportunity to submit written testimony to the subcommittee.

I am, and have been, greatly pleased by the interest, attention, concern, and consideration given, these past few years to our senior citizens. We are all in accord with this long overdue concern. We are distressed, at the same time, by the apparent oversight of and disregard for the many millions of Americans who are not yet elderly but have many of the same problems of the elderly. Problems of employment discrimination, inability to secure proper medical care within the limits of their income, rejection by the balance of their society, inability to secure proper and adequate housing within the limits of their income, inability to avail themselves of the use of so-called "public" facilities such as: public buildings, public parks and recreational facilities, public monuments, educational and cultural facilities, post offices and federal office buildings, clinics and out-patient services at hospitals, libraries and auditoriums, public transportation (bus, rail, subway, interurban, rapid transit, boat, and to some degree air).

Because of discrimination and physical limitation, both the elderly and the impaired suffer from the same inabilities as listed above. Their needs and problems are similar but the concern to meet these needs and to alleviate these inabilities is not equal. We ask that equal and inclusive efforts be made in behalf of the disabled, physically limited, and physically and mentally impaired in all future programs and legislation intended to benefit the elderly.

Most sincerely,

ALAN R. LOGAN, *Chairman.*

(Enclosures.)

SOCIETY FOR ACCESSIBLE CONSTRUCTION,
St. Petersburg, Fla., February 22, 1967.

DEAR SENATOR SMATHERS: Directly attached to this is a copy of the Congressional Record entry relevant to the Senate Bill #222, as introduced by Senator Bartlett, and as concerns the accessibility of "buildings" financed all, or in part, with federal monies. I call your attention to this bill and say that it is a fine gesture but it is inadequate and insufficient.

Any building, monument, park, transportation facility, employment facility, informational facility, medical facility, recreational facility, educational facility, cultural facility, business facility, and in short any facility or provision that is meant to be for public use or where persons will be employed should be, by federal law, absolutely accessible to and usable by ALL of the public regardless of age or physical limitation.

There are currently available excellent specifications, which if adhered to will guarantee accessibility, that should be made mandatory. There is no need and a great deal of danger in commissioning any administrator to develop standards and to leave such development and enforcement to his discretion. I enclose a copy of the American Standards Association Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped.

All elderly are in some degree, physically limited. But all physically limited people are not elderly. The public is all of the people and all things "Public" should be, truly, that.

I submit additional materials relevant to accessibility as it relates to and affects the physically limited, both young and aged, and ask that measures be taken to provide equal accessibility to our elderly and impaired citizens. Absolute and mandatory measures in all areas controlled, regulated, financed, or assisted by the federal government.

Respectfully,

ALAN R. LOGAN, *Executive Director.*

IRWIN S. LEINBACH, M. D.,
St. Petersburg, Fla.

ALAN R. LOGAN,
Chairman, Architectural Barriers Subcommittee, Governor's Committee on Employment of the Handicapped, St. Petersburg, Fla.

DEAR ALAN: The pattern for planning to eliminate Architectural Barriers for the Handicapped is a campaign well on its way and if we keep up the standard it *will run itself* once it is underway. I have long thought beyond the original plan—The non-ambulatory disabled: the sight handicapped, total or partially blind: the semi-ambulatory: the incoordinates, those whose disabilities leave them with faulty coordination, or palsy.

We come to those now most noted in our own lives—THE AGED, those whose age is such that their tolerance dictates moderation because of degeneration of body parts following prolonged phases of inactivity.

Next of importance is the Accident-Prone individual. He has developed the accident-habit early in life and he is dangerous because we are not aware of his presence in our midst. Parents must be taught to remove Architectural Barriers early so that the inclination to get frequent physical injuries or minor illnesses is removed. This is truly a prophylactic measure and goes far deeper than that original plan with which we began. Take away the feeling of guilt and resentment from the child and you won't need as much psychiatric treatment in early childhood or adult life. Later we cannot change these individuals nor take them away from the latent danger of occupations or situations.

Recently I spoke with the Personnel Managers of large industries in four counties. I spoke about Architectural Barriers in Industry and I advised close scrutiny in the pre-employment examination and insisted that a psychologist be available even for the routine clearance examinations for pre-employment evaluation. If you can spot the vulnerable before he endangers others then you have removed an Architectural Barrier, the accident-prone individual who is a barrier to his fellow man. You can find these people if you have experience with them. There are those persons who are involved again and again in accidents. They resent persons in authority. It is easier to be sick or to have an accident for which someone else or something else can be blamed. Take away the Barriers which sub-consciously suggest accidents to the accident-prone. So here comes the part of the physician who has the unusual opportunity to understand the human causes of accidents and to combine treatment with education in safety. That is why the physician has a vital interest in and a definite place in the campaign to eliminate Architectural Barriers.

IRWIN S. LEINBACH, M.D.

THE GOVERNORS COMMITTEE
ON EMPLOYMENT OF THE HANDICAPPED
Miami, Fla., February 15, 1967.

Mr. ALAN R. LOGAN,
Chairman, Florida Governor's Committee on Employment of the Handicapped, St. Petersburg, Fla.

DEAR ALAN: Regarding your letter of February 5th, I am in complete accord with the fact that many federal programs and legislation have been directed toward the elderly, and this is as it should be. It clearly demonstrates that the gentlemen of the Congress of the United States are humane, kindly and considerate of the many problems which assail the senior citizens. But it does not follow, to my way of thinking, that these very same gentlemen do not appear to demonstrate a reasonably equal amount of such concern toward the multitude of impaired citizens of this nation.

It indeed strikes me as strange that they do not seem to fully appreciate the value that can be derived by restoring, with every possible means, the many of our impaired citizens to a state of productivity and independence which would greatly benefit their respective communities. Whereas, this sort of result cannot obviously be expected from the recipient of senior citizen aid, though this aid should most certainly be continued, but, like a number of other programs, should not be given priority over studied concern and active attention that should be accorded to the problems of the impaired.

I do trust that a more definite line of thinking in this direction will be forthcoming before too, too long.

Sincerely,

LOUIS L. GOTTLIEB,
District 3 Director FGCEH.

SOCIETY FOR ACCESSIBLE CONSTRUCTION
Miami, Fla., February 15, 1967.

MR. ALAN R. LOGAN,
Chairman, Florida Governor's Committee on Employment of the Handicapped,
St. Petersburg, Fla.

DEAR ALAN: In reply to yours of the 5th, I am in full accord with your concept that all elderly persons are affected by architectural barriers and that, it follows, that all persons who live long enough naturally become elderly and, therefore, total accessibility should become as mandatory as federal law can make it.

Senator Bartlett's recent introduction of S.222 "to insure that public buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped" is, perhaps, the first step toward mandatory law in that direction. But it would appear that such regulation should go further and include all buildings, whether for public or private use.

Surely a fully accessible building provides a better building for any and all persons. And, in view of the fact that this can be produced with no appreciable difference in cost, if any, then, if the means of providing such a boon for all people can be brought to fruition by Federal law, so should it be done.

Sincerely,

LOUIS L. GOTTLIEB,
Editor-Publisher.

IRWIN S. LEINBACH, M.D.,
St. Petersburg, Fla., February 16, 1967.

MR. ALAN R. LOGAN,
Chairman, The Governor's Committee on Employment of the Handicapped,
St. Petersburg, Fla.

DEAR MR. LOGAN: I was pleased to learn that you will have the opportunity to present testimony in written form to accelerate the program for the elimination of architectural barriers to all patients in all age groups who have some functional impairment which classifies them as handicapped persons.

I agree that "total accessibility" should become just as mandatory as federal law can make it.

You and your committee deserve the utmost consideration for the work you have done in causing Senate Bill No. 109 to become a law which took effect July 1, 1965.

I feel certain that Senator Smathers and the sub-committee on Consumer Interests of the Elderly will extend these benefits to all handicapped and consider as a duty, an obligation, and a necessity the concentrated effort of all builders and construction people to conform with the "American Standard Specifications for Making Buildings and Facilities Accessible To, and Usable By, the Physically Handicapped."

If I can be of further assistance in this matter, please feel free to call upon me at any time.

Respectfully submitted,

IRWIN S. LEINBACH, M.D., F.A.C.S., F.I.C.S., D.Sc.,
Consultant to the Governor's Committee on Employment of the Handicapped.

UNIVERSITY OF FLORIDA,
Gainesville, February 13, 1967.

MR. ALAN R. LOGAN,
St. Petersburg, Fla.

DEAR ALAN: Speaking solely as an educator and an architect, I can see no difference between the problems facing the impaired and many of those confronting the elderly. In fact, as I have said on previous occasions, I feel that ALL buildings should conform to the American Standards Association Specifications on accessibility, simply for the sake of safety and mobility for *all* people. Of course, stairways are an impediment, if not an obstacle, for the elderly; at the same time, it would be only with the greatest of difficulty that a youngster in a hurry could twist an ankle on a ramp, so ramps are a good idea for everyone. Simply because the Greeks and Romans of old built grand staircases as approaches for their public buildings, does not imply that we must imitate them.

Surely the design of bathrooms, too, is one place where age and infirmity are synonymous. Comfortably wide doors and strategically placed rails are a must for the elderly as well as for the chair-ridden, as is well known in nursing home design. One could go on and on, but these two examples of design indicate the general idea—all buildings should be safe and simple. The ASA Specs A117.1-1961 would insure achievement of this goal.

Sincerely,

DR. DON A. HALPERIN,
Architect, Professor of Building Construction.

ITEM 7: ADDITIONAL INFORMATION RELATING TO MRS. CAROLYN
EVERETT'S TESTIMONY¹

FEBRUARY 9, 1967

Mrs. CAROLYN EVERETT,
Director, Hearing Speech Clinic of Florida,
Miami, Fla.

DEAR MRS. EVERETT: Once again let me thank you for coming to our hearing from Miami to deliver such a helpful, incisive statement. I appreciate your interest in the work of the Subcommittee, and I am very happy to have your observations for our hearing record.

As I said at the time, consider that record open for any additional remarks you may wish to submit. I am, for example, keenly interested in a research project which—as I understand it—was under consideration by your organization and the Administration on Aging. May we have details, as well as your observations on whether such projects might be of assistance to other centers with objectives similar to yours?

Do you wish to give additional comments about cost difficulties encountered by elderly persons who need hearing aids? Do you believe that federal welfare or Medicare policies should be altered in any way to be more helpful? Can publications from federal agencies be of more assistance? As you can see, I wish we had had more time for questioning.

Within the next week or so, you will receive the transcript of your remarks at the hearing. If you have necessary editing changes would you note them and return the transcript to us by February 28. We will send you copies of the printed transcript as soon as it is possible.

With thanks and regards to you and your fellow workers at the center.

Sincerely,

GEORGE A. SMATHERS.

HEARING AND SPEECH CENTER OF FLORIDA, INC.,
Miami, Fla., February 10, 1967.

DEAR SENATOR SMATHERS: It was a privilege to have the opportunity to appear before the Sub-Committee on Aging. I sincerely hope that our senior citizens will receive assistance in their various needs, especially obtaining hearing aids and hearing aids accessories which proved to be most expensive.

It is with regret that we had to withdraw our Research Project, because our Agency was unable to obtain funds for the following reasons: (1) to obtain matching funds, (2) to secure the services of a Ph. D. in the field of research for Audiology and Speech Pathology to evaluate the senior citizens.

¹ See pp. 270-73, for testimony.

Our objective in obtaining this research project came about that there was a need for our elderly, desperately needing assistance in obtaining hearing aids, batteries, cords, hearing aid repairs, and reconditioned hearing aids. The referrals are coming from physicians, Department of Public Welfare, Social Agencies, Social Security Offices, and the Cuban Refugee Program.

Our elderly persons need Otological Examinations, Audiological and Speech Evaluations, Psychological Evaluations, Speech Therapy, Aural Rehabilitation and recreational services, due to their severe hearing loss and the results of strokes.

Due to the eligibility requirements, senior citizens can not receive assistance at our local Jackson Memorial Hospital because of residential and economic requirements. For example, our Cuban refugees elderly individuals, here in Miami, have created quite a problem to our Center. We have appealed to the Cuban Refugee Program, but funds are not available to a private organization subsidized by the United Fund.

Medicare should include hearing aids and Audiological Evaluations for elderly people. Persons receiving maximum Social Security are constantly being referred to our Center because they are not eligible at the Jackson Memorial Hospital.

This information has been received today from the National Health Survey: "An estimated 7 million persons in the United States have various degrees of defective hearing and of this number about 125,000 are totally deaf. These estimates are based upon the findings of the National Health Survey. Three and a third million, or nearly half of all persons with impaired hearing, are 65 years of age and over."

Thank you, again, for your interest in helping the elderly. Please let us know if we can assist you.

* * * * *

Most appreciatively,

MRS. CAROLYN EVERETT.

ITEM 8: ADDITIONAL INFORMATION RELATING TO DR. FYVOLENT'S TESTIMONY¹

Subsequent to the hearing Senator Smathers wrote the following letter to Commissioner James L. Goddard of the Food and Drug Administration and Dr. Charles L. Hudson, president of the American Medical Association:

FEBRUARY 8, 1967.

On February 3, the Subcommittee on Consumer Interests of the Elderly conducted a hearing in Tampa, Fla., on problems encountered by Older Americans in today's vast market place. It was my pleasure to preside.

Dr. Joel Fyvolent, Chairman of the Hillsborough County (Fla.) Medical Society Drug Surveillance Committee, submitted a statement which may be of interest to you. A copy is enclosed. As you can see, he is concerned about methods used to inform physicians of side effects caused by new drugs.

He also offers, on pages 3 and 4, suggestions for possible action.

I am very much interested in his proposals and would appreciate your comments on them and any other matters related to Dr. Fyvolent's observations.

With kind regards, I am,

Sincerely yours,

GEORGE A. SMATHERS.

The following replies were received:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
FOOD AND DRUG ADMINISTRATION,
Washington, D.C., March 3, 1967.

HON. GEORGE A. SMATHERS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SMATHERS: This is in response to your letter of February 8, 1967 with which you enclosed a copy of Dr. Joel Fryvolent's statement submitted to the subcommittee on Consumer Interests of the Elderly. We appreciate your taking the time to forward to us Dr. Fryvolent's most interesting statement.

The points made by Dr. Fryvolent concerning the dissemination of drug information to physicians is well taken. While a product insert and brochure are

¹ See pp. 283-85, for testimony.

required to contain full disclosure information to allow a physician to use the drug intelligently and with confidence, we agree that this information is not always easy to read, nor readily available to the physician. We have entered into extensive discussions with members of the American Medical Association, the Drug Research Board of National Research Council and officials from the Pharmaceutical Manufacturers Association on the merits of a Drug Compendium that will be available to every physician and will provide all official product information on every drug.

We do not believe that such a Compendium necessarily has to be a government project. We would gladly welcome and encourage the expansion of any existing publication to include information on all products provided it is freely available to all physicians. We shall continue to vigorously explore all possible means of getting meaningful and current drug information into the hands of all prescribing physicians as expeditiously as possible.

In this regard may we call your attention to a bill recently introduced by Senator Nelson, S 720, to provide for the publishing of a United States Drug Label Compendium. We should point out however that as yet our Department has not taken a position with respect to this legislation.

We further agree with Dr. Fryvolent that studies and discussions on the relative merits of pharmaceutical products would develop useful information. However the terms of the Food, Drug, and Cosmetic Act does not provide for such considerations. We are restricted (by law) in our consideration of a drug's approval to the evidence of its safety and effectiveness for the purposes for which the particular drug is intended.

We would welcome the opportunity to discuss more thoroughly with Dr. Fryvolent his suggestions for action in these most important areas of public health.

Sincerely yours,

JAMES L. GODDARD, M.D.,
Commissioner of Food and Drugs.

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., February 21, 1967.

HON. GEORGE A. SMATHERS,
*U.S. Senate,
Special Committee on Aging,
Washington, D.C.*

DEAR SIR: Thank you for your letter of February 8, 1967, regarding the subject matter of Dr. Joel D. Fyvolent's testimony before your Committee. I am making a response in a general fashion, but because of the subject matter and its current interest I am taking the liberty of forwarding your material to Doctor Blasingame, Executive Vice President of the American Medical Association for additional comment if he wishes to make it.

Doctor Fyvolent's testimony is an interesting composition. On page 1, I would agree that if age has brought about degeneration of organs that are concerned with the degradation or elimination of drugs, there is an extra opportunity for cumulative actions of drugs administered. I do not have data to show that there are more instances of adverse reactions, especially allergic responses, among the aged. It is true that drugs are more potent than they were and thus the opportunity for heightened responses of people is now greater.

The disparaging implication that recommendations for use of drugs is based to any large degree on the testimony of the "old medicine man" is not quite accurate in my opinion. There is a great deal of sophisticated experimentation in the use of drugs such as goes on in my institution, The Cleveland Clinic. It has recently diminished in volume because of the uncertainty of our staff as to the consequences of such evaluation research as they are related to pronouncements from the Food and Drug Administration. I judge that similar hesitancy could be demonstrated throughout the country. I would like to add that in the opinion of the American Medical Association, the considerable amount of evaluation takes place when, in the use of new drugs by physicians, the number of applications involved brings out new information that is impossible to be obtained in research institutions where time is a factor of significance. Even with drugs of the same chemical nature, an opportunity must be provided the physician to follow the experience of that physician in selecting the particular drug that in his opinion gives the most beneficial result in relationship to cost.

I could not disagree with the idea of providing medical students with information of any and all kinds about drugs. This raises the subject of the composition of the curriculum which is considered to be the prerogative of the school itself.

I do not know the source of Doctor Fyvolent's statement on page 2 that "the cost of medications is a taboo subject in medicine". In medicine we are very much interested in the cost of medications as well as other costs of medical care. It is constantly the subject of our discussions, both in private and in public. As evidence, witness a 4-volume report of an AMA Commission on the Cost of Medical Care which would be available to you if you would care to have it.

The American Medical Association likewise does not feel that upgrading package inserts is the complete solution to providing drug information to physicians. Although I would personally expect physicians to be sufficiently sophisticated to distinguish between the factual and the promotional material found in many inserts, I can report that the Association will shortly publish a volume on drugs, giving the kind of information that Doctor Fyvolent feels is necessary.

The American Medical Association has a Council and a Department dealing with drugs, both of which have been very helpful to legislators in the past. I invite you to make any requests you care to of our organization on this subject.

Sincerely yours,

CHARLES L. HUDSON, M.D.

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., March 8, 1967.

HON. GEORGE A. SMATHERS,
U.S. Senate,
Special Committee on Aging,
Washington, D.C.

DEAR SENATOR SMATHERS: On February 21, Doctor Hudson replied to a February 8 letter from your office relating to Doctor Fyvolent's observations on problems encountered by the elderly in conjunction with prescription drugs. Doctor Hudson suggested that additional comment from the American Medical Association might be made.

Because of your interest in the subject of the cost to the consumer for needed medication, I am enclosing for your reference copies of a report adopted by the AMA's House of Delegates in November, 1966, and an article relating to it that was published in the January 9, 1967 issue of the *AMA News*.

If there is additional information that we can furnish, please do not hesitate to request it.

Sincerely,

Miss BETTY JANE ANDERSON.

Enclosures.

REPORT OF THE BOARD OF TRUSTEES

Report: N (C-66).

Subject: Prescribing and Dispensing of Drugs.

Presented by: Wesley W. Hall, M.D., Chairman,

Referred to: Reference Committee E (Burt L. Davis, M.D., Chairman).

This report is intended to state the position of the American Medical Association regarding the considerations which are pertinent in determining under what circumstances the physician should prescribe generically or by brand name.

The present policy of the American Medical Association is that physicians should be free to prescribe drugs generically or by brand name for *all* of their patients, whether they are paying, Medicare, or indigent patients—the primary consideration being the best interests of the patient. Medical considerations must be paramount in the selection of drugs. In addition, the physician also has an obligation to be mindful of the economic consequences of the treatment he prescribes.

The issue of cost is not simply a matter of prescribing drugs generically as opposed to brand name prescribing. Often there will be substantial variations in the cost of the same drug marketed under different brand names by a number of reputable manufacturers. However, generic prescribing alone will not assure that the least costly brand will be dispensed or that the savings will be passed

on to the patient. Nor will generic prescribing alone assure the physician that his patient is receiving the product of a manufacturer in whom he has confidence.

If the physician prescribes by brand name, he designates the source of supply. If the physician prescribes generically without naming a manufacturer, the pharmacist or some other third party chooses the source of supply.

The attending physician should not delegate this choice—that is, he should not prescribe generically—unless he is convinced that he can rely upon the quality and purity of the drug that will be dispensed to his patient. If this is not the case, then the physician himself should designate the source of supply by prescribing by brand name or by adding the name of his choice of supplier to the generic name of the drug.

Cost considerations

If medical considerations lead the physician to the conclusion that he should not delegate the choice of supplier to anyone else, then he must make the decision. And in doing so he should supplement medical considerations with considerations of cost to his patient.

It is a fact that, in many cases, drugs prescribed by physicians in the United States are available from more than one dependable supplier. They are also available to patients from a large number of retail pharmacies. Thus, in selecting a dependable supplier of the drug of his choice, the physician has an opportunity to serve his patient by designating an acceptable brand which can be purchased by his patient at the lowest possible cost. The physician should inform his patient of the medical considerations which have led him to the decision to prescribe by brand name and of the cost considerations which have led him to prescribe a particular brand. He should also encourage the patient to be cost conscious in having the prescription filled.

If medical considerations lead the physician to the conclusion that he can safely delegate the choice of supplier to a pharmacist, a hospital formulary committee or some other third party, he does not abrogate his responsibility to protect the economic as well as the medical interests of his patient. Just as it does not follow that generic prescriptions automatically ensure therapeutic effectiveness, it is also a fact that generic prescriptions do not automatically ensure the lowest possible cost. If the third party filling a generic prescription does not reflect the same concern as the prescribing physician, his patient may be charged a higher price than would have been the case given a brand name prescription. Thus, in choosing to prescribe generically, the physician should be assured that whoever actually makes the choice of supplier can and will take into account not only the medical needs of his patient but will protect the patient's economic interests as well.

With this clarification of the medical and the economic consequences which can flow from the physician's decision to prescribe by generic or by brand name, the Board of Trustees recommends that the House of Delegates:

- (1) Reaffirm the present policy of the Association which states that physicians should be free to use either the generic or the brand name in prescribing drugs for their patients; and
- (2) Encourage physicians to supplement medical judgments with cost considerations in making this choice.

[From the AMA News, Jan. 9, 1967]

MDs URGED To SURVEY DRUG COSTS

An easily performed drug-cost survey was recommended to physicians as a major step in helping them supplement medical judgment with cost considerations in prescribing drugs for patients.

F. J. L. Blasingame, MD, AMA executive vice president, urged physicians to make the cost survey as a step in fulfilling their obligation to assure patients the highest quality drugs at the lowest possible costs.

Dr. Blasingame noted a recent survey by the National Center for Health Statistics which showed that the average American spent \$21 for medicines during the period from July, 1964, to June, 1965, including \$15.40 for medications prescribed by a physician (see story, page 5).

At the 1966 Clinical Convention the American Medical Association urged physicians "to be mindful of the economic consequences of the (drug) treatment" prescribed.

Dr. Blasingame suggested the following steps as one method by which physicians can apprise themselves of costs of drugs they most commonly prescribe:

Identify the 15 or 20 drugs most often used in your practice.

Identify the brand, or brands, of each drug in which you have confidence.

Have your medical assistant determine the cost of each brand at local pharmacies, or obtain price information from drug retail men.

When determining costs, learn if savings may be effected by prescribing in quantities which are prepackaged by the manufacturer.

These steps, said Dr. Blasingame, can provide physicians important guidelines in considering the economic consequences of prescribing drugs for patients.

The last step, he pointed out, could be of particular importance to patients undergoing maintenance therapy.

AMA Policy: At the Clinical Convention, the House of Delegates adopted a report regarding circumstances under which the physician should prescribe generically or by brand name. Consideration of costs was stressed.

Physicians, the House said, should be free to prescribe drugs generically or by brand name but medical considerations must be paramount in the selection of drugs.

However, the House stressed that "the physician also has an obligation to be mindful of the economic consequences of the treatment he prescribes."

The issue of cost is not simply a matter of prescribing drugs generically, it noted.

Cost May Vary: "Often," the House said, "there will be substantial variations in the cost of the same drug marketed under different brand names by a number of reputable manufacturers. However, generic prescribing alone will not assure that the least costly brand will be dispensed or that the savings will be passed on to the patient.

"Nor will generic prescribing alone assure the physician that his patient is receiving the product of a manufacturer in whom he has confidence."

The House warned a physician not to prescribe generically unless he is convinced he can rely upon the quality and purity of the drug.

"If the physician prescribes generically without naming a manufacturer, the pharmacist or some other third party chooses the source of supply," the House said.

"The attending physician should not delegate this choice—that is, he should not prescribe generically—unless he is convinced that he can rely upon the quality and purity of the drug that will be dispensed to his patient.

"If this is not the case, then the physician himself should designate the source of supply by prescribing by brand name by or adding the name of his choice of supplier to the generic name of the drug."

Cost Factor: If the physician decides he should not delegate the choice of supplier to anyone else "he should supplement medical considerations with considerations of cost to his patient," the House said.

The cost-survey outlined by Dr. Blasingame is designed to help the physician take into account cost considerations.

The report adopted by the House stressed that by selecting a dependable supplier of the drug of his choice, the physician serves his patient by designating an acceptable brand which can be purchased at the lowest possible cost to the patient.

"Just as it does not follow that generic prescriptions . . . ensure therapeutic effectiveness," the House said, "it is also a fact that generic prescriptions do not automatically ensure the lowest possible cost."

Higher Price: If the third party filling a generic prescription does not have the same concern for the patient as the physician, the patient may be charged a higher price.

"Thus," the House said, "in choosing to prescribe generically the physician should be assured that whoever actually makes the choice of supplier can and will take into account not only the medical needs of his patient but will protect the patient's economic interests as well."

ITEM 9: MATERIAL FROM FRED B. CAUSEY, ATTORNEY, FEDERAL TRADE COMMISSION, BEFORE THE CONFERENCE ON OLDER CITIZENS¹

ADDRESS: "ROBBERY WITHOUT GUNS"

Madam Chairman, honored guests, ladies and gentlemen and especially any of you here who today identify yourselves with that distinguished group—our older

¹ See p. 286 for testimony.

citizens. My presence on this platform does not necessarily disqualify me for membership in this honorable society, a fact that was brought sharply to my attention in an anonymous quote I read the other day which says: "The easiest thing for our friends to discover in us and the hardest thing for us to discover in ourselves, is that we are growing old."

It is a pleasure to participate in this program today. I appreciate the invitation extended by your Chairman, Mrs. Lombardi, who was also kind enough to assign me the subject of my talk, "Robbery Without Guns," and the time in which to do it.

I am glad, too, that your Chairman did not become as realistic in her introduction as another chairman did when introducing a Government man from Washington she had obtained to bring her group the very latest information. In concluding a very flowery introduction she said, "And now I bring you the latest dope from Washington."

First, I wish to make it clear to you that what I say to you today is an expression of my own views altogether. I do not speak for the Federal Trade Commission. The Commission only speaks for itself.

"Robbery Without Guns." Before getting further into the subject given me, let me dispel any notion that we are identifying all businessmen in this category. The subject is rather more dramatic language than was used by Congress in amending the FTC Act in 1938 by adding to Section 5 of the act the words "unfair or deceptive acts or practices in commerce." Previously the Act condemned only "unfair methods of competition in commerce." So, what we are concerned with here are the unfair or deceptive acts and practices employed by a few of our businessmen in their dealings with one another and the consumer public.

The Federal Trade Commission is one of the agencies of your Federal Government charged with the enforcement of laws passed by Congress among which are those designed to protect the consumers from this sort of banditry. It has been a great pleasure for me to personally have a part in this work. Of all the practices prohibited by the Federal Trade Commission, I think I abhor most those that are directed at our older citizens.

Before I go further, let me tell you just a little more about the Federal Trade Commission; what it is and what it does. The Federal Trade Commission has had a vital role in consumer protection from the very start. It was the brain-child of President Woodrow Wilson, really aimed at providing protection against unfair and monopolistic practices in our business community of that day in areas of commerce where the Sherman Act of 1890 had not been effective.

The Federal Trade Commission Act was passed by Congress in 1914, establishing the law and a 5-man commission to interpret and enforce the law, subject of course to review by the courts. The Commission investigates complaints that the law has been violated, makes a determination from the facts that the law has or has not been violated and if it has, issues a cease and desist order against the violator or takes other appropriate action. There is no penalty assessed against the violator at this point, but if he later is found to be in violation of the Commission's order to cease and desist, he may be subject to civil penalties up to \$5,000 for each violation. Some violators of Commission orders have suffered penalties of more than \$100,000. If the supporters of Mr. Wilson in 1914 and the proponents of subsequent amendments to the FTC Act were here today, I think they would point with pride to the Commission's case reports of matters of this kind as justification for their vision of over half a century ago.

Virtually all businessmen are in agreement with the theory of the American system of free enterprise; but if it is to remain free for all, restraints must be imposed to inhibit the predatory. Abraham Lincoln once said that freedom seldom means the same thing to a wolf as it means to a lamb. If you build a shelter to protect the lambs, the wolves will howl that the lambs have lost their freedom.

Indeed, in 1914, many Congressmen debated bitterly against the FTC Act and the creation of a Commission to enforce it. They advocated complete freedom of all restraints in the market place summing up their feelings in the phrase, "Every Man for Himself." A more earthy phrasing of this theory, I heard recently, is the conclusion, "Every man for himself, cried the elephant as he danced in the chicken yard."

Edmund Burke once said, "Society cannot exist unless a controlling power upon will and appetite be placed somewhere; and the less of it there is within, the more there must be without.—It is ordained in the eternal constitution of

things that men of intemperate minds cannot be free.—Their passions forge their fetters."

These words I think very aptly describe some in our business community who by their practices give rise to the necessity for the restraints and penalties I have mentioned. Fortunately they are small in number. They are the ones who would enjoy the freedom of our economic system but would avoid the responsibilities in it. (Story—your freedom ends where the other fellow's nose begins.)

Most of the Commission's business is conducted at its offices in Washington, D.C. However, its investigative function is performed in 11 field offices throughout the country, one of which is the Atlanta Office serving the southeastern area including Florida.

The commission divides its work into two main fields—(1) anti-monopoly and (2) anti-deceptive acts and practices. While a great amount of the Commission's work is devoted to the field of anti-monopoly, the Commission from its very inception has had the interest of the consumer at heart. One of the first types of unfair competitive practice to be condemned by the Commission was false advertising of consumer products.

The Commission's first cease and desist order was against a manufacturer of embroidery floss who had represented that its floss was silk when actually it was cotton. A cease and desist order against one of the nation's largest retail grocers for false advertising of its grocery products was the first Commission order to be reviewed by the courts. The Commission's order in that case was affirmed by the courts. Practices of this nature were prohibited as "unfair competition" on the theory that by deceiving the consumer, trade was diverted from merchants who did not misrepresent their products. The 1938 Amendment I mentioned earlier extended protection to consumers against "unfair or deceptive acts or practices."

The FTC Act provides that whenever the Commission shall have reason to believe that a person, partnership or corporation has been or is using any unfair method of competition or unfair or deceptive act or practice in commerce, the Commission shall issue a complaint stating its charges, where it appears to the Commission that a proceeding in the matter would be in the public interest.

You will note then that there are two requisites for the Commission to act in any of these cases. These are *commerce* and *public interest*. The Commission determines the latter and whether the requirements for commerce exist. The courts have been more lenient in recent years in interpreting the commerce clause, so that today fewer of these offenders are able to escape jurisdiction on that basis.

Subsequent to the 1938 amendment to the Federal Trade Commission Act and particularly since World War II, the Congress has given more and more attention to statutory regulation of acts and practices that directly affect the consumer. Prominent among these are the labeling acts for wool, fur, textile products and the Flammable Fabrics Act. These were assigned to the Federal Trade Commission for enforcement. Also in the last Congress, a new statute was placed on the books known as the Fair Packaging and Labeling Act which becomes effective July 1st this year. The other labeling acts that I mentioned are covered in the leaflet which you received in your hand-out. In general, I would like to point out that the labeling acts require that the material or fibers contained in clothing and a few household products such as carpeting and upholstery and bedding, be identified on a tag or label affixed to the garment or item when these items are offered to the consumer for purchase. Responsibility for this rests with the manufacturer on down through the retail establishment where the goods are offered for sale. If there is more than one fiber contained in the material, all fibers must be identified and the percentage by weight shown on the tag or label.

I realize that your interest lies principally in the area of deceptive acts and practices particularly aimed at our older citizens. Let me give you some examples of deceptive acts and practices against which the Federal Trade Commission has taken action and to which our older citizens should be alerted.

One area is Business, Employment and Sales Opportunities. In this area may be found many exaggerated claims of anticipated income from business opportunities offered. Many times, these are directed particularly to older citizens, the crippled, shut-ins and retired persons.

One of the most over-worked rackets in this field is that involving vending machines. The advertisement paints a rosy picture of substantial income and a minimum amount of time required to operate the business. The advertisement

usually offers to put you in business for a stated number of dollars which will be returned to you in profits in a very short time. The ad frequently implies that they will get the business going for you and leave you to operate it. The truth of the matter is that many times the advertiser in these cases is selling vending machines rather than businesses and once you pay your money, you then receive a shipment of vending machines and that is the last you ever hear from the entrepreneur that has victimized you.

False claims and misrepresentations in this field, aimed principally at the handicapped and elderly who need supplemental income to their pension or retirement, have just about run the gamut of the imagination. Just listen to a few:

- "Achieve Wondrous Success in Sales."
- "Can Take up to \$72 the First Week."
- "\$300 Profit Weekly."
- "Net Profit of From \$12 to \$25 a Day."
- "Profits of \$10,000 to \$25,000 a Year Are Not Unusual."
- "\$200 to \$400 a Month Is an Easy Average."
- "100% Profit in 7 Weeks, 69% Profit in 3 weeks, 39% Profit in 1 Week."
- "\$200 to \$300 an Hour."
- "Up to 400% Profit."
- "Pay for Itself First Week."
- "Profits of \$10 to \$20 a Day Await Agents."
- "\$1,300 a Week."
- "\$250 to \$500 Weekly Thru Use of Sales Plan."
- "Commissions Ranging From \$400 to \$1,000 a Month."
- "From \$110 Part Time to \$882 Full Time Each Month."
- "Guaranteed Return of 120%."
- "Guaranteed a Cash Return of 120%."

The list could go on and on. Many times the prospect is assured or guaranteed an exclusive sales territory. In many cases the pitch is made by advertising in the Help Wanted Column of the newspaper implying that employment is being offered.

Another pitch is that of offering employment opportunities upon completion of a course of study. They are really selling the course of study which may or may not be of any value to the recipient. The main selling point is the employment available, including in some cases U.S. Civil Service positions.

The cost of getting into these businesses or courses of study may range from \$200 to \$2,000 or even more. The returns are frequently negligible or nil.

Beware of claims of endorsement by the U.S. Government. (Cited by FTC)

The United States Government has not exclusively appropriated the use of such words as "Government," "Federal" or even "United States," nor of brown window envelopes or blue check-size card stock or the spread-eagle emblem that we see so often. But these words and props are often used as attention-getters and sometimes to imply or even claim an official connection or sanction by our government. Any representation created in this manner can very quickly be checked out to ascertain its truth or falsity.

Now I would like to say something about franchises, but first let me make it clear that there are many perfectly legitimate franchise arrangements in operation in our business community today. In fact, a very large amount of our commerce in consumer goods is carried on under franchise arrangements that are legal in every way. Many times the franchise is the most convenient, effective and perhaps the cheapest way of getting certain products to the consumer. Our concern is that the franchise method is often used by the "bad actor" in wreaking his deception upon the unsuspecting victim.

Some of the franchise peddlers have obtained as much as \$3,500 for the franchise when the victim may still have to invest \$10,000 to \$25,000 or more to obtain the land and erect the building for operation of the business. The vendor may claim he has "approved" two or three sites in advance and offers aid in selecting others. He also may extol the expertise of his company in training and getting the purchaser started in the business. He also may claim or promise fantastic earnings. Unfortunately, the victim learns too late that the land sites are too costly or that zoning regulations either exclude this type business or are so exclusive that the costs of building and landscaping are far beyond the victim's means and are prohibitive as to the type business proposed.

I use the term "franchise peddlers," because these are the ones whose primary object is to sell you a franchise then leave you to shift for yourself in getting

the business started if in fact you ever can. They make their money on the franchise rather than the sale of the product.

In another area of deception, the pitch is aimed at your vanity. Have you ever written a book? If not, you may be deferring that to the years of your retirement. When you do, you will have little trouble in finding a publisher who will put it into print for you, for a fee of course—usually around \$1,500 or better. These are “vanity publishers” who are perfectly legitimate and within the law unless they obtain your fee by misrepresentation. Their representatives may claim (usually orally) that they will advertise and promote the sale of your book to require extra editions bringing income to you in royalties far in excess of your subsidy payment when such representations are not in fact true. The *reputable* vanity publisher will not promise you more than putting your book into print and a limited number of listings in book lists routinely used by many other publishers. Beware of the exaggerated claims as to the earnings you will receive from the sale of your book and the widespread coverage in reviews your book will get.

Encyclopedia bargains is another pitch aimed sometimes at your vanity and sometimes at your pride or both. The pitchmen have become expert in this field. Here too I might add that many encyclopedia publishers devise and promote sales programs that are legitimate and legal in every way. We are talking about the few who do not. As in the sale of any product, the area of selling, particularly direct selling, presents many opportunities of deception to salesmen who sometimes are more adept at untruths than salesmanship.

A landmark case in this area involves the practices of a salesman using a sales talk that was literally true in every statement, but misleading as a whole. This practice was condemned under the law because it left the impression that the purchaser would have to pay for only a supplement, and that the encyclopedia itself was free, when in fact the price included both. The salesman's speech failed to reveal this fact clearly.

In that case, the Supreme Court upheld the Commission and took occasion to discredit the old doctrine of “Caveat Emptor,” (Buyer Beware) saying this:

“The best element of business has long since decided that honesty should govern competitive enterprises and that the rule ‘Caveat Emptor’ should not be relied upon to reward fraud and deception.” (FTC v. Std. Education Society, 302 U.S. 112.) (Sea Captain Story—Capt. Von Luckner.) Even the truth may be stated in such a way as to deceive.

Encyclopedia salesmen come to your door. Although some sets are nationally advertised, the first direct pitch to you is usually at your front door in person by the salesman. Beware of the following approaches:

1. You have been specially selected.
2. The salesman says he is only making a survey.
3. Your name was given by the school superintendent or teacher as a leader in education.
4. This offer is only being made to a class of people in your profession or occupation at a special price.
5. This is a special introductory offer made to you only in your neighborhood or community.
6. You will not have another chance at this price.

These approaches are common to other products as well. Encyclopedia salesmen also seek entry to your home by telephone under the pretense of a survey or a free book they would like to deliver to you personally.

A dozen or more college seniors at one university purchased encyclopedias at a reputedly “special” price when the same sets were at that time nationally advertised at exactly the same price. They were fascinated with the prospect of getting their term papers done by using the alleged “free” research service that came with the set.

A college graduate student with a not-then-working wife and two babies agreed to pay \$11.00 per month for 36 months (\$393.00) for a set because he was told that he was getting the set free and paying only for the annual supplement he would receive for the next 10 years. The price included both.

Medicare may have eased the problems some in the field of health insurance. Yet, attractive offers still come through the mail and to some may appear to be just the answer to their needs in health insurance. Much of the mail-order insurance is legitimate, but it also opens the door for the illegal fringe operators who offer to provide your needs at low cost with no examination and what appears to be without the many usual limitations.

While the gyp artists here are in the minority, one of the greatest dangers they pose is that they may cause some to cancel higher cost but much better protection insurance.

The business of regulating insurance is done principally by the states. In fact the McCarran-Ferguson Act of 1945 (P.L. 15 79th Congress) limited the Commission's jurisdiction in the business of insurance to the extent that such business is not regulated by State Law. But the Federal Trade Commission has had experience in this field and in 1964 issued Guides for the Mail Order Insurance Industry. A copy may be obtained by writing a postcard to Federal Trade Commission, Washington, D.C.

Florida, the sunshine state, I know has not escaped its share of the "Land in the Sun" schemes for selling real estate, particularly to retired persons or prospective retirees. It is heartening to note that here this business is regulated by the Florida Installment Land Sales Board, an agency of your own state government and headquartered here in Tampa. The Federal Trade Commission is reluctant to intrude in matters regulated by the states as already mentioned in the field of insurance. This is not to say the Commission would have no interest in matters of this kind. If the Commission has jurisdiction under the commerce clause and there is an absence of regulation at any other level, it is my opinion the Commission would move to protect the public interest.

Nevertheless, there are cautions that all prospective purchasers should take however effectively regulated the business may be. Investigate before you invest. The colorful brochures with golden promises of what the developer will do and the free airplane trip to inspect the land make a very high powered sales pitch to break your resistance down and get you to take the first bite. Read the fine print carefully. Be sure you understand the conditions tied to the free trip. Seek counsel and opinions from others including your lawyer. If the land is in another state, inquire through that state's Attorney General as to the seller's reliability and the extent of state regulation. Check through your Better Business Bureau.

It is extremely risky to purchase real estate by mail, yet some have done so, later to find their lot inaccessible, resting soggily under two feet of water or 50 miles from any water at all. Before you buy, be sure you know the future costs of development. A \$1,000 lot can turn into a \$7,000 lot and still no house. You may plan a modest \$4,000 cottage but check the zoning regulations and building codes to be sure that you can build the kind of place you have planned within your budget.

I would be derelict in my discussion of today's topic if I did not wave before you some red flags in the fields of home improvements and sales contracts for the purchase of home improvements as well as other products and services. This is one of the areas in which you will find the bait and switch tactics employed.

In all fairness to the legitimate tradesmen in this field I will point out here that the deception is very frequently employed by persons or companies who are not agents or representative of the manufacturer of the product involved, but who may claim they are. The name of a reputable and possibly innocent mfr. is sometimes woven into the deception by innuendo and implication and the prospect is led to believe he is dealing with this well known, nationally advertised company.

One field in which we have had a great deal of trouble lately is the aluminum siding business. You, the prospect are reached by an advertisement, by junk mail or by referral. First, you learn the advertised item is not immediately available or is of much inferior quality, a fact that is frankly pointed out to you by the salesman. Then before you realize it you are switched to a more expensive item. You are further enticed by the prospect of getting your siding free if you refer the salesman to 5 other persons who subsequently buy his product. Or you may be flattered to hear that your home will be used as a model in the community to demonstrate the salesman's product, and for your kindness in permitting that, you are getting a very special price. (Press release on Docket C-1130, p. 322.)

Further, it is all made so easy for you because of the easy financing plan including insurance which you may later find you actually cannot get. In reality, it may be costing you 50% or more over the cash price or still a substantial amount more than financing would cost at your bank or possibly FHA.

Read all papers carefully before signing them, even the fine print at the bottom of the page and on the reverse side. Contract provisions are often so well concealed you may still miss them after a careful reading.

(1) Concealment of contract provisions is a device often used. This is in the printing of the contract form.

(2) Even this may entrap you if you don't read everything.

(Example: Where the guts of the contract was 2 lines on the bottom of page.)

Know exactly what you are signing. Unscrupulous salesmen may ask you to sign a paper represented to be a mere certification that he has called upon you and explained his product when in truth and fact the paper you sign is a contract for the purchase of his product. The unscrupulous salesman may promise you everything but his main objective is to get you committed by signing a contract.

You learn with dismay a few days later that you are no longer dealing with the people who sold you the siding, or the home improvement as the case may be, but with a finance company you never heard of before but who is very diligent in collecting the payments as they come due. Many purveyors of home improvements, as well as other products, discount their paper to finance companies immediately. They could not operate otherwise. The finance companies are holders in due course without knowledge and you find yourself stuck.

I have tried to indicate the precautions you should take by describing the tactics employed against you. Take other positive steps and get estimates from local builders and contractors. Know exactly what the financing charges are and compare with local banks, local finance companies and possibly FHA.

Whether or not you can break a signed contract of this nature is something we cannot tell you. You may of course obtain legal advice privately and act accordingly. The Commission does not involve itself in private controversy, but will proceed with its own action to protect the public interest if it has jurisdiction.

Time does not permit me to go into all the ramifications of deceptive pricing, pre-ticketing and free goods and the pit-falls to the bargain hunter in these areas.

Deceptive pricing is a subject of one of the Commission's guides. It covers a wide area and manner of pricing. Basically, the deception is the false saving that may be represented or implied by the prices compared.

"Regular \$19.95—Sale Price \$12.95"

"50% off"

"Special Purchase"

These are only a few. The pricing is illegal if the higher price was not in fact the price at which the item had sold in the recent and regular course of business. Careful shopping and price comparisons at other stores are among the best safeguards and the reliability of the merchant may offer further assurance of fair play in this area.

The pre-ticketed price of an item may be a fictitious one at which the item has never sold anywhere. If the savings represented by the merchant's price are exorbitant, it very likely is. The red flag is the great difference in the pre-ticketed price and the sale price. The actual savings may be very small or none at all and the sale price could in fact be more than that of a competing merchant on the same item. Here again, careful shopping is one of the best safeguards.

Beware of *free goods*. They may be costly. The conditions of a free goods offer must be set out clearly and conspicuously to avoid any misunderstanding of the terms of the offer. When tied to the purchase of another item, the cost of the free goods must not be included in the price of the other item. There also must not be any reduction in the quantity and quality of the tied-to item. The courts have finally settled the Mary Carter Paint case involving the "Buy one, get one free" offer. The Supreme Court upheld the Commission's finding that Mary Carter's offer was an offer of two cans of paint for the price that was advertised to be the regular price of one can. The second can was not and is not now "free."

I would not neglect to mention the food-freezer plan. You are reached by advertising, junk mail or by referral. The pitch is that you can buy the food-freezer plan—freezer and food—for the price you have been paying for food alone. The misrepresentations are usually twofold: (1) they promise more than they ever deliver; (2) the cost turns out to be more than you were led to believe.

Also I must warn you about guarantees advertised in connection with a product. These are deceptive when they fail to disclose the conditions and limitations of the guarantee. Such as "Guaranteed for Life". Whose life? The purchaser? The item it is placed on? Or the product itself? This is in addition to any untruth that may be stated in the guarantee. (Guides)

Bogus contests. "Solve this puzzle and receive a free ——." Or "Solve this puzzle and get a 50% discount." This is frequently a means of getting your name on a sucker list much the same as bait and switch advertising is to get you into the store.

I would be the first to applaud advertising for what it has done to bring new products and consumers together and the contribution advertising has made to

the \$7½ billion GNP of our economy today. But you will note that it is this medium that has been used by the unscrupulous to deceive the consumer. Advertising then has its responsibilities, notwithstanding its expertise and ultra sophistication that has made it the "new" profession of our time. (Story about profession).

Finally, let me adjure you to beware when you see or hear one of the following six sucker signals:

1. "Buy now or lose the chance * * *"
2. "You have been specially selected * * *"
3. "It's only a legal form * * *"
4. "Just a few easy lessons * * *"
5. "You can save up to * * *"
6. "Yours absolutely free * * *"

Three human traits that frequently get us into trouble in the areas I have discussed are:

1. Greed—the passion to get rich quick and "buy at wholesale";
2. Vanity—We like to believe that which nurtures our ego. There is no price ceiling on vanity.
3. Pride—our inclination to refuse to admit we have been bilked until it is too late.

What now are your lines of defense? Let me list important ones:

1. Yourself. Stop, Look and Investigate.
Complain to the seller—loudly.
Ask questions. Do not be timid.
Investigate before you invest.
2. Your local agencies:
 - (a) Your local Better Business Bureau.
 - (b) Your local and state law enforcement agencies and regulatory agencies.
3. The Federal Agencies:
 - (a) Post Office Department.
 - (b) Food and Drug Administration.
 - (c) Federal Trade Commission.

The FTC maintains liaison with all these agencies, Federal and local, and enjoys splendid cooperation from them at all levels. I am impressed from what I hear that such a relationship exists in each of these agencies with respect to each of the others.

I cannot emphasize strongly enough the value of using the first and second lines of defense against any of these gunless robbers who might invade your community. These are yourself and the local agencies I just mentioned. The Better Business Bureaus and the Better Business Bureau Divisions of the Chamber of Commerce have done a tremendous job in combating unfair and deceptive business practices. Those here in your state and particularly yours here in Tampa have been most cooperative with the Atlanta Office, FTC.

I noticed with interest an item in the Tampa Times, January 17, about a Seminar you are having here Feb. 17-18 on means of combating commercial frauds. I also understand that your States Attorney for Commercial Fraud, Mr. William Victor Gruman, is headquartered here in Tampa. I have already mentioned the Florida Installment Land Sales Board here in your State and I understand that Mr. Carl A. Bertoch here in Tampa is Executive Director of this agency. Both of these gentlemen have worked closely with FTC's Assistant General Counsel for Federal State Cooperation.

The Federal Agencies learn of deceptive practices largely from complaints from those affected by them. While FTC may initiate action on their own motion, many deceptive practices might never be known unless we heard about them from you, people in business and other consumers. These agencies stand ready to act within their jurisdiction to stop those practices that are in violation of the law.

The increased interest of all these agencies and Congress in consumer protection may be an indication of the truth of Edmund Burke's words about "the less (regulation) there is within, the more there must be without." If such is the case today there likely will be a part for all these agencies to play in building a better climate in our entire business community.

Finally, I wish to thank you for the privilege of having a part on your program today. It has been a rewarding experience even more so to feel that my contribution may be of some service to our older citizens.

Really we all have only one goal in life—to grow old. There may be some intermediate ones, but contemplation of the only circumstance that would prevent achievement of that goal crystallizes that desire even more.

Someone once said, "It is foolish to resent growing old. Many are denied the privilege." A friend of mine in Washington said not long ago, "Growing old is not so bad when you consider the alternative." My friend incidentally is nearing the time when he will put aside the tools of his trade and seek his reward across the threshold of retirement. I would like to think that my friend and you and I could, upon arriving at that milestone in our lives, lower our guard, relax and reap the fruits of our labors in quiet reflection upon the good old days. Perhaps something said here today, an idea, or a thought may rekindle or refuel the torch of human concern and send it forth from here in the imaginative hands of those who care enough to do their very best for these, our older citizens.

I thank you very much.

[News release from Federal Trade Commission, Nov. 2, 1966]

REPRESENTATION—CONSENT ORDER C-1130—HOME IMPROVEMENTS

A consent order issued by the Federal Trade Commission prohibits a Winter Park, Fla., home improvement company from using misrepresentation to sell its residential aluminum siding or other products.

The agreed-to order cites Modern Builders, Inc., 6861 Formosa Drive, and its president, James W. Glasser. The agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law.

The FTC charges in its complaint that the concern's advertising and salesmen falsely represent that prospects' homes have been specially selected as model homes for installation of its products, after installation the homes would be used for demonstration and advertising purposes by the company; and as a result of allowing their homes to be used as models, purchasers would receive allowances, discounts or commissions.

The company also is charged with misrepresenting that:

It is connected or affiliated with the Kaiser Aluminum and Chemical Corporation.

Its products are applied by factory trained personnel, will last a lifetime and will not require repainting or repair, and are "unconditionally guaranteed" in every respect without condition or limitation for an unlimited period of time.

Prospective purchasers would receive free merchandise or gifts for permitting a company representative to call on them and estimate the cost of improvements to their homes.

UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION

(Docket No. C-1130)

*In the Matter of MODERN BUILDERS, INC., a corporation, and
JAMES W. GLASSER, individually and as an officer of said corporation*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Modern Builders, Inc., a corporation, and James W. Glasser, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

Paragraph One: Respondent Modern Builders, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida. The principal office and place of business of Modern Builders, Inc. is located at 686 Formosa Drive, in the City of Winter Park, State of Florida.

Respondent James W. Glasser is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent.

Paragraph two: Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution and installa-

tion of various items of home improvements, including aluminum siding to the purchasing public.

Paragraph three: In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Florida to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in trade in said products, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Paragraph four: In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their products, in newspaper advertisements, in direct mail circulars and in oral sales solicitations by their representatives or salesmen, respondents now represent, and have represented, directly or by implication, that:

1. Homes of prospective purchasers have been specially selected as model homes for the installation of respondents' products, after installation such homes would be used for demonstration and advertising purposes by respondents; and, as a result of allowing their homes to be used as models, purchasers would receive allowances, discounts or commissions.
2. Respondents are connected or affiliated with the Kaiser Aluminum and Chemical Corporation.
3. Respondents' products are applied by factory trained personnel.
4. Respondents' products will last a lifetime and will not require repainting or repair for the life of the structure on which it is applied.
5. Respondents' products are "unconditionally guaranteed" in every respect without condition or limitation for an unlimited period of time.
6. Prospective purchasers would receive free merchandise or gifts for permitting a representative of respondents to call on them and estimate the cost of improvements to their homes.

Paragraph Five: In truth and in fact:

1. Homes of prospective purchasers are not specially selected as model homes for the installation of respondents' products; after installation such homes are not used for demonstration and advertising purposes by respondents; and purchasers, as a result of agreeing to allow their homes to be used as models, are not granted reduced prices, nor do they receive allowances, discounts or commissions.
2. Respondents are not connected or affiliated with Kaiser Aluminum and Chemical Corporation.
3. Products sold by respondents are not applied by factory trained personnel.
4. Respondents' products will not last a lifetime and will require repainting and repair.
5. Respondents' products are not unconditionally guaranteed in every respect without conditions or limitations, for an unlimited period of time. Such guarantee as may have been provided was subject numerous terms, conditions and limitations, and failed to set forth the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor would perform thereunder.
6. Respondents do not give gifts or free merchandise to prospective purchasers in accordance with their promises or offers, but use such offers and promises as a means of obtaining names of prospective purchasers of their products.

Therefore, the statements and representations set forth in Paragraph Four hereof are false, misleading and deceptive.

Paragraph Six: In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of various items of home improvements, including aluminum siding of the same general kind and nature as sold by respondents.

Paragraph Seven: The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

Paragraph Eight: The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respon-

dents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

Wherefore, the premises considered, the Federal Trade Commission on this 14th day of October A.D., 1966, issues its complaint against said respondents.

By the Commission.

[SEAL]

JOSEPH W. SHEA, *Secretary.*

UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION

(Docket No. C-1130)

In the Matter of MODERN BUILDERS, INC., a corporation, and JAMES W. GLASSER, individually and as an officer of said corporation

DECISION AND ORDER

Commissioners: Paul Rand Dixon, Chairman, Philip Elman, Everette MacIntyre, John R. Reilly, Mary Gardiner Jones.

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Modern Builders, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 686 Formosa Drive, in the City of Winter Park, State of Florida.

Respondent James W. Glasser is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered that respondents Modern Builders, Inc., a corporation, and its officers, and James W. Glasser, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with advertising, offering for sale, sale and distribution of residential aluminum siding or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

(1) The home of any of respondents' customers, or prospective customers, has been selected to be used as a model home, or otherwise, for advertising purposes;

(2) Any allowance, discount or commission is granted by respondents to purchasers in return for permitting the premises on which respondents' products are installed to be used for model homes or demonstration purposes;

(3) Respondents are connected or affiliated with Kaiser Aluminum and Chemical Corporation, or misrepresenting in any manner the identity of the manufacturer or the source of any of respondents' products;

(4) The products sold by respondents will be installed by factory trained personnel; provided, however, that it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that said personnel have actually been trained at the factory of the manufacturer of the product;

(5) The products sold by respondents will last a lifetime or will never require painting or maintenance, for the life of the structure on which applied, or misrepresenting in any manner the efficacy, durability or efficiency of respondent's products;

(6) Any of respondent's products or installations are guaranteed unless the nature and extent of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed;

(7) Persons will receive a gift of a specified article of merchandise, or anything of value; provided, however, that it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that the item referred to as a gift was in fact delivered to each eligible person.

It is further ordered that the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL]

JOSEPH W. SHEA, *Secretary.*

Issued: October 14, 1966.

ITEM 10: MATERIAL FROM MR. BURT GARNETT

KEY WEST, FLA., *February 3, 1967.*

Senator GEORGE SMATHERS,
Washington, D.C.

DEAR SENATOR: I wish I could have been present at the hearing in Tampa. I will appreciate it if you will have press releases or other information about the hearing sent to me.

I am sure the main problem has been stated repeatedly. With respect to details. I might be able to supply some facts concerning hearing aids, dentures, and eyeglasses—these being a principal concern of retired persons with limited income. I have many letters from readers of my column protesting against the high costs of these necessities; and also many letters giving information as to how to get them at very reasonable costs. Most of the pertinent information from such letters has been carried in the *St. Petersburg Times*, *Miami News*, and *Key West Citizens*.

Food prices—especially at restaurants—are much too high for our comfort. Prices of haircuts—up from 50 cents 10 years ago to \$1.75 in most shops in Florida—seem to us to be unfairly high.

As you know (and I hope I'll not bore you with this) my feeling is that if we oldsters had the facilities, we could do much, ourselves, to meet our requirements. Such facilities, it seems to me, could be provided in senior citizens' centers—along with recreational and educational activities—at prices within our incomes, and without too heavy a drain on social security or other governmental funds.

I hope that hearing produced such information and ideas as you wanted. Thank you for doing a great work for us.

Yours,

BURT GARNETT.