

partnership with the Government in providing for the general welfare and in the execution of the plan embodied in the bill for the relief of indigency and distress in the interest of greater social security.

2. Nonprofit hospitals are not industries but they are charities, organized and operated for the common weal, without thought of profit and with the only purpose of affording to the maximum limit of their resources adequate hospital care for all our people when and as needed.

3. Nonprofit hospitals are unlike industries in that they do not experience heavy fluctuation in employment of personnel during periods of depression, but with the increase of hospital care given, particularly in assuming the increased load for the care of indigent and unemployed, hospitals maintain a rather definite standard of numbers of employed personnel; the ratio of employed personnel to patients remaining practically the same during all periods.

4. Heavy withdrawals from the income of nonprofit hospitals for the purpose of this or other taxes reduces by the amount withdrawn the financial ability to give hospital care to the indigent and unemployed.

5. Nonprofit hospitals have no opportunity through the increase of their rates for service to cover the costs incident to unemployment insurance, as industries and commercial enterprises have.

6. Unemployment in hospitals has not been a serious factor in hospital problems.

7. Employment in hospitals is dependent upon the amount of sickness and not upon the condition of industry.

8. The hospital load tends to increase during periods of general unemployment.

9. Nonprofit hospitals in such periods meet their financial problem not by the discharge of employees but through the reduction of salaries and wages, and that as a consequence an enforced payment into an unemployment pool would result in a reduction in the salaries and wages of employees in hospitals without their ever being able to draw any appreciable result.

10. The annual pay roll of the nonprofit hospitals of America amounts to \$121,500,000. The pay roll of hospitals constitutes about 30 percent of the total cost of operation.

11. Hospitals have had an increased burden of indigent sick without Government relief, except in three of four States. Relief agencies have fed and clothed and housed the indigent but the moment they need hospitalization the relief agencies have taken the attitude that the hospitals always have cared for the indigent so let them do so now, ignoring the fact that in addition to an increase of free patients the hospitals have had a falling off of earnings from pay patients and a falling off of donations from philanthropically minded people to about 40 percent of what such donations were in 1929 and 1930.

12. Nearly 400 voluntary nonprofit hospitals ceased operation in the past 5 years because the financial burden became too heavy.

Any statistical information the committee may desire will be gladly furnished.

Chairman Joint Committee and President American Hospital Association.

*Member Joint Committee and Vice President
Catholic Hospital Association of America.*

The CHAIRMAN. We thank you for your appearance before the committee and for the information which you have given.

STATEMENT OF RIGHT REVEREND MONSIGNOR MAURICE F. GRIFFIN

MONSIGNOR GRIFFIN. My name is Right Reverend Monsignor M. F. Griffin, Cleveland, Ohio, vice president of the Catholic Hospital Association of the United States and Canada, senior trustee of the American Hospital Association.

I would like to speak briefly for the trustees of the American Hospital Association and for the board of directors of the Catholic Hospital Association.

The CHAIRMAN. If you prefer, you have the privilege of making your statement without interruption.

Monsignor GRIFFIN. I have no prepared statement, Hon. Mr. Chairman.

I would like to begin with the beginning of the bill to alleviate the hazards of old age, unemployment, and illness. I would like to stop right there. That is our business, alleviating the hazards of illness. We have the organization for that purpose. If the purpose of this bill is to alleviate the hazards of illness, we feel we should be included in the activities contemplated by this bill, just as, for instance, when the C. W. A. was organized it became necessary over night to take care of approximately 5,000,000 men, and we, this same committee whose representatives are appearing before you today, were called in by the Federal Emergency Relief Administration and requested to mobilize the 6,400 hospitals for the purpose of making them tributary to the welfare that was desired. So, too, we feel that in the operation of this bill, there should be provision made to bring in the hospitals in order that they might contribute their services, cooperating in this general program. We view with alarm such provisions as this, that make the beneficiaries of this act ineligible to receive its benefits just because they are inmates of public or charitable institutions. We all know that these people 65 years and over are going to be inmates of charitable institutions, and such we consider ourselves. We know that they are going to be in the hospitals in large number. We express great surprise that provision was written in this act to make them ineligible.

Mr. HILL. Will you yield for an observation right there? You are referring to section 3 on page 2 of the bill?

Monsignor GRIFFIN. No, lines 23 and 24 on page 2, the definition of "old age."

Mr. HILL. That applies to old-age assistance. That is what we call old-age pensions.

Monsignor GRIFFIN. Yes.

Mr. HILL. But it does not apply to the old-age annuity or the unemployment compensation provisions of the bill.

Monsignor GRIFFIN. Would that relieve us, sir?

Mr. HILL. I say, the provision here in section 3, which says:

As used in this title "old-age assistance" shall mean financial assistance assuring a reasonable subsistence compatible with decency and health to persons not less than 65 years of age, who, at the time of receiving such financial assistance, are not inmates of public or other charitable institutions, * * *

applies only to those otherwise eligible for the old-age pension, as distinguished from those who are beneficiaries under the old-age annuity and the unemployment compensation provisions of the bill.

Mr. LEWIS. I presume it may have been designed to stop the inmates from getting this free charitable service from the public institution and the pension at the same time.

Mr. HILL. That is the idea.

Monsignor GRIFFIN. I see the point that is raised. As charitable institutions, we are conducting these hospitals. When a patient comes to us, does he ipso facto become ineligible to the benefits that he has already been receiving?

Mr. HILL. Ineligible to receive the old-age pension.

Monsignor GRIFFIN. Yes.

Mr. HILL. But not ineligible to receive the benefits under the old-age annuity provisions or the benefits under the unemployment compensation provisions of the bill.

Mr. LAMNECK. Father, I lived in close proximity to the Catholic institution at Columbus, Ohio, St. Anthony's Hospital. You know where that is?

Monsignor GRIFFIN. Yes.

Mr. LAMNECK. This bill would exclude anybody in that institution, I know a lot of them personally, who may be receiving any old-age pensions while they are in there. That is what the bill really means.

Monsignor GRIFFIN. Yes.

Mr. LAMNECK. I do not see why it should have that condition.

Monsignor GRIFFIN. We do not see why it should and we fear—

Mr. HILL. I am not arguing on that. I am just trying to show you what the bill provides.

Monsignor GRIFFIN. They need more money while they are in a hospital than when they are not in a hospital. Just when they have this burden of hospitalization put upon them they are cut off.

Mr. HILL. I make this observation in view of the fact that Mr. Jolly presents the view that hospitals ought to be exempted from the imposition of the tax.

Monsignor GRIFFIN. Yes.

Mr. HILL. But the imposition of the tax to which he refers is in the case only of old-age insurance or the old-age annuity and of the unemployment compensation.

Monsignor GRIFFIN. Yes.

Mr. HILL. There is no tax levied in connection with old-age pensions on the hospitals or on any employer or employee.

Monsignor GRIFFIN. No.

Mr. HILL. I just wanted to get you straight on that. I am not arguing with you as to whether it ought to be in there or not to be in there. We did not write it.

Mr. KNUTSON. I did not understand that you were arguing that point.

Monsignor GRIFFIN. No.

Mr. KNUTSON. We all know that the employability of the people past the age of 65 is very low, practically nil, so the fact that they can draw unemployment insurance does not mean anything; they would not draw any, would they?

Monsignor GRIFFIN. No.

Mr. KNUTSON. Because the chances are they will be permanently out of employment before they get to be 65. What you are interested in is to see that those who are indigent patients of hospitals be not barred from the provisions of this act.

Monsignor GRIFFIN. That is the point.

Mr. LEWIS. Or that the hospitals receive the amount of the pension while he is being hospitalized.

Mr. KNUTSON. Of course, that would naturally follow.

Monsignor GRIFFIN. Yes.

Mr. TREADWAY. Monsignor, I understood from the remarks of our colleague, Mr. Hill, that he was trying to show you that there is a difference in the different items of the bill as regards old-age pensions or unemployment, and so on. But as I understand you, you take the broader ground that any benefits accruing under this bill to anybody anywhere should include those in hospitals and in no way should a person in the hospital be excluded from any feature of the benefit that may accrue from this bill, provided he qualifies in other ways.

Monsignor GRIFFIN. Precisely.

Mr. TREADWAY. Is that your contention?

Monsignor GRIFFIN. Yes, sir; precisely, that hospitalization do not prejudice—

Mr. TREADWAY. In any feature of the bill?

Monsignor GRIFFIN. The beneficiaries of this bill.

Just to clear up some of the questions that have been asked, neither graduate nurses nor pupil nurses are included in the pay-roll figures to any great extent. The large number of graduate nurses in a hospital are private-duty nurses and are paid for by the patient who employs them. The pupil nurses are not on a salary. They may get a small honorarium of \$5 to \$10 a month to cover certain incidental expenses, but they are considered as students. We emphasize the student-nurse designation. The employees of a hospital are not the nurses to any great extent. We have the graduate nurses, of course, acting in a supervisory capacity, as instructors to our pupil nurses, and so forth, but the large number of nurses are not included in the pay roll.

The second point that I would like to make a brief observation on is that the designation "profit" and "nonprofit" is established in our charters. It is a legal designation which does not have to be determined by an audit of accounts or by any financial report. When an institution is started, it is known as a profit or nonprofit institution. In Ohio we have only three such profit institutions. Even if an organization organized not for profit happened by any strange chance of fate to have a balance at the end of the year, it could not be distributed to anyone interested, but would have to be used as a nest egg for the charity that would follow the following year. One reason is that, as we know, in the course of human events, many of these beneficiaries will be hospitalized. They will not have money enough to pay their hospital bill. So we respectfully request that some provision be inserted in this legislation to meet that additional burden.

Thank you, gentlemen.

Mr. TREADWAY. Monsignor, just one more inquiry, if I may.

I have been very much interested in your statement and that of Mr. Jolly. You are vice president, as I understand you—

Monsignor GRIFFIN. Of the Catholic Hospital Association.

Mr. TREADWAY. Of the organization of which Dr. Jolly is president?

Monsignor GRIFFIN. No. Mr. Jolly is the president of the American Hospital Association. I am the senior trustee of the American Hospital Association. In the American Hospital Association we have all sorts of hospitals. There is a group of 650 Catholic hospitals, and I am the vice president of that group. Alphonse Schwitalls, the dean of the Medical School of St. Louis University, is president. He is president of the Catholic Hospital Association.

Mr. TREADWAY. Yes, sir; and subordinate to the general organization of which Dr. Jolly is president. Is that correct?

Monsignor GRIFFIN. Yes.

Mr. TREADWAY. Do you know to what extent Father Schwitalls has been consulted as a member of the hospital advisory board? His name appears on this list.

Monsignor GRIFFIN. He has appeared at one meeting of this board that discussed group hospitalization or, as we call it, hospital insurance.

Mr. TREADWAY. Hospital insurance is health insurance?

Monsignor GRIFFIN. Health insurance.

Mr. TREADWAY. That is the same item that Dr. Jolly referred to in his testimony?

Monsignor GRIFFIN. Just the same thing; yes.

Mr. TREADWAY. At the one meeting at which your representative—he is your superior in the organization, is that correct?

Monsignor GRIFFIN. Yes.

Mr. TREADWAY. He appeared at one session, and that did not deal with any item that appears in this bill, according to Dr. Jolly's testimony.

Monsignor GRIFFIN. That is my information; yes.

Mr. TREADWAY. So that until you read this language or were made familiar with this printed bill introduced a week ago, you knew nothing of the contents going to make up this bill?

Monsignor GRIFFIN. Yes; that is correct.

Mr. TREADWAY. Nor did Dr. Schwitalls, as far as you know?

Monsignor GRIFFIN. That is correct; yes.

Mr. TREADWAY. In other words, Dr. Jolly and these other gentlemen are designated as members of a hospital advisory board, who evidently were not very much consulted by the members of this legislation on the particular items as they appear in here. Is that correct?

Monsignor GRIFFIN. That is my information; yes, sir.

The CHAIRMAN. Do you know whether your views touching upon this particular phase of the legislation or these provisions of the bill were brought to the attention of those who finally were responsible for drafting the bills?

Monsignor GRIFFIN. I do not know.

The CHAIRMAN. Did you bring the subject matter that you are now bringing to the attention of the committee on economic security the thought that these nonprofit hospitals should not be taxed, to the attention of those who were directly responsible for drafting the bill?

Monsignor GRIFFIN. Not directly by us. As Mr. Jolly has said, the only conference that we have ever had was with Senator Wagner last year.

The CHAIRMAN. You did have that conversation?

Monsignor GRIFFIN. That was last year.

The CHAIRMAN. Did you bring this feature of the bill to his attention?

Monsignor GRIFFIN. Last year. We have not this year.

Mr. HILL. In this report of the committee on economic security, page 34, that is, as included in the message of the President to the Congress, the subject of health insurance is discussed in the following language, in part:

The development of more adequate public-health services is the first and most inexpensive step in furnishing economic security against illness.

As I understand it, without reading on through, that subject is still an open question. That is still under study and investigation? It was not included in this bill but is still a live question?

Monsignor GRIFFIN. Yes.

Mr. HILL. Your group was here particularly with reference to that subject?

Monsignor GRIFFIN. Yes.

Mr. HILL. It has been given consideration, but the studies are not yet completed, hence it was not included in the bill.

Just one other question: You do not wish to be understood, I take it, as appearing here in opposition to this measure?

Monsignor GRIFFIN. Not at all. We are in sympathy with the general principles of it.

Mr. HILL. You ask that nonprofit hospitals be exempted from the imposition of the tax provided in the old-age annuity and the unemployment compensation features of the bill?

Monsignor GRIFFIN. Yes.

Mr. HILL. Then, you would like to have some affirmative matter inserted to recognize hospitals in the care of indigent patients?

Monsignor GRIFFIN. Yes; and provide for that care.

Mr. HILL. I gathered from Mr. Treadway's questions that he tries to put the inference in this record that your groups are appearing here in opposition to this bill. That is not true, is it?

Monsignor GRIFFIN. No.

Mr. TREADWAY. I do not want that impression to go out.

Mr. HILL. I do not, either.

Mr. TREADWAY. That was not my question at all. I do not want that impression to go out regarding my inquiries of you, sir, nor of Dr. Jolly, either one. I am simply bringing out the fact that practical people like yourself, having to do with these problems, are not the ones that framed this legislation. I am not saying I am opposed to the bill; I am not. I am in favor of the principles involved here as much as any man is. But I do want Congress to be able to get first-hand information from the people directly and practically interested. I admit that I have not the highest personal esteem of the practical features of many of the suggestions made by the advisers of this administration. We see definite illustrations of it right here in this bill, when there can be a medical committee set up and appear here as a hospital advisory board, as one of the definite boards established by the three or four members of the Cabinet who compose the main body, and then we find out they never have been consulted on anything in this bill. I think it bears out just what I said but I do not want my colleague to put into my mouth words of disapproval. That is incorrect.

Mr. HILL. I would just like to ask, Monsignor, whether you favor this proposed legislation, with the modifications you have presented here.

Monsignor GRIFFIN. Yes; we do.

Mr. CROWTHER. I got the idea, I do not know where, evidently from the press or something, in connection with the preparation of this bill that that was the one subject that this committee was not going to give consideration to at this time, as I understand from the press accounts that health insurance for the time being had not been included in this bill and was not going to be included at the present time. So I think that accounts for its absence. I will say to the gentleman from Massachusetts I do not know what my authority is for that.

Mr. HILL. Your authority is on page 34 of the message of the President, which includes a report of the Committee on Economic Security.

Mr. KNUTSON. Monsignor, you did not get the impression from Mr. Treadway's questions that he was hostile to this legislation, or that he was trying to put your organization on record as being hostile

to this legislation? There was nothing in Mr. Treadway's questions to carry that inference, was there?

Monsignor GRIFFIN. No; we do not get that impression.

Mr. KNUTSON. How many charity patients are there in the hospitals of the United States, exclusive of municipal and public hospitals, approximately?

Monsignor GRIFFIN. We figure that the average daily enrollment of our hospitals is about 450,000 patients; that is, the voluntary hospitals. Breaking down the 6,400, as Mr. Jolly has done, into the various units, the voluntary hospitals, there are about 450,000 patients a day. Approximately half of those, by and large, throughout the country in all character of hospitals, are charity patients for whom nothing is being paid.

Mr. KNUTSON. About how many?

Monsignor GRIFFIN. About half, or 50 percent.

Mr. BROOKS. What portion of the 450,000 would you figure are at or above the age of 65?

Monsignor GRIFFIN. We have no figures on that. I would not even hazard a guess on that.

Mr. BROOKS. Would there be a majority of them?

Monsignor GRIFFIN. Oh, no; no.

Mr. WOODRUFF. It would, however, be a substantial part, would it not?

Monsignor GRIFFIN. In all probability the proportion would approximate the proportion in the population in general. It would approximate it. I do not think the law of averages would go off on a tangent there. I think it would be just about the same proportion that the proportion of those over 65 has to the general population of the country, because our hospital population represents a fairly acceptable cross section of the general population.

Mr. WOODRUFF. It is not your opinion that the difficulties which face a man past 65 years of age in securing employment would bring up the average of those seeking hospital treatment free of charge above the general average?

Monsignor GRIFFIN. It might work the other way, because you would immediately eliminate the accidents that were due to employment.

Mr. WOODRUFF. Yes; but you do not eliminate the disabilities that come with age.

Monsignor GRIFFIN. No. One would probably check against the other.

Mr. WOODRUFF. I wanted to get your opinion on that.

Monsignor GRIFFIN. In making up statistics—and most of all, making up estimates—we feel that the law of averages is rather safe when you get up to the hundreds of thousands of cases. Of course, you have them in 6,400 hospitals.

Mr. WOODRUFF. It would be interesting to have definite information on that.

Monsignor GRIFFIN. Yes. I never have heard that question raised before.

Mr. WOODRUFF. Thank you very much.

Mr. DINGELL. Monsignor, some months ago I was interested in a hospital venture, and we consulted at that time the National Catholic Hospital Conference. I think it would be wise for the record, in order to make a definite connection between your representation and

the Catholic hospitals, to give the committee some idea as to the number of beds in the Catholic hospitals that are either owned and controlled or under direct Catholic supervision. Can you give us the figures?

Monsignor GRIFFIN. I do not believe I could, offhand.

Mr. DINGELL. Something like 74 percent of the 450,000 beds at one time were either owned and controlled or supervised by the Catholic Hospital Association, as I recall. I just wondered whether such figures are available.

Monsignor GRIFFIN. We have at the present time a paid-up membership of between 640 and 650. It varies a little bit now and then. The listing of hospitals by the American Medical Association, which is the only complete list of hospitals in the United States, is something over 6,400. As the Catholic hospitals in number represent about 10 percent of the total enrollment of hospitals in the United States, I think it is rather safe to say that they would represent about 10 percent of the beds of the United States, because of course the large hospitals—the Bellevue Hospital and things of that sort—are so large that they bring up the average very quickly for the others. There are no large Catholic hospitals; 400 beds is about the absolute limit of them. So we just say, offhand, it is about 10 percent of the beds.

Mr. DINGELL. The figures that were obtainable at that time, which was about 15 or 16 years ago, to my impression, ran somewhere around 74 percent of the beds in the United States and Canada.

Monsignor GRIFFIN. I do not know, although I was on the executive committee of the Catholic Hospital Association at that time. In fact, I was on from the beginning of its organization 19 years ago. But the proportions may have changed rather rapidly since 15 years ago, because for 10 years the American people put a million dollars a day into voluntary hospitals, and they built up a great many hospitals at that rate. That stopped along about in 1929.

Mr. LEWIS. Monsignor, the figure of 450,000 patients referred to the Catholic hospitals alone?

Monsignor GRIFFIN. No; that was the voluntary hospitals. The voluntary hospitals are the members of the American Hospital Association as distinct from the governmentally owned institutions.

Mr. LEWIS. That would indicate then a patient for about every 260 of the population? That is a percentage you need not bother with.

Mr. REED. Monsignor, of course you heard the testimony of Dr. Jolly, who preceded you, with reference to the effect that the depression has had on the contributions to hospitals, and the rising costs. Have you had about the same experience?

Monsignor GRIFFIN. Oh, yes; because legislation and costs and everything of that sort affect all hospitals; that is, all voluntary hospitals, irrespective of their type of control.

There is just one other item in connection with that that has not been mentioned and that is very considerable the imposition of our processing taxes. The imposition of the processing taxes has worked a considerable hardship on the hospitals. The Department of Internal Revenue has worked out a formula of exemption on percentage of use for charitable purposes which has relieved the hospitals to some extent.

Mr. REED. But you are still suffering from the effects of that as well as these other factors?

Monsignor GRIFFIN. Then, of course, all food costs have gone up, all supply costs have gone up, all fuel costs have gone up, and all importations, surgical instruments, drugs, and all of those things, have gone up. The only way we have been able to meet the rising cost of commodities is the squeezing down of the pay roll. The response of the personnel has been admirable. As Mr. Jolly has said, there are graduate nurses working in hospitals today for nothing except their board and room. It is the loyalty to their institution that has kept them going. Despite that, about 400 of our hospitals have not been able to keep going.

The **CHAIRMAN.** Were you through with your statement?

Monsignor GRIFFIN. Yes.

The **CHAIRMAN.** We thank you for your appearance before the committee and the statement you have given.

Monsignor GRIFFIN. Thank you, gentlemen, very kindly.

The **CHAIRMAN.** The next witness is Mrs. Alfred Moore Tunstall, representing the Alabama State Child Welfare Department.

Will you come forward and give to the stenographer your full name, address, and such other information as is necessary?

**STATEMENT OF MRS. ALFRED MOORE TUNSTALL, DIRECTOR
ALABAMA STATE CHILD WELFARE DEPARTMENT**

Mrs. TUNSTALL. Mr. Chairman and gentlemen, I am Mrs. A. M. Tunstall, director of the State Child Welfare Department of Montgomery, Ala.

I should like to exchange places at this moment with any of you who should desire, because I come from one of the States where we know what "severe economic distress" means. I should be very happy to ask questions of other States.

I am interested in title 2, appropriations for aid to dependent children in their own homes. I am interested also in section 703, page 57, aid to child-welfare services.

If Mr. Treadway had not left the room, I wanted to tell a story. I heard a Bostonian state once that they had no rural social work in Massachusetts. He said even the old New England farmers had moved into Boston or other cities and the Polish people had bought the farms and that while they might be back with their farming activities, the sons of these farmers usually were to be found on the roadside running a hot-dog stand.

The gentleman making that statement was followed by Dr. Bond of the University of Mississippi. Dr. Bond said:

I want you to know that I am from a State so rural that a hot-dog stand constitutes a metropolitan center.

I wish Mr. Treadway to get that picture of Alabama, where we have 33 counties out of a total of 67, with no urban population, and where the urban population is only 29 percent of the total. Alabama, I need not tell you, is one of the poorest States in the Union. Our per capita income and per capita wealth makes us rank with the lowest, I am sorry to say, and yet Alabama has not been unmindful of her duties to her children.

Fifteen years ago Alabama was one of the few Southern States to establish a State department known as a "child-welfare department", with funds supplied out of the treasury of the State, with the chief