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SPEECH BY REP. GERALD R. FORD JR.

February 5, 1950

STATE CONVENTION MICHIGAN OPTOMETRIC
ASSOCIATION
Grand Rapids, Michigan

Before delving into the content of the talk I have prepared for this occasion, I should like to preface my remarks with this straightforward and unequivocal statement.

I am not in favor of a state controlled Health Insurance program where there is an emphasis on red-tape and regimentation and a de-emphasis on the quality of treatment rendered by those skilled technicians who treat our citizens for their many ills.

I am, however, convinced that a serious problem exists in this country directly affecting the health and welfare of a great number of people.

I am also convinced that there is a solution to the problem without resorting to unlimited government control and direction. Furthermore, I believe the American people would rather meet this crisis with typical Yankee ingenuity rather than follow blindly the program sponsored by the Labor-Socialist government in Great Britain.



In any discussion on this very important subject it seems wise to me to look at the facts and figures. To begin with, let us see what the Federal Government is now doing in the medical services field.

The Hoover Commission Report brings out some startling information and I (will) quote from one of the Commission's reports; "The Government is now responsible for medical care in varying degrees for almost 24,000,000 people or about one-sixth of the entire population. By 1947, it was expending well over \$1,000,000,000 or five times the 1940 cost. By fiscal year 1948 this cost jumped another 20%. The total Federal Medical budget for fiscal year 1949 was estimated at \$1,923,000,000."

The Hoover Commission Report goes on to say that no less than 46 different government agencies provide some sort of medical services. The Veterans Administration accounts for 61 per cent of the total and the armed services make up more than half of the remainder.

Federal activity in the medical field can be grouped



into two principle classifications: The first classification deals with the general health as a whole. The various studies relating to cancer, tuberculosis, venereal diseases and other kindred and closely allied fields, are good examples of this type of Federal activity. The second classification, deals with direct medical care of people either directly or indirectly connected with the government. In this classification, which I might add, constitutes about 85% of the total expenditure, such groups as: Veterans, Armed Forces personnel and their dependents, Indians and Federal Employees, ~~are all participating beneficiaries.~~

Besides the above two classifications it should be pointed out that a number of government agencies carry on separate functions of their own. The Food and Drug Administration, Department of Agriculture and the Children's Bureau are excellent examples of separate agency functions.

Let us scrutinize more closely the activities of the Federal government as illustrated by the work of the Public Health Service. This service spends about 165 million dollars a year



in grants to individual states for various purposes, research covering a vast field, and direct treatment of patients. The Public Health Service operates 27 hospitals in addition to medical relief stations, furnishes medical services to the Coast Guard and Maritime Commission and provides miscellaneous services to other Federal agencies.

Also there is a wide variety of state aid programs administered by the Public Health Service. Besides several grants to the states; these are grants specifically for several diseases such as, tuberculosis, other communicable diseases, mental illnesses, cancer, heart disease, dental diseases and hospital construction. Some of these grants are matched by state money; some are not. The various states use such federal grants for a wide variety of purposes. These include strengthening of state health department or aid to local health departments, state industrial hygiene services, state public health laboratories, diagnostic services and nursing services.

Frequently, the Federal grants are intermingled with state or local funds to provide direct treatment for patients with venereal



disease, tuberculosis, mental disease or other ailments. In every instance, the Federal Aid program provides that any person, regardless of economic status, is entitled to diagnosis and immediate treatment. I am in general agreement with the Federal governments activities to date in this sphere but are we getting our dollar's worth out of the money appropriated and spent? Let's look at what the Hoover Commission said on the subject.

"The most striking impression made upon us in our study is that this enormous Federal medical project has been entered into and is now being conducted without any central plan, without even any clear decision as to certain of the large classes of the beneficiaries to be covered, with no estimate of the ultimate cost or of the effect upon other health measures for the nation.

Four great agencies in the medical field, and various smaller ones, obtain funds each year, erect their own hospitals to care for their own clientele, and compete with each other for scarce personnel, with no regard for the facilities available in, or the needs of, the other agencies, and without any over-all plan. As



matters now stand, the Government is moving into uncalculated obligations without consideration or understanding of their ultimate cost. It is proceeding with no adequate thought as to whether it can staff its hospitals to give good care, and without any unified plan as to how to do the job.

One conclusion fundamental to all others is inescapable: There must be over-all planning. This in turn requires a clear definition of the extent of the responsibilities, and an organization appropriate to carry out the commitment."

That ladies and gentlemen, should give you some idea of the tremendous role the Federal Government is playing in the Medical Services field. The facts and figures I have just given constitute the past and present. What about the future?

A quick glance at the legislative action during the first session of the 81st Congress reveals some startling information. Nearly 300 bills pertaining to health were introduced by members during the first session of Congress. Seven were passed by both houses while 14 others were approved in one house only.



For your information I'll list several of these measures.

The Hospital Survey and Construction Act Amendments of 1949 was passed by both houses and became law on April 15, 1949. This law extends the duration of the Hospital Survey and Construction Act from 1951 to 1955 and increases the sum authorized to be appropriated for assisting the states in constructing public and non-profit hospitals from \$75,000,000 to \$150,000,000.

A number of bills, including one of my own, have been introduced for the establishment of a Multiple Sclerosis Institute in the Public Health Service. This institute would be similar to those already established for cancer and heart research. Such a proposal would authorize the needed expenditures for the vitally necessary research. Hearings have been held before a House Subcommittee and action may be forthcoming within the next few months.

Perhaps the most controversial measure introduced during the last session, and one that I would like to discuss in some detail, is President Truman's proposal for a prepaid compulsory health insurance program, better known as Socialized Medicine. With



Mr. Truman's blessing ten more or less identical measures were introduced in the Senate and seven in the House. As a general matter these proposals would provide for the following benefits:

- (a) Provide Federal grants to schools - in order to train medical and technical personnel.
- (b) Grant additional Medical funds for research pertaining to cause, prevention, and methods of diagnosis and treatment of various diseases.
- (c) Provide grants and loans for carrying out a program of locating medical personnel and facilities in areas that are short of those personnel and facilities.
- (d) Provide and assist local and State Health Units.
- (e) Provide for prepaid personal health service benefits, medical, dental, home nursing, hospital and auxiliary services.

It is my prediction that the President's government controlled and financed Medical plan will become an important issue in the present session. The legislation will not be approved by the 81st Congress, in fact I doubt if more than 65 members of the House would vote in the affirmative at the present time. The proposal will, however, be a major issue in the elections between Republicans and Democrats in 1950 and 1952.

I stated in the first part of my talk that a serious health problem does exist throughout the country. From our own state of Michigan



here are some cold facts and figures:

Per Capita Income 1946	\$1,215
General Hosp. beds per 1000 pop. 1946	4.2
Number of persons per physician 1940	726
Number of persons per dentist	1,978

I am sorry I have no figures on your profession which has been doing an excellent job in your field.

Now I realize full well that these ratios may have changed since 1940 and 1946 and that the availability of medical services in Michigan has improved, but I doubt if we now have enough trained personnel to meet the demand.

Michigan, along with her sister states, was authorized to participate in the hospital construction benefits of the Hill-Burton Law. This program was inaugurated by the 80th Congress in 1947. A priority list based on need has been established and we are now seeing the results with local hospitals being completed throughout the state



by the joint use of federal, state and local funds. It might interest you to know that Michigan was authorized to receive over two million annually in federal funds for this program.

The University of Michigan Medical School and the Michigan State Medical Society have been very active in helping physicians locate in rural areas. I know from reliable sources that your Association is also making a determined effort to achieve the same results and I compliment you on such a program. The last graduating class at the University showed the highest per cent in its history of young men willing to establish a practice in rural communities. Yes, on the whole, our state can be proud of our professional people and the steps they have taken to solve the health problem. However, we must not stop but rather should re-double our efforts.

We here in Michigan as well as others throughout the United States are in need of a plan to counteract the costly program of government regimentation as proposed by Mr. Oscar Ewing and others in the federal bureaucratic hierarchy. The people of this country are



demanding a solution. We cannot stand idly by and blissfully contend there is no problem, for the contrary is unquestionably true. The people of this country do not want additional regimentation and government control but rather seek a free enterprise plan without undue governmental interference. I'm certain that those who have the tools--namely, our doctors and dentists, our trained technicians, our voluntary health program authorities and our elected government officials will by a united effort find the answer.

What perturbs me to a great extent is the lighthearted, non-factual point of view many of our citizens are taking toward the Administration's proposal. For example a few days ago, I received a letter from a young family man who stated in essence that he would be in favor of Socialized Medicine, because of a recent personal experience. He is now attending Michigan State College and for the nominal sum of 50¢ he stated he received \$200 worth of medical care. It is his contention that if he had had to pay the \$200 in cash he could never have afforded the care and treatment. The fallacy of the man's argument is

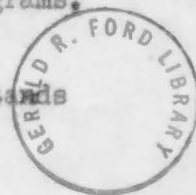


that he doesn't realize someone had to pay the other \$195.50 and that he as a taxpayer was very much one of those persons.

This simple example would be multiplied many times over if we had the President's proposal on the statute books. You know and I know that the expected deductions from the wage earners pay will never cover the anticipated costs under the Administration's plan. In reality the major portion of the cost will fall directly on the now depleted federal treasury and in turn on federal taxpayers generally.

I realize full well that the United States has some individuals and families who do not have adequate resources to enable them to pay for good medical care. Provision must be made to care for the health needs of these people. Senator Taft has suggested one approach. Another is a voluntary plan which will encompass all citizens in the lower income brackets. It is my understanding that in Michigan our private medical insurance plans are expanding their coverage to take in all who want the service. Perhaps what we need is a combination of the Taft proposal and wider coverage under voluntary insurance programs.

The British system of compulsory government insurance stands



as a test tube for a scientific analysis. By the overwhelming weight of authority, the evidence clearly indicates that the experiment of the labor government in that country has been an unsuccessful experiment.

Let me read to you an excerpt from one who should know the facts. He is a doctor from England, a veteran of the Royal Air Force. He states, "Nine years ago I graduated from medical school and began as an intern in a hospital in Great Britain. Four months ago I began as an intern in a hospital here in the U.S. What happened in those intervening years? The government health scheme of Great Britain. After coming back from five years of service with the Medical Branch of the Royal Air Force, I entered a large general practice in an industrial area in Great Britain and that, of course, is the clue as to why I am here. I have worked under this British government health service and found it so objectionable, both personally and as a physician, that I felt compelled to break all my ties--and they are real ties--with home and friends and professional background and come to start afresh--and from the bottom--in a new country. You see there are some things that are



not worth doing at any price and working that sort of government medicine seemed to me so intolerable that I made this momentous personal decision. And I am not alone in making this break. You won't see many of my British colleagues here in the U. S. because the problem of obtaining dollars is almost an insurmountable one for Englishmen. But they are streaming out of Great Britain to the British Dominions. This is hardly the action of men who are happy in the practice of their chosen profession. Believe me, one does not make such a decision readily."

To my way of thinking, compulsory Health Insurance violates everything this country has stood for and prospered under during the last 150 years. Impediments would predominate on the technicians' rights and privileges in his chosen profession. There is the unbelievable cost factor which is not widely known or appreciated. Compulsion and not choice permeates the entire program. These are but a few of the reasons why this program is not in accord with our basic American concepts or principles. As we look back over the history of our great country, we all recall the many momentous and complex problems our



people have had to face from time to time. In practically all instances, the people of the United States solved those problems not by absolute governmental intrusion into your life and mine but rather by a concentrated effort of free men working honestly, conscientiously and industriously to the common end.

That, ladies and gentlemen, brings to a close my address. I urge you all to give the problem serious consideration. We are at the crossroads of a momentous decision that requires scholarly and unselfish thinking.

