

Representative CURTIS. I think it would be more than that really, wouldn't it, because your collections are coming in?

Mr. COHEN. Yes.

Representative CURTIS. And that will take care of a good bit of it, and this is only the fact that it is a contingent fund?

Mr. COHEN. Yes.

Representative CURTIS. We have done that in the past. The fund went down from \$20 billion to around \$17 billion as I remember, and now we have built it back up again. Certainly you were drawing down, in effect, on the fund to meet benefit payments in the past.

Mr. COHEN. Yes.

Representative CURTIS. Thank you very much. My time has expired.

Chairman PROXMIRE. Congressman Reuss?

Representative REUSS. Thank you, Mr. Chairman.

Mr. Cohen, we appreciate your help. One of the biggest items in the unsatisfactory cost-of-living increase in the last year was services, and one of the biggest elements in services was the cost of medical care, and one of the reasons for the increase in the cost of medical care is that there still aren't enough doctors in this country. I think all those assertions are valid, are they not?

Mr. COHEN. I do not think that is the whole story, though. I think that is part of the story. Just to give an illustration—one of the most significant factors in the medical cost situation is the increase in remuneration to nurses, which has been going on during this last year. Nurses in many communities were getting paid less than secretaries, and hospitals simply had to increase remuneration to nurses, in order to keep the hospitals going.

Representative REUSS. Yes.

Mr. COHEN. That is not the only thing. I am just giving another illustration of the factors involved in rising medical care costs.

Representative REUSS. I wasn't suggesting that the shortness of physicians was the whole story. On nurses, they have received, I understand, considerable remuneration increases in the last year or two, and we do have a series of programs designed to increase the number of students in nursing schools and also allied health and professional fields.

Mr. COHEN. Not a sufficient number of students, but we are starting, anyway.

Representative REUSS. On our medical school program of the Federal Government, I have the impression that aids under that program are giving primarily for so-called new activities by the medical schools. Let me give you an actual case that has recently come to my attention.

I have had long discussions with the administration of Marquette University Medical School in my city, and I am told by them that their problem is a very general one, that while they can get matching 50 percent Federal funds for new and somewhat exotic though worth while programs, they get very little or nothing to bolster existing programs, and thus, says Marquette, since they want to go into these new programs, if the Federal money is there, this takes a 50-percent sharing by them out of their meager budget, and as a result, these tried and true, but very necessary courses in, say, pharmacology or internal medicine, are shortchanged, and they are unable to turn out anywhere