

Mr. SATTERFIELD. I want to join the other members of the committee in complimenting Mr. Pickle for a fine statement.

Mr. EVERETT. Mr. Meadows, do you have any questions?

STAFF DIRECTOR. No.

Mr. EVERETT. Mr. Patterson?

COUNSEL. No.

Mr. EVERETT. Thank you, Mr. Pickle. We will see what we can do.

Mr. PICKLE. Thank you, Mr. Chairman.

Mr. EVERETT. Mr. Stratton, we will be glad to hear from you at this time and you may identify those with you.

STATEMENT OF A. W. STRATTON, DEPUTY ADMINISTRATOR, VETERANS' ADMINISTRATION; ACCOMPANIED BY DR. PAUL A. L. HABER, DIRECTOR, EXTENDED CARE SERVICE, DEPARTMENT OF MEDICINE AND SURGERY, AND ROBERT B. WHITE, DEPUTY ASSISTANT GENERAL COUNSEL, VETERANS' ADMINISTRATION

Mr. STRATTON. I have with me Dr. Paul Haber, who is the Director of nursing homes for our veterans in community nursing homes. When you consider that 4,000 are in VA hospitals and about 1,500 in State nursing homes, you can see this constitutes a large portion of the entire program. We do have 3,000 veterans in 900 different homes, although we have contracts with 2,325 community nursing homes, as you said, Mr. Chairman, and since April 1965 when we implemented the law passed in 1964 we have provided this type of care for 22,000 veterans, or 2.3 million days at a cost of \$25 million.

Now, I don't appear here today as a representative of the Veterans' Administration to debate with my colleagues the recent ruling, but I lose the continuity if I don't speak briefly to this Service Contract Act of 1965. As we understand it, it provides minimum wages for service employees in establishments under Government contract, and hospitals have been exempt from this requirement.

Mr. EVERETT. You mean ordinary hospitals?

Mr. STRATTON. Yes, sir. We went from 1965 to 1968 with, I am sure, the nursing homes that we contracted with completely confident they were not under this act. Then in March 1968 one of the officials in Oklahoma from the Department of Labor's Wage and Hour Division made the ruling that they were not exempt.

Mr. EVERETT. When was that?