

FOR IMMEDIATE RELEASE

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AND THE VICE PRESIDENT  
TO THE  
LEGISLATIVE COUNCIL OF THE  
NATIONAL RETIRED TEACHERS ASSOCIATION  
AND THE  
AMERICAN ASSOCIATION OF RETIRED PERSONS

THE STATE DINING ROOM

2:50 P.M. EST

THE PRESIDENT: Mr. Vice President, Miss Mullen, Mr. Woodruff, members of the two fine associations of retired people:

It is a great privilege and pleasure for me to have an opportunity to greet all of you and to say a few words concerning some of the problems that I know face retired people and to relate them, to some extent, to the proposals that I made Monday night before the Congress and the American people.

First, I would like to thank Miss Mullen and Mr. Woodruff for this book, which I understand has as a theme the theme that two organizations have for the activities of your many, many members. I will look forward to reading it, "Power of Years."

I know from practical experience that all of you and your associates have the power of years, and I congratulate you on it and hope that you will continue to have it.

Let me make one or two comments concerning problems that face you, and issues, which I tried to address Monday night in the State of the Union comments to Congress and the American people.

Number one, one of the principal issues we face in this country is how to do something affirmatively in the area of inflation. Fifteen or sixteen months ago we were going through a very traumatic period, with the rate of inflation up over 12 percent.

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We have made substantial strides in cutting back on the rate of inflation. The current rate is roughly 6 percent. We hope to reduce that gradually, but constructively, in the months ahead. If we carry out responsible fiscal policy, if we do the other things that are needed and necessary, we can get the rate of inflation down to an area which is liveable for all people and a rate that must be obtained as far as retired people are concerned.

Number two, as all of you know, I indicated that I was not recommending any cap or any ceiling on Social Security benefits. The anticipated cost of living increase for the Social Security recipients is somewhere between 6 and 8 percent.

It is my feeling that we ought to permit -- and I have recommended that -- that to go into effect as planned under the existing law. But, I had to point out, and I think properly so, that at the pay-out rate, and based on the money that is received, the Social Security Trust Fund is going to get in trouble in the next four or five years. There is no question about it.

All of the experts can show you charts and graphs that indicate that unless we increase receipts on the one hand, we will be forced either to reduce benefits or else draw on the funds of the Treasury, the general funds.

It seemed to me that we had to face up to the issue of the integrity of the Trust Fund, and the best of the three alternatives, in my opinion, is to add a very, very small tax, three-tenths of 1 percent, on both employer and employee.

If you figure it out, the most a person would pay would be less than \$1.00 a week; the most. It adds up to \$47.00 a week (year) for the person with the highest income that is taxed -- \$15,400.

We must maintain the integrity of that Trust Fund. Otherwise, those who are retired or those who are working and intend to retire, will not have the security that is needed or necessary.

The second point I addressed, I think of some interest to you, is how we are going to handle the problem of catastrophic illnesses. Approximately 24 to 25 million people today are receiving Medicare benefits. The statisticians tell me that roughly three million of that 24 to 25 million are affected by catastrophic illnesses today, and everybody knows that very few people in our society today can carry the burden of catastrophic illness.

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In order to insure that the retired people are covered, I am recommending some changes in Medicare.

Under existing Medicare arrangements, a person gets the first day free, and up to 60 days there is a small payment. But, after 60 days, there is an obligation both as to hospital or nursing home care and doctor bills.

Under the proposal that I have recommended, the first day of care will be free and there will be a small charge of 20 (10) percent of the cost of nursing home and hospital care up to 60 days, but after a \$500 payment is made per year, that is it. There is no other payment after \$500.

In the case of doctors' bills, the limit per year is \$250. We would increase the deductible from \$60 to \$77 and a limit of \$250 per year. This will give that catastrophic illness coverage to all people who are currently under Medicare, some 25,000 (25 million).

I think these are steps in the right direction. They take care of the problems of inflation. They give the Trust Fund the security and the integrity that is require and, most of all, it handles the problem of catastrophic illness, which I know from experiences in families that are close to me is a burden that few, if any, in our society can take care of.

I hope and trust that we can count on the support of all of you and your respective organizations. It will help to make, in my opinion, a better opportunity for enjoyment of life for our senior citizens.

Thank you very much.

Now, I would like to introduce my good friend and our outstanding Vice President, Nelson Rockefeller.

VICE PRESIDENT ROCKEFELLER: As a retired person, I feel a tremendous sense of community here but who was, based on 'power' of experience, drafted back very graciously by the President to serve with him, so that I am delighted with the privilege and opportunity of being in his Administration and of having this opportunity to say just a word with this wonderful group gathered here today.

Three things about the President that I particularly admire and that made it a tremendous honor and a pleasure for me to be associated with him in this capacity:

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One was a deep sense of human concern and this, to me, in this difficult period in which we live, is a fundamental requirement for leadership.

Secondly is a tremendously inquisitive mind in trying to understand the issues and the problems and to find solutions, which is equally important, as you go down the road.

Then, one of the problems which faces a politician always, of course, is you may find a solution, but is that solution palatable from a political point of view. What I admire about the President is, his interest is finding what is the best solution for the American people for the long pull. When he finds that, that is what he stands for. No concern about the short-term political considerations.

That is the kind of political leadership I think this country needs and that we have.

Thank you.

THE PRESIDENT: It is my understanding you are going to have a tour of the White House following this get-together. It is a wonderful place. It is the nicest public housing I know. (Laughter)

I am sure you will enjoy the wonderful opportunity to see the historic places of interest in the White House, and I just wish you a very good year in 1976.

Thank you very much.

END (AT 2:59 P.M. EST)

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