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MEMORANDUM OF INFORMATION FOR THE FILE

EXECUTIVE

DATE August 12, 1974

~~LETTER, MEMO, ETC.~~

TO: The President

FROM: Al Haig

SUBJECT: Proposed Presidential Activity
for the Remainder of August
in the Domestic Area

WE
PR 5-2
PR 7-1
FG 6-15
VA
ED
WE 5
RE
PR 8-1
HE
HU 3
Biomedical
Comm.

Includes Ken Cole's Memo of 8/10/74 to the President.

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

SPECIAL FILES



EXECUTIVE

24E5
THE PRESIDENT HAS SEEN *dg* *12*

BE5-3

PR7-1

FG23

THE WHITE HOUSE

WASHINGTON

Mullen, Mary

August 22, 1974

Lash, Bernard

Cruikshank, Nelson H.

LISTENING SESSION WITH REPRESENTATIVES OF
OLDER AMERICANS ORGANIZATIONS

Friday, August 23, 1974

2:00 p.m. (45 minutes) Cabinet Room

Crittenden, Wiley

Seidan, Bert

Kuhn, Margaret

Jackson, Hobart

Zokier, J. Albin

Abrams, Albert J.

FROM: KEN COLE

I. PURPOSE

Bill Baroody put this meeting together to give representatives of senior citizens organizations the opportunity to discuss with you directly their concerns in general, and inflation in particular. This will be the first significant Presidential involvement with senior citizens since 1972.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background. Since the 1971 White House Conference on the Aging and President Nixon's 8-point program to improve nursing homes that same year, the Federal Government has endeavored to be responsive to the needs and concerns of older Americans. Primarily this effort has focused on the need to coordinate Federal resources and programs to serve the aging and has been led by the Administration on Aging under Arthur Flemming's direction.

A major objective in the Government's efforts has been to enable older persons to live in their own homes or other places of residence as long as possible. Of significance in meeting that objective is title III of the Older Americans Act which was signed into law a year ago. This program fosters the development of State Area Agencies on Aging to coordinate comprehensive services to older Americans at the local level. At this time these area agencies cover 60 to 70 percent of the nation's over-60 population.

Ahrens, Robert J.

Walker, Harry J.

Kaskowitz, Edwin

Ossopsky, Jack

Woodruff, Douglas D.

Shanas, Ethel

Short, Richard A.

Tarr, Calence

Martin, John B.

Hamlett, Barckdale



- B. Participants. Representatives from 19 older Americans organizations (list at tab A)

Under Secretary Carlucci

Commissioner on Aging Arthur Flemming

Bill Baroody

Jim Cavanaugh

- C. Press Plan. To be announced; picture session.

III. TALKING POINTS

1. Let me assure you that the Ford Administration will be dedicated to meeting the needs and protecting the rights of all of America's senior citizens. And I want you to tell that to the members of your organizations.
2. I know that one of the problems that concerns you most is the problem of inflation. Inflation is a particularly troublesome problem for Senior Citizens because:
 - Inflation eats into the value of your savings.
 - Inflation makes it extremely difficult for those of you on fixed incomes to maintain your purchasing power.
 - Inflation penalizes those of you on low incomes.

For this reason, I have declared inflation our country's No. 1 domestic problem. Restoration of price stability will put a stop to the dwindling value of your savings, pensions, and social security payments.

3. We are following a policy of fiscal and monetary restraint to ease the demand pressures in our economy. These policies will be supplemented by other actions designed to promote productivity, efficiency, and stability, such as the new Council on Wage and Price Stability which will monitor wage and price developments in order to expose abuses.



4. We're taking other actions to benefit older Americans. Within several days I plan to sign important pension reform legislation that will go a long way toward ensuring greater financial security at retirement. We're working with the Congress to get a national health insurance bill that would give better basic coverage to senior citizens. It would pay the cost of catastrophic illness -- particularly important since most Americans over 65 are not currently insured for such illnesses. And we are continuing to work to improve the quality of nursing home care.
5. But I've said enough. I want to hear what's on your mind now. It's my turn to do the listening.



A



PARTICIPANTS

Miss Mary Mullen
National Association of Retired Teachers

Mr. Bernard Nash
Executive Director
American Association of Retired Persons

Mr. Nelson H. Cruikshank
President
National Council of Senior Citizens

Mr. Wiley M. Crittenden, Jr.
President
American Nursing Home Association

Mr. Bert Seidman
Director, Department of Social Security
AFL-CIO

Mrs. Margaret Kuhn
The Gray Panthers

Mr. Hobart Jackson
Chairman, National Caucus on the Black Aged

Mr. J. Albin Yokie
Executive Vice President
American College of Nursing Home Administrators

Mr. Albert J. Abrams
Secretary of the Senate
New York State Capitol

Mr. Robert J. Ahrens
Director
Mayor's Office for Senior Citizens
City of Chicago

Mr. Harry F. Walker
President
National Association of State Units on Aging

Mr. Edwin Kaskowitz
Executive Director
Gerontological Society



Mr. Jack Ossofsky
Executive Director
National Council on the Aging

Mr. Douglas O. Woodruff
President
American Association of Retired Persons

Mrs. Ethel Shanas
President
National Gerontological Society

Mr. Richard A. Short
President
American Association of Homes for the Aging

Mr. Calrence Tarr
Acting President
National Association of Retired Federal Employees

Mr. John B. Martin
American Association of Retired Persons

General Barskdale Hamlett
National President
Retired Officers Association



Mr. Jack Gassolaky
Executive Director
National Council on the Aging

Mr. Douglas O. Woodruff
President
American Association of Retired Persons

Mrs. Ethel Shanas
President
National Gerontological Society

Mr. Richard A. Short
President
American Association of Homes for the Aging

Mr. Clarence Tate
Acting President
National Association of Retired Federal Employees

Mr. John B. Martin
President
American Association of Retired Persons

General Barnabas Hestert
National President
Retired Officers Association

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AUG 27 1974
CENTRAL FILES

AUG 26 1974
da

August 22, 1974

520

MEMORANDUM FOR: PAM NEEDHAM *with*
FROM: JOHN BRODMAN
SUBJECT: TALKING POINTS FOR PRESIDENTIAL
MEETING WITH SENIOR CITIZENS

- 1) I know that one of the problems that concerns you most is the problem of inflation. Inflation is a particularly troublesome problem for Senior Citizens because:
 - Inflation eats into the value of your savings.
 - Inflation makes it extremely difficult for those of you on fixed incomes to maintain your purchasing power.
 - Inflation penalizes those of you on low incomes.
- 2) For this reason, I have declared inflation our country's No. 1 domestic problem. Restoration of price stability will put a stop to the dwindling value of your savings, pensions, and social security payments.
- 3) We are following a policy of fiscal and monetary restraint to ease the demand pressures in our economy. These policies will be supplemented by other actions designed to promote productivity, efficiency, and stability, such as the new Council on Wage and Price Stability which will monitor wage and price developments in order to expose abuses.
- 4) Finally, as I have said before, I intend to promote policies that will minimize the adverse effects inflation and our campaign against inflation have on particular groups like senior citizens:



--Social Security payments have been increased 4 times since 1969. They can now automatically rise by 4% a year.

--We also have medicare, medicade, and food stamp programs that are being continuously reviewed in light of our current inflation, to insure that these programs meet the needs of our senior citizens.

5. A complete restoration of balance will be possible only after we successfully moderate inflation. I believe we have the right policies, but we will not win without some sacrifices.
6. I hope the views and recommendations of this group can be fully aired during the upcoming Summit Conference on inflation.



INITIAL ACTION OFFICER

CONTROL NUMBER

RUSH'S CORRESPONDENCE PROFILE

520

FROM: BRODMAN, JOHN

CLASSIFICATION: UNCLASS

TO PRESIDENT

ACTION:

RUSH

CC

LOG ONLY: XX

OTHER

NEEDHAM, PAM

Date of Correspondence: AUG 22 74

Date Received: SEPT 6 74

SUBJECT: BRODMAN PREPARED FOR PAM NEEDHAM TALKING POINTS FOR PRES. MEETING
WITH SENIOR CITIZENS

DISTRIBUTION/ACTIONS

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READING FILE	XXXXXXXX	1	Memo for RUSH Signature.....
KENNETH RUSH			ANY ACTION NECESSARY.....
SID JONES		1	RECOMMENDATION/COMMENTS.....
DENNIS WOOD			Refer to _____ for DIRECT REPLY.....
FRANK WANNING			Refer to _____ for DRAFT REPLY.....
John Brodman		1	OTHER _____
Ron Naples			
			ACTION DUE DATE: _____

IF NO ACTION IS NECESSARY RETURN FOLDER TO SECRETARIAT FOR FILING

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CENTRAL FILES

THE WHITE HOUSE

WASHINGTON

August 21, 1974

MEMORANDUM FOR: DR. JAMES CAVANAUGH
MR. WILLIAM BAROODY

FROM: ~~DAVID~~ PARKER

SUBJECT: Approved Presidential Activity

This is to confirm that the listening session with representatives of Senior Citizen Organizations will be held at 2:30 p.m. on Friday, August 23, instead of at 11:00 a.m. as we had originally planned.

cc: Mr. Hartmann
Mr. Marsh

✓ Mr. Cole
Dr. Hoopes
Mr. Jones
Mr. O'Donnell
Mr. Rustand
Mr. Wardell
Mr. terHorst
Mrs. Yates

SPECIAL NOTE: The participants in this Senior Citizen Listening Session should be invited to attend the 2:00 p.m. Pension Bill Singing.

RECEIVED

AUG 23 1974

CENTRAL FILE



THE WHITE HOUSE

WASHINGTON

The President's Meeting with Associations on Aging
The Cabinet Room
August 23, 1974

Press photographers took pictures of The President.

The President welcomed the conferees (list of those in attendance is attached). I welcome all of you who have expressed an interest in older Americans. This administration will have a continuing and very deep concern for those groups of individuals which you represent. I can assure you that through the Department of Health, Education and Welfare with Secretary Weinberger and Mr. Carlucci, the Domestic Council with Mr. Cavanaugh, and Mr. Bill Baroody, we will welcome your suggestions and recommendations. I appreciate his setting up this meeting. Before giving you an opportunity to talk to me about your views, I would like to make some comments. Since I have been President -- in the last two weeks -- I have stated that inflation is our immediate concern. Many of your constituents are living on fixed incomes and inflation affects people with fixed incomes more than others. Many are living from their savings and those savings are eaten up by inflation. It doesn't do any good to tell them that they are better off than in other countries where inflation is worse. We are going to make a maximum effort in fighting inflation. We are dedicated to do what the Federal Government can do.

Dr. Burns is doing what he can through monetary policy. That policy has a more severe impact on some segments of our economy than on others. We have to work in tendon with him. We have to do something in the monetary field and in the fiscal field. I don't think I can call on labor and management to make any sacrifices if the Federal Government does not do something itself. So - we are going to do what we can.

I am going to sign into Law the Pension Reform Bill which Congress acted on yesterday. It will guarantee to a greater degree the credibility and security of the various pension programs that are in effect in industry. It will give people a better chance to participate in their own savings programs. It will not necessarily help those already retired but it is good legislation for those who will be retiring now and in the future. I hope to get cooperation from labor and management. The bill probably will be signed in the next day or two.

I hope to do something about the inflation which cuts across all of the nation -- military, retired teachers, and government employees.



The President continued -

We have to lick that problem which I call "Public Enemy Number One."

I would like the people here now to tell us what you propose and what are your problems.

General Hamlett of the Retired Officers Association stated that he represents 186,000 members of his association -- and one million military retirees. Older military retirees are not receiving the pay guaranteed to them by law. The law was suspended in 1958 and replaced in 1965 by the CBI system. This is a good system for those who retired in 1965 or later. Those who retired earlier are not helped by it. Many older retirees receive 50% less than those retiring today. They feel that the government has failed to carry out its promises in regard to retired pay. We request your support for the administration's proposal and the Hartke and Wilson proposal. I would like to tell you that all of the military associations support the Hartke and Wilson proposal. We are joined by the Association of Retired Persons, the American Legion, and the Disabled American Veterans -- ten million Americans who support our position.

We are concerned about increased erosion in quality of medical care available -- and the threatened CHAMPUS program. These are the two main proposals of my organization -- equalization of retired pay, and the medical program.

Mr. Abrams of the New York State Senate -- Some of these things are very encouraging and are the interests of everyone over 45 years of age. Our concerns are in these priorities: (1) Inflation; (2) Social Security; (3) Health Insurance; (4) The field of transportation; and (5) Law and order -- the elderly don't feel safe in the streets and in their senior citizens' centers.

Anything the Federal Government could do to encourage State participation in these areas would be extremely good. The States are not really contributing in these areas.

The President said that he will continue to work on the health legislation. He said that no one approach has a prayer of getting through Congress. We will have to get a reasonable compromise.



The President continued that he believes we are very close -- although the action of the Committee on Ways and Means was somewhat disappointing.

Mr. Tarr said that more than half of the members of the National Association of Retired Federal Employees are retired more than 15 years and many draw less than \$300 per month. They also have tax problems. There are no simple answers but there is a trend to follow and that is to balance the Federal budget. This might be done by reducing expenditures and increasing taxes. I am reluctant to recommend an increase in taxes, but it would be a way. Would like to have retirement income credit doubled. People on social security are entirely exempted.

Mr. Cruikshank of the National Council of Senior Citizens stated that he is very pleased that the President will give the matter of inflation the high priority that he is here in this administration. Also - we are very much pleased that you are taking the time in your busy schedule to talk with us about our problems. The rise in food prices has been 28% in the past 3 months -- some are spending 33% of their incomes on food -- they are buying less food and lower quality food. There has been an explosion in medical costs -- rates have gone up 16.9% in the past 3 months. Physicians fees have risen 19% and hospital daily care for a middle priced room have risen 24% since controls were released in April of this year. We are not advocating price controls but in this area we think there has to be some controls. In the health bill, we ask that it be a good bill more than that it be an immediate bill. All of the bills in question have some cost control considerations in them.

We are concerned about the wave of criticism in the press attempting to undermine the Social Security system. This puts fear in the hearts of the older people. We are glad to see this propaganda met by the administration.

We encourage employment of older people in public service. If they can help they could earn money to help meet their problems.

As to the Summit Meeting, you might have some of these organizations represented. It would contribute to the public confidence in the Summit Meeting in that it would be evidence that the various segments of our society are included.



The President asked that a note be made to include these groups in the Summit.

Mr. Hobart Jackson, of the National Caucus on the Black Aged said that there are one million and seven hundred thousand aged Blacks. They should not be expected to carry any additional burden. He listed the following priorities:

1. Minimum income should be established above the poverty level.
2. A Federal allotment should be made to finance informing the elderly of the benefits that they are entitled to.
3. More emphasis should be placed on housing and geriatric centers for the elderly. We urge the government to assist in development of such centers in Black communities.
4. Recommend passage of comprehensive health legislation. Recommend taking necessary time to get a good Bill. We are not pushing for an immediate Bill.

The President stated that he understands that point but doesn't necessarily agree. He said everyone knows instances of catastrophic illness, and every day that we go without the legislation to take care of this will put a drain on the resources of these families. This legislation will take care of catastrophic illness cases and time is important on that aspect alone.

One of the conferees stated that many of the programs for the elderly are new programs -- aside from Social Security. It might be very educational therefore to study these programs which have recently shown increases in their funding. Just came from Maine and while there when in a shopping center saw some mini buses for senior citizens. Talked with the officials and about a half dozen elderly women and found that the buses pick them up at their homes and provide them with their only way to get out and see the world. This is a new program. We are just beginning to make progress in this area. One woman could not walk, but she rode along to be with the other people and to see the town. "Be very careful with the knife when you plan to cut welfare funds."



Mr. Ahrens of the Mayor's Office for Senior Citizens in Chicago discussed two major areas:

1. The elderly have been the chief victims of inflation and should not be the victims of the fight against inflation. They do not have the ability to help themselves. The elderly must be protected in the areas of housing, health and transportation.

2. Tomorrow's elderly will be helped by the pension reform bill. The need for mandatory retirement should be reevaluated and people should be judged on merit and performance and not on their ages. We applaud the idea of the appointment of Nelson Rockefeller at age 60, when I.B.M. is telling people they have to retire at age 60. There is a need for fundamental social reform. I think we have some splendid representation here. And the Senate and House Committees on Aging and the Administrator on Aging work on a fine basis.

The President asked Mr. Ahrens to thank the Mayor for the very fine welcome to him and Mrs. Ford received on Monday. It was a beautiful day and a wonderful reception.

Margaret Kuhn of the Grey Panthers said that this the least establishment oriented of any of these groups. "I am glad to meet you, to greet you and to wish you well." I hope that by our representation here that this will lead to the possibility of your consulting on a continuing basis people who are working for social change in non-structured ways. We work to conquer discrimination. The young and the elderly are not taken seriously in this society. Would list the following priorities.

1. We join you in calling for an end to mandatory retirement. It is destructive and wasteful.

2. Controlling inflation by your good offices calls for the action of a Consumer Protection Agency to protect the incomes of the old people from further erosion.

3. There should be controls on the sale of hearing aids. We need a law that these be made on a non-profit basis.

4. We should prosecute nursing homes not in compliance with Federal regulations. The findings on the study on nursing homes should be released to the public.



5. Massive reordering of national priorities is needed -- including a cutback in Defense spending.

6. In legislation on health care service, you should consider the input of the elderly. A number of us are attempting to be responsible and to help ourselves through continuing education, to be useful and productive citizens "until rigor mortis sets in."

Mr. Seidman of AFL-CIO spoke about social security, SSI programs and the Cost of Living Index. Steps should be taken to modify the C.O.L. escalator in both programs so that increases in benefits take place at closer intervals. The elderly should get the full benefit of the SSI program. A national program is very important but there are two and a quarter million people who for one reason or another have not been reached by this program. Everything that can be done should be done.

Regarding involuntary retirement -- most people do retire involuntarily because of ill health. The Social Security law should be changed to take account of people who have to retire early (1) by establishing occupational divisions of disability; (2) by reducing the actuary reduction that now takes place in early retirement. Do something about very meager incomes of people who have to retire early because of ill health.

Ethel Shanas of the National Gerontological Society stated that she would like the Government to protect the savings of the old -- persons who are already provided for as recipients of retirement income and those who are on welfare. We must do something to relate our welfare programs to changes in cost of living. Community service employment opportunities should be increased. Nutrition programs with regular meals should be made available.

Mary Mullen of the National Association of Retired Teachers stated that they have 500,000 members a large percent of whom have savings in banks at 5 or 5 1/2%. Regulation "Q" sets limits and needs revision so that smaller savers could be offered the same consideration as larger savers. Higher interest rates should be offered to all.

Because of inflation, the necessities of life are being threatened -- the Government should be the Government of all the people. In California there has been only a 2% adjustment in retirement income in the last



ten years. Suggested that the Government should support the National Institute of Aging and an International Conference on Aging which will be held in Italy next year. The United States is oriented towards youth -- the aged have never received the status they have in other countries. We could do a great deal in this area.

The President stated that we will do our very best -- doesn't want to make any promises which he can't keep. He regretted that he had to leave the conference at this time and asked Mr. Baroody if he could stay and continue the meeting.

Mr. Baroody invited the conferees to leave their prepared statements with him or to send them to him within the next week.

Mr. Crittenden of the American Nursing Home Association stated that they have one million people in nursing homes and 5% of those over 65 are included. Their health insurance has to be a part of the national health insurance program. It should not be part of a welfare program.

Medicare/Medicaid should be considered with regard to the cost in relation to the product. We want to produce a fine service to the elderly. The States are not willing to buy the services needed. This is also a problem in the nursing home industry. We pledge that we will do everything possible to correct our image.

Mr. Harry F. Walker, President of the National Association of State Units on Aging said that the States should be taking a greater role. The Federal Government could (1) provide means of productive work experience for older people. Take into consideration their ages but give them work to do; (2) the nutrition program reaches only 4% -- is an excellent program -- should not be cut back; (3) mandatory retirement is not fair. Should be studied. The combined efforts of government and universities could be used to help older people. The Federal Government should take the initiative; (4) if there is anything that the administration can do to reduce the amount of paper work without sacrificing efficiency, we will get more help to the elderly; (5) a public service employment program should have a provision applied to the elderly -- the elderly should get a segment of the employment from the public service program; (6) the Administration took a position on property tax relief but nothing has happened -- it was defined as a priority commitment. Property taxes are a great burden for older people.



Mr. Douglas O. Woodruff of the American Association of Retired Persons stated that the taxes on homes are getting unbearable to the elderly. We are concerned about their food needs, health needs and clothing needs. But it is my thinking that the first concern is housing. I think it is important that we do something to keep these people in their homes. Anything the administration can do, both on a national and state level, should be our ultimate goal. We should come up with a separate CPI for retired persons.

Mr. Bert Seidman of the Department of Social Security, AFL-CIO, stated that the States should be increasingly active in our need for new roles for education. He asked if HEW can encourage broader participation in continuing education programs. Some schools are opening their courses on an auditing basis for people over 65 free of charge. Our organizations should support this, so that the people can have access to the new knowledge being acquired.

The meeting was adjourned.

Velma H. Shelton
Velma H. Shelton



WHITE HOUSE MEETING¹⁹
CABINET ROOM 12

August 23, 1974 - 11:30 a.m.

October 11, 1974 -

2:00 P.M.

ATTENDANCE 10

Government Personnel

The President

Bertha Adkins

Chairman

Federal Council on Aging

Decker Anstrom

Special Assistant to the Commissioner

Administration on Aging

HEW

William J. Baroody, Jr.

Special Consultant to the President

The White House

Frank C. Carlucci

Under Secretary

HEW

James H. Cavanaugh

Deputy Assistant

Domestic Council

The White House

Loretta Donschikowski

Secretary to Mr. Eves

The White House

Dr. Charles C. Edwards

Assistant Secretary for Health

HEW

Jeffrey P. Eves

Staff Assistant to the President

The White House

Arthur S. Flemming

U.S. Commissioner on Aging

Administration on Aging

HEW

Robert T. Hartmann

Counsellor to the President

The White House

Theodore C. Marrs

Special Assistant to the President

The White House

John O. Marsh, Jr.

Counsellor to the President

The White House

Pamela Needham

Staff Assistant, Domestic Council

The White House

Velma Shelton

Secretary to Dr. Marrs

The White House

Cleonice Tavani

Executive Director

Federal Council on Aging

HEW

Stanley B. Thomas, Jr.

Assistant Secretary for Human

Development

HEW



Associations

Albert J. Abrams
Secretary of the Senate
New York State Capitol

Robert J. Ahrens
Director
Mayor's Office for Senior Citizens

Wiley M. Crittenden, Jr.
President
American Nursing Home Association

Nelson H. Cruikshank
President
National Council of Senior Citizens

Barskdale Hamlett
National President
Retired Officers Association

William Hutton
Executive Director
National Council of Senior Citizens

Hobart Jackson
Chairman, National Caucus on
the Black Aged

Edwin Kaskowitz
Executive Director
Gerontological Society

Margaret Kuhn
The Gray Panthers

John B. Martin
American Association of Retired
Persons

Mary Mullen
National Association of Retired
Teachers

Bernard Nash
Executive Director
American Association of Retired
Persons

Jack Ossofsky
Executive Director
National Council on the Aging

Bert Seidman
Director, Department of Social
Security
AFL-CIO

Ethel Shanas
President
National Gerontological Society

Richard A. Short
President
American Association of Homes
for the Aging

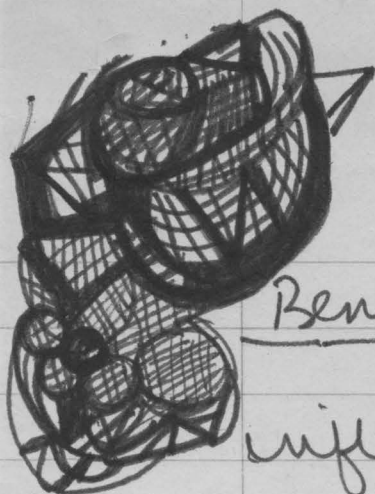
Clarence Tarr
Acting President
National Association of Retired
Federal Employees

Harry F. Walker
President
National Association of State Units
on Aging

Douglas O. Woodruff
President
American Association of Retired
Persons

Albin Yokie
Executive Vice President
American College of Nursing
Home Administrators





Benno Schmidt - letter + sched prop.

inflation - #1

- military not getting retired money
due them
make known - pay equalization to Committee
Harthe + Wilson

- reduction medical prices for old people
Nat Council on Aging - Abrams (sec. State Ny)

- social security increases lag

- health insurance

- transportation

- law + order

- states not contributing own money
+ Fed. should encourage states to
use more money



Fed Employees

- retired when salaries were low

10-15 yrs. ago

- Fed. income tax + property tax

- update + double ~~deduct~~ retiree income credit
income tax

- inflation is bad - 1 simple
solution is balance budget

Cruckshank

- pleased about inflation being target
- if benefits are eroded by infl. bad
- rise in food prices hits old people ~~more~~ more than other peop.
- med. costs real bad
- don't want w. p. controls but want controls on med. costs
- want good health care rather than immediate bill
- press coverage on S.S. puts fear in hearts of old people
- employment in public service needed
- older people should be included in ~~Conf~~ Summit Conference

Black aging

States?

- congrats on black caucus
- blacks should have greater access to service + benefits available
- income - priority - SSI should ~~be~~ have more above pov. level - only Mass. ~~should~~ has above SSI alert should get more enrolled
- more emphasis on housing + geriatric centers for blacks
- Life Safety Code shuts homes + that serve minorities + poor
- health insur. but take time





G F - Health doesn't agree - friends relat.
sick - every day more people hurt
drain can never be made up

Ossafsky

- budget shouldn't cut elderly programs
- nutrition good
- Sen. citizens bus in Maine - new
+ good program
- careful w/ soc. service programs in kids.

Chicago Mayor's office - New Condition

- eld. 1st victims of inflation shouldn't
be 1st victims of fight against
- manpower funds not getting fair share
- pension bill mist.
- need to end mandatory retirement
- ie 66 yr. old VP

Margaret Kuhn - grey panther

- hope that rep. here means
Continuing Consecration
- Work to Conquer age discrim.
- 5 press. concerns
 - 1- End to mandatory retirement
 - 2- Means to control inflation through
Cons. select. agency - old people always in
 - 3- Health leg. soon - noted
enough rep. for consumers in bills
 - 4- Continue nursing home prog.





and that results of h. h. be released
to public.

5 - Review of nat. priorities - cutback
in def. spend.

consider input of elders future in
putting leg. together

Seedman AFL-CIO.

- inflation has been problem
- Soc. Sec. + SSI have cost of lin. escal.
but not effective w/ double digit inflat.
+ should make increase at closer
intervals
- SSI should ~~have~~ reach all people
- get other 3 mill
- involuntary retirement; must do
ill health; need new disability
requirement; reduce actual
reduction for early retiree

ie
wellness
moving
help -
AFL-CIO

Gerontological Society - Woman

- protect old people savings
- need quarterly evaluation for SSI cgl.
- public service employ. report should
be followed more
- more nutrition programs need





Retired Teachers

- large to have savings in Fed. bank + rates are set (reg. Q) - needs revision
- smaller savers should have same consider. as larger
- fixed incomes hit hardest
trying to put int. rates down so gov. doesn't
- 35¢ peach; \$4.75 lb. pork chops

Yokie

- Weisman institute in Israel
- Nat. Inst. on Aging - support it thru funding
- use prestige to help aging + make more aware



Crittenden

- health insurance: long term care must be included = Conable kill
- new arrangement in last few months crisis out of HEW
- regulators for nursing home show no relation to cost of product; reconsider ^{benefit} ~~cost~~ of med + med to cost of product
- correct image

Harry Walker

- Older Am Act imp. for where we are today

- nutrition program - one of finest to get services to those who need it; gets to only 4% of elig.
- need study of early retirement issue
- 2nd career oppor. for old p.
- Fed. go. should help to turn around cultural attitude toward old
- reduce amount of paperwork

Martin

- mand. retirement age should be done away w. actuarial increment when do retire
- public service employment: title 9 of OSA + CETA that can help elderly
- property tax relief are priority

Alman - asked for States to use S. RS for elderly tax relief ($\frac{1}{2}$ 190 GRS govt. held)

Woodruff

- big concern of young old: (tax paid on home)
- anything Adm. can do to help live lives of dignity & self-respect is goal of all

Bert

- separate CPI for retired persons

going guy [States should do more]

[educ + higher educ. can help to retrain people etc]

Man. Kunk - open classes to over 65



MEETING AUGUST 23, 1974

Aging

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GOVERNMENT PARTICIPANTS
IN
WHITE HOUSE MEETING
ON
FRIDAY, AUGUST 23, 1974

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U. S. Commissioner on Aging
Administration on Aging
Department of Health, Education and Welfare

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Deputy Assistant, Domestic Council
The White House

Theodore C. Marrs
Special Assistant to the President
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Jeffrey P. Eves
Staff Assistant to the President
The White House

Pamela Needham
Staff Assistant to the President
The White House



Caring for the Aged 7/23/75

Editor, *The Wall Street Journal*:

Regarding your editorial "Senator Church's Indexed Index" (July 10):

As executive director of the National Council on the Aging, I must disagree with the assumptions and conclusions expressed in your editorial on Senator Frank

Church's idea to establish a special Consumer Price Index for the elderly. NCOA is a private, nonprofit, voluntary agency whose members are practitioners and organizations who serve the elderly throughout the nation. Since our members and staff observe first hand what the economic hardships have meant to the nation's most vulnerable group, we must commend Senator Church's attempt to alleviate in some way these hardships.

Inflation attacks the economic security of all Americans, but few would disagree that it has the most damaging effect on those who must survive on fixed incomes. Most Americans have been faced recently with a lowered standard of living, while most elderly have been faced with real suffering.

I was particularly concerned that you implied that Social Security recipients somehow have profited during the past year because benefits showed a greater percentage increase than the percentage increase in personal income of the population as a whole. An 8% increase in an already inadequate income does not amount to very much when the costs of housing, medical care and food have skyrocketed.

The NCOA Board of Directors has recently examined the Social Security system and among its many conclusions was a recommendation that Social Security benefits be adjusted to changes in total wages in covered employment. Automatic adjustment would be made through a system of indexing under which the worker's wage record, on which his and his dependents' benefits are based, is kept up-to-date in relation to currently prevailing wage levels. Beneficiaries would thus not only have their purchasing power maintained, but would have the same increases in real benefit income as workers have increases in real wages.

But in addition to your erroneous implications about Social Security benefits, you also accuse Senator Church of ignoring the tax-exempt status of benefits, as well as the many tax-supported public assistance programs, such as subsidized housing, food stamps and Medicare, which help the elderly poor. Yet you seem to forget that one of every six older Americans lives in poverty (as defined by the Bureau of the Census) and that not one dime of that eight percent increase comes from general revenues, but from the Social Security trust fund.

Something must be done to provide a secure income for the elderly who gave so much to this nation as it was prospering. I believe that Senator Church has offered a reasonable and just solution to the income problems of the aged population. He has been responsive to their needs for many years now, and offers the special Consumer Price Index as one idea for consideration. I am disappointed that you did not offer an alternative solution.

We must not seek to break inflation on the backs of the elderly. They have already sacrificed enough for the country. It is time the nation repays that long standing debt by providing its older citizens with a secure income.

JACK OSSOFKY
Executive Director
The National Council on Aging Inc.
Washington

Aging

duced so many excellent housing projects for our Nation's elderly, and who have struggled so tirelessly to see section 202 renewed. Since its enactment in 1959, the 202 program has produced over 45,000 specially designed units for the elderly and handicapped. There have been no scandals in the program, and the failure rate has been virtually nil.

As chairman of the Subcommittee on Housing for the Elderly, I have been privileged to work closely with the many friends of 202 through these past few years in a sustained effort to restore this popular program.

I cannot stress strongly enough what the reenactment of the 202 program means to the hundreds of thousands of elderly persons who have been sitting for years on waiting lists to get into apartment buildings designed especially for them. While this tremendous demand for special units has been with us for many years, it has accelerated dramatically since the 202 program was phased out in 1969 and when the section 236 interest-subsidy program was frozen in January 1973. With the section 202 and the section 236 programs unavailable, the nonprofit sponsor, in particular, had no where to turn. The Housing and Community Development Act of 1974 promises to end that frustration.

In order to remove the earlier objections to the 202 program, we made some changes in the law, but I am confident that these changes can serve to provide more and deeper assistance to our senior citizens. In summary, the revised 202 program provides for the following—for more details, see title II, below:

First. The HUD Secretary is authorized to borrow up to \$800 million from the Treasury to make direct loans to eligible sponsors of housing for the elderly or handicapped.

Sponsors can be nonprofit, limited divided consumer cooperatives, or public agencies.

The \$800 million is in addition to over \$100 million already accumulated in the old 202 revolving fund.

Second. The loans will be made at the prevailing Government interest rate—plus an amount to cover administrative costs on the loans.

Third. The revised section 23 leasing program—now merged into section 8 of the new bill—will be available to all 202 units so that tenants will not have to pay more than 25 percent of their income for rent. Obviously, a straight Government rate direct loan program—estimated now at 8.5 percent—would never reach the low-income elderly. Many have objected to the Government rate approach on this ground without understanding that section 23—or the new section 8—will be available to make a deeper subsidy than has ever been possible under 202.

In the weeks to come, the Department of Housing and Urban Development will formulate regulations for the revised 202 program. I understand that HUD will welcome the comments and assistance of organizations and experts in the field of housing for the elderly, and I am delighted to learn of this cooperative effort.

SUMMARY OF THE NEW HOUSING BILL AND ITS EFFECT ON OLDER AMERICANS

Mr. WILLIAMS. Mr. President, I am very pleased to report that when President Ford signs the Housing and Community Development Act of 1974, today, it will happily signify the end of a 5-year struggle to renew the most successful housing program ever passed by Congress: The section 202 housing program for the elderly and handicapped.

This news is particularly welcome to the nonprofit sponsors who have pro-



Much of the great success of the original 202 program was due to the flexible method through which the program was administered. I sincerely hope that a similar arrangement can now be worked out.

With today's prices and growing inflation, it is difficult to make an accurate estimate of how many units will be made available under this new bill. However, with respect to section 202, the following estimate can be made.

If the full borrowing level is approved by the Appropriations Committee, and passed, \$800 million would then be added to the over \$100 million now in the old revolving fund—for further discussion of the appropriations requirements, see title II, below. A total of \$900 million would produce about 45,000 units—based on an estimated per unit cost of \$20,000.

A supplemental appropriations bill is expected sometime in late September, and I expect the question of funding levels for community development and section 202 housing to be taken up at that time.

Last December I wrote to the Secretary of Housing Urban Development to inquire about the status of the section 202 revolving fund. I was informed that, as of November 30, 1973, the balance in the fund was over \$36 million. A total of \$63 million, however, had been "borrowed" from the fund for disaster relief. My staff confirmed by phone that the \$63 million would be repaid should the 202 program be renewed. I was also informed that net repayments and interest accumulate at the rate of about \$14 million per year. Therefore, there should be available in the revolving fund well over \$100 million.

I am hopeful that this new program will soon get underway. The time for a specialized housing program specifically designed for the elderly is past due. The success and the popularity of the original 202 program have set a high standard to emulate, and I will do all that I can to see that the new version lives up to our past record.

Mr. President, I ask unanimous consent to have printed in the RECORD the summary of the Housing and Community Development Act of 1974 as it relates to older Americans.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 (S. 3066)

TITLE I: COMMUNITY DEVELOPMENT

The new bill authorizes \$8.6 billion over the next three years in block grants to communities in a form of special revenue sharing. These grants will serve to replace several categorical programs such as urban renewal, model cities, and open space acquisition. The Federal assistance provided in this Title is for the support of community development activities which are directed to several objectives including: 1) the elimination of slums and blight, 2) the expansion of the Nation's housing stock, and 3) the expansion and improvement of the quantity and quality of community services.

Survey of housing stock required

No grants of funds under Community Development may be made unless an application has been submitted to the Secretary of Housing and Urban Development (HUD) which includes a "housing assistance plan"

which accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower-income persons (including the elderly).

Eligible activities include senior centers

Programs developed in the application of a community may include the acquisition, construction or reconstruction of facilities, site, and other improvements—including neighborhood facilities and senior centers.

Other eligible activities include special projects directed toward the removal of architectural barriers which restrict the mobility of the elderly and handicapped.

The bill also permits the use of Community Development funds to finance public services. However, it must be clear that such services are not available through other forms of Federal assistance.

Hold-harmless provisions

The distribution of the funds under this Title will be split on the following basis: 80 percent to metropolitan areas and 20 percent to non-metropolitan areas. For the next three years no city will receive less under the combined block grant approach than it was getting under the various categorical programs.

Termination of categorical programs

The following programs will all terminate on January 1, 1975: Public Facility Loans, Open Space Grants, Public Works Planning Advances, Water and Sewer Grants, Neighborhood Facilities, Advance Acquisition of Land, Urban Renewal and Neighborhood Development Plan grants, and Model Cities.

Special hold-harmless for model cities

In determining the "hold harmless" amount, the bill provides that the community will receive (in addition to other "hold harmless" provisions) a declining percentage (80, 60, and 40 percent) of the average annual model cities grant for the three years following the community's fifth action year.

TITLE II: ASSISTED HOUSING

Revised section 202 housing for the elderly and handicapped

After many years of effort, the popular 202 Program has been renewed with an authorized borrowing level of \$800 million. The revised version of 202 contains some significant changes. Instead of the old interest rate of 3 percent, loans will be made to eligible sponsors at a rate corresponding to the current average market yield on outstanding U.S. obligations (estimated today at 8½ percent) plus an amount to cover administrative costs.

Each new unit under the revised Section 202 will be eligible for assistance under Section 8 (the Revised Section 23 Leasing Program) so that no tenant will have to pay more than 25 percent of his income for rent.

No longer will the 202 Funding level require an appropriation. Under the new 202, the Secretary of HUD is authorized to borrow funds from the Treasury to make loans to the sponsor. All receipts and disbursements under this program are excluded from the Federal Budget; however, the total amount of loans made in any fiscal year must not exceed limits to be established in the annual appropriations acts.

In addition, the revised Section 202 Program provides for the following:

1. The definition of "handicapped" is expanded to include the mentally handicapped.

2. In determining the feasibility and marketability of a project, the Secretary must consider the availability of assistance under Section 8 (or the Revised Section 23 Program).

3. The Secretary must see that housing built under 202 is in support of State and local plans which provide necessary services through other Federal programs such as Title III of the Older Americans Act of 1965.

4. The Secretary must insure that projects

authorized under Section 202 will serve both low- and moderate-income families in a mix which is appropriate for the area and for viable operation of the project.

Public housing

A total of \$1.225 billion in new contract authority is authorized for public housing. \$150 million of this total is earmarked for housing to be owned by public housing agencies, and at least 50 percent of the \$150 million is to be used for the public housing other than leased housing. The balance of the \$1.225 billion is to be used at the discretion of the Secretary for traditional public housing or the leased housing program.

The bill increases the operating subsidy level to \$500 million for Fiscal Year 1975 and to \$560 million for Fiscal Year 1976. The old level was \$400 million, and the actual amount disbursed will reflect what HUD does with its proposed management prototype formula.

For the first time, the law specifically approves the use of operating subsidy funds for security services including the cost of security personnel. Security is also considered in the development of prototype costs for public housing units. I am personally very gratified by this development since my Subcommittee on Housing for the Elderly held hearings specifically on the security issue and fought for greater Federal response to this problem.

In addition, the Secretary is required to encourage public housing agencies to provide for the elderly congregate housing which is defined as housing in which some or all units lack kitchens, and connected with which there is a central dining facility.

Several other public housing provisions are of interest to the elderly including the following:

1. For the first time minimum rents have been established at 5 percent of gross income, or that portion of a welfare payment specified to meet housing needs, whichever is greater.

2. In determining gross income, the elderly may deduct 10 percent of gross family income.

3. No bill language specifies the amount to go for modernization; however, there is Report language explaining Congressional intent that \$40 million be used for this purpose in Fiscal Year 1975.

4. The bill sets aside at least \$15 million of Fiscal Year 1975 and \$15 million of Fiscal Year 1976 annual contributions authority for conventional public housing for INDIANS.

Section 8—New housing assistance program

The new Section 8 program is the outgrowth of the Revised Section 23 Leased Housing Program. Under this approach HUD leases units from private owners and subsidizes the rents for those units.

The existing Section 23 program is permitted to continue only through December 31, 1974. In contrast to the old program, Section 8 will place primary responsibility for program administration with the Secretary of HUD rather than with local housing authorities.

The bill clearly states that assistance available under Section 8 may be provided with respect to some or all of the units in any project approved under the Revised Section 202 program for the elderly and handicapped.

Section 8 gives preference to projects involving assistance for less than 20 percent of the units. However, projects for the elderly calling for assistance for as high as 100 percent of the units will share the same priority level as non-elderly projects with assistance in less than 20 percent of the units.

Other features of Section 8:

1. The Secretary is given discretion to set tenant rents between 15 and 25 percent of gross income as defined by HUD.

2. Eligibility for tenants requires that no applicant for assistance have an income over 80 percent of median for the area.

3. Also, at least 30 percent of the families assisted annually must have gross incomes not in excess of 50 percent of the median income for the area.

4. Selection of tenants for each unit shall be the function of the private owner.

5. The Conference Report includes language indicating that Congress expects the Secretary of HUD to take into account the need to provide housing with suitable amenities and sound architectural design in establishing fair market rents.

Multifamily housing—Section 236

Several million dollars in appropriated funds for the Section 236 program were impounded by the Nixon Administration in early January 1973. To date approximately \$145 million remains unspent. The new bill extends the life of Section 236 from October 1, 1974 to June 30, 1976, and authorizes an additional \$75 million for Fiscal Year 1975.

In the Conference Report, Congress indicated that it expects the Secretary of HUD to use the impounded money for new projects, but only when the community has identified its special housing needs and demonstrated that these needs cannot be met through the new housing assistance program (Section 8).

The former rent supplement program is now merged into Section 236. The new bill authorizes a deep subsidy (below the assistance provided through a one percent mortgage) down to utility costs for up to 20 percent of the units in a Section 236 project.

Several other provisions were added to the language of the Section 236 program:

1. The new maximum tenant income limit eligibility requirements are 80 percent of median incomes for the area.

2. At least 20 percent of the assistance provided under Section 236 is set aside for projects for the elderly or handicapped.

3. Funds authorized under Section 236 may also be used as operating subsidies to existing and new Section 236 projects to meet higher operating costs resulting from increased taxes and utility costs.

CONSULTATION WITH HEW—SUPPORT OF OLDER AMERICANS ACT

The Secretary of HUD is required to consult with the Secretary of Health, Education, and Welfare (HEW) to insure that special projects for the elderly or the handicapped approved under public housing or under Section 8 meet acceptable standards of design, and provide quality services and management consistent with the needs of the tenants.

These same projects are required to be equipped with such "related facilities" necessary to accommodate the special environmental needs of the elderly or the handicapped, and such projects must be in support of applicable State and local plans for comprehensive services as outlined in legislation such as Title III of the Older Americans Act of 1965.

TITLE V: RURAL HOUSING

The bill adopted several changes to rural housing programs including the following provisions:

1. Expanding Farmers Home Administration (FmHA) jurisdiction to towns of up to 20,000.

2. Allowing rent supplements in FmHA rental and farm labor projects.

3. Raising the FmHA Section 504 home repair loan limit to \$5,000 with up to 20 years to repay.

4. Providing technical assistance grants and interest-free seed loans to nonprofits, with priority for groups sponsored by local public bodies.

In addition the bill authorizes \$30 million

each in new contract authority over the next three years for FmHA 504 rehabilitation loans, and farm labor housing grants.

TITLE VI: MOBILE HOME CONSTRUCTION AND SAFETY STANDARDS

HUD is authorized to promulgate national standards with respect to the quality, durability, and safety of mobile homes. The Secretary is also required to consult with the Consumer Product Safety Commission prior to the establishment of the standards.

TITLE VII: MISCELLANEOUS EXPANSION OF HOUSING ALLOWANCE EXPERIMENTS

The bill directs HUD to continue experiments in the cash assistance program authorizing an additional \$40 million annually for cash assistance payments. A report with recommendations to the Congress will be required within eighteen months.

Condominium and cooperative study

The Secretary of HUD is directed to conduct a full and complete investigation of the problems, abuses, and potential abuses which may be involved in condominium or cooperative housing. A report to Congress is due one year from enactment.

Direct financing study

The Departments of HUD and the Treasury are directed to study the feasibility of direct loans and other methods of financing assisted multifamily housing including direct loans from the Federal Financing Bank with a report to be filed within one year of enactment.

WHITE HOUSE MEETING
CABINET ROOM

August 23, 1974 - 2:00 p.m.

ATTENDANCE

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Chairman
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Decker Anstrom
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Administration on Aging
HEW

William J. Baroody, Jr.
Special Consultant to the President
The White House

Frank C. Carlucci
Under Secretary
HEW

James H. Cavanaugh
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Loretta Donschikowski
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Jeffrey P. Eves
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Mike Mulligan
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Velma Shelton
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Clecnice Tavani
Executive Director
Federal Council on Aging
HEW

Stanley B. Thomas, Jr.
Assistant Secretary for Human
Development
HEW

James Cardwell, Commissioner
Social Security Administration



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New York State Capitol

Robert J. Ahrens
Director
Mayor's Office for Senior Citizens

Wiley M. Crittenden, Jr.
President
American Nursing Home Association

Nelson H. Cruikshank
President
National Council of Senior Citizens

Barskdale Hamlett
National President
Retired Officers Association

William Hutton
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Harry F. Walker
President
National Association of State Units
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Persons

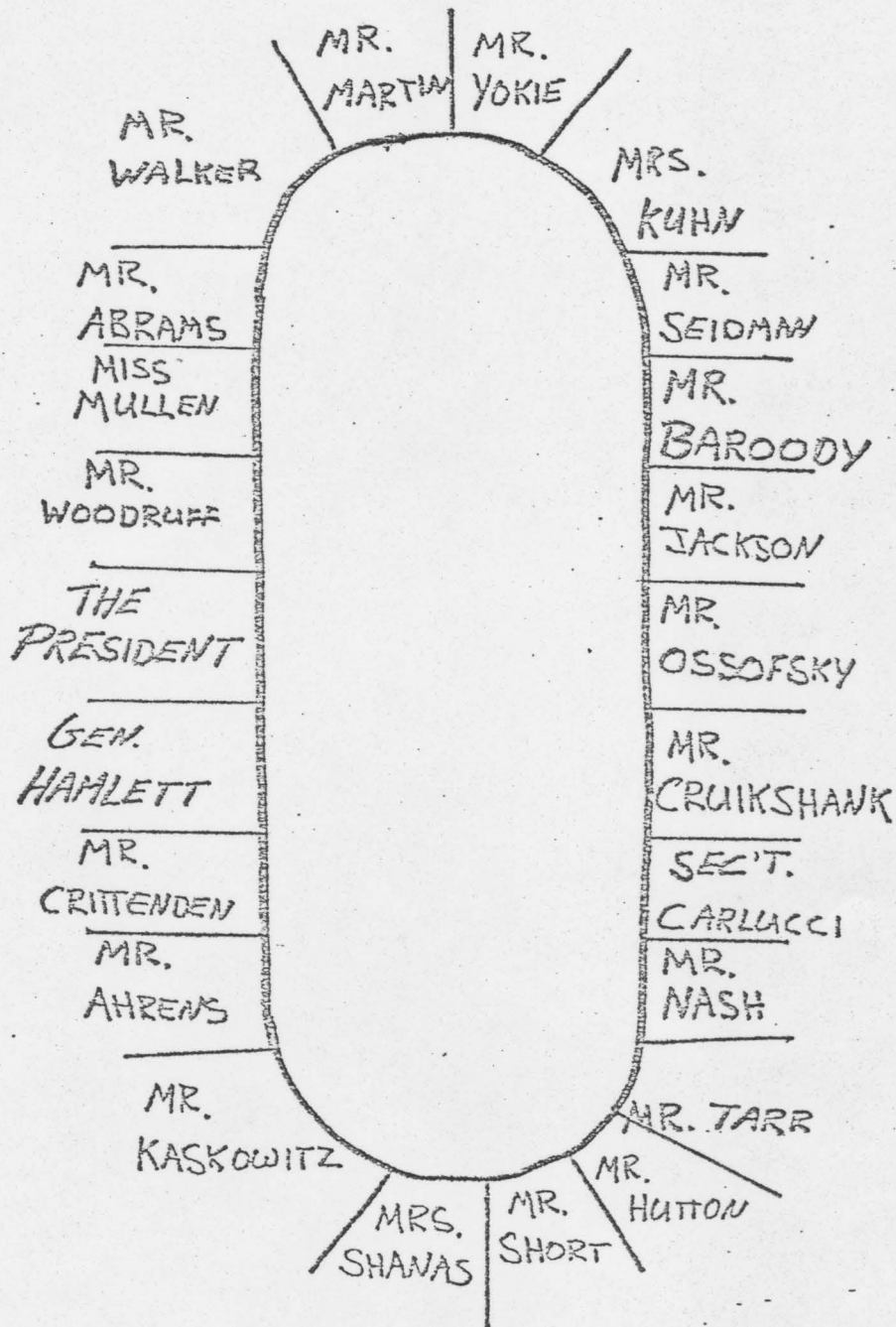
Albin Yokie
Executive Vice President
American College of Nursing
Home Administrators



THE CABINET ROOM

MR. ARTHUR
MR. MARSH
MR. THOMAS
MR. LAVANHUGH

MR. LEWIS
MR. MARRS
MISS ADKINS
MR. EVES



MRS. NEEDHAM
MR. ANSTROM
MRS. SHELTON
MRS. DOLICHIKOWSKI
MS. TAVANI
MR. EDWARDS
MR. CARDWELL
MR. MULLIGAN

FRIDAY, AUGUST 23, 1974
2:00 P.M.

OLD AGE AND RETIRED PERSONS MEETING



STATEMENT
BY
NATIONAL RETIRED TEACHERS ASSOCIATION
AND
AMERICAN ASSOCIATION OF RETIRED PERSONS
FOR
THE WHITE HOUSE MEETING
ON
CONCERNS OF OLDER AMERICANS

August 23, 1974

Participants:

Mary Mullen
President, NRTA

Douglas O. Woodruff
President, AARP

Bernard E. Nash
Executive Director

John B. Martin
Consultant



In General

Not only did the 8.7 percent annual rate of increase in the Consumer Price Index during 1973 establish inflation as a problem of extreme severity, but also as a problem of paramount concern to the aged. Reporting an annual rate of increase in price for food of 24%, for housing of 5.5%, for clothing of 4.2% and for fuel of 7.7% which, in turn, accounted for 61%, 21%, 4% and 3% respectively of the total 1973 rate of inflation, the Joint Economic Committee staffs' study, "Inflation and the Consumer in 1973", concluded that inflation was wide-spread among essential consumer commodities and services, that consumer purchasing power not only failed to keep pace with inflation but actually declined by about 1%, and that the impact of higher prices was approximately one-third greater on lower income consumers than on other consumers because a higher proportion of the former group's purchases are necessarily concentrated on items such as food, housing and fuel.

Our Associations fully anticipate that the statistics for 1974 will represent an aggravated version of the dismal 1973 record. To food, housing, clothing and fuel, listed as the primary contributors to the 1973 inflation rate, we expect that, with the expiration of controls over the health care industry, the cost of medical care will be added. With the severity of the impact of inflation on the aged becoming increasingly acute, our Associations insist that action be taken now. In order to stimulate the formulation and implementation of anti-inflationary policies, we offer the following comments and recommendations.

Proposed Action with Respect to Inflation in General and Inflation in Specific Markets.

For some time our Associations have adhered to the position that, if the purchasing power of the dollar is to be stabilized over time, monetary policy, which is under the exclusive control of the independent Federal Reserve Board, must be coordinated with fiscal policy, which is under the joint control of the Congress and the Executive Branch. The Congressional Budget and Impoundment Control Act (PL 93-344), which we strongly supported, should assist the coordination of the expenditure and revenue raising aspects of fiscal policy.

The coordination of the aspects of fiscal policy and of fiscal policy with monetary policy should facilitate the implementation of the restrictive monetary and fiscal policies which we anticipate will be offered as the remedy for inflation on the theory that inflation can be controlled by simply reducing aggregate demand. Based upon the 1970 experience with a similar policy, our Associations believe that fiscal and monetary restraint will produce only a modest reduction in the rate of inflation. While a policy of restraint may be necessary, we do not believe that such a policy will be sufficient.



We concede that the prevailing economic circumstances seem to indicate the desirability of a balanced federal budget or even a budget surplus. Such fiscal restraint inevitably implies a reduction in federal expenditures and/or an increase in federal taxes. We are not willing, however, to acquiesce in any and every expenditure reduction or tax increase that may be proposed.

Our organizations do not believe that a federal expenditure reduction of a magnitude sufficient to achieve a balanced or surplus budget can realistically be accomplished. Indeed, the recently proposed 10% tax on gasoline seems to be a tacit recognition of the impossibility of pursuing a restrictive fiscal policy solely through federal expenditure reductions. The burden of a 10% gasoline tax will fall upon the middle class in general and upon the suburban commuter, whose demand for fuel is less elastic than that of others, in particular.

If a 10% tax could ease the federal deficit, lower fuel demand and thereby lower fuel prices, perhaps even the middle class suburban commuter could accept a sacrifice not imposed to the same degree on other groups. Unfortunately, a fuel price decline as a consequence of such a tax seems remote. Indeed, with concentrations of market power in the oil industry as excessive as they are, our Associations fully anticipate that the oil industry would seek price increases and attempt to justify them on the spurious grounds that such increases are necessary to generate the profits and retained earnings which are, in turn, necessary to finance the exploration and investment upon which is conditioned any increase in the supply of fuel.

Our Associations intend to scrutinize proposed reductions in federal expenditures. We would oppose vigorously any attempts to achieve a balanced budget or budget surplus by a reduction in the benefit payments of transfer programs such as Old Age, Survivors and Disability Insurance and Supplemental Security Income. We would also oppose any attempt to delay scheduled cost-of-living increases.

Although we would support and assist attempts to reform and coordinate the primary retirement benefit systems such as OASDI, SSI, and railroad and civil service retirement in order to reduce waste and inefficiency, we recognize that such reforms would result in little immediate savings since they would be applied realistically only on a prospective basis (i.e. only with respect to future beneficiaries). A person should not be deprived retrospectively of a benefit to which he has earned a right; nor should he suffer economic detriment for the sake of benefit system efficiency and coordination.

Because our Associations do not believe that restrictive monetary and fiscal policies are sufficient to control inflation, especially over an extended term, we adopted, as part of our 1974 legislative program a position in favor of the dilution of excessive concentrations of market power and the encouragement of competitive market forces. It has long been apparent to us that in certain industries such as energy,



metals, cement and automobiles such market power concentrations are stifling free and competitive enterprise, frustrating the basic economic principles of supply and demand and fostering inflation. In such markets, prices never seem to decline regardless of what happens with respect to demand.

Our Associations believe strongly in the propriety of identifying and exposing to continuing public scrutiny those market in which power is concentrated excessively. Consequently, we have expressed support for the Federal Trade Commission's "line-of-business" inquiry for which an appropriation of \$305,000 was sought and granted in the appropriation bill for the agricultural, environmental, and consumer programs (HR 15472). We feel that an investigation of the largest conglomerates and corporations, identified on the basis of profits and gross sales, will expose the extent to which these entities dominate or control given markets. Concomitantly, we expressed support for the reestablishment of government machinery similar to the defunct Cost-of-Living Council to monitor price increases.

If competition in a given market is acute, our Associations are sure that products of a given quality are being produced at minimum cost and that price increases, to the extent there are any, are justified. Acute competition is the best restraint on price increases and renders the practice of "jawboning" unnecessary.

We are also sure, however, that excessive concentrations of market power preclude competition and promote price increases. With respect to these markets, once they are determined to be dominated by a few producers or distributors, price increases must be monitored and justified. Moreover, if the federal government is to avoid wholesale regulation of industries such as energy, metals, and automobiles, true competition will have to be restored and remedies will have to be considered and adopted to achieve that end. In this respect, our Associations strongly support a surveying of the opinions of this country's most prominent economists and financial leaders.

If it is concluded, on the basis of the proposed FTC study, and the survey of opinion, that part of the current inflation problem is the result of excessive concentrations of market power in certain industries and that price stability would be promoted by increased competition and/or increased regulation, our Associations would support whatever remedy or combination of remedies may be necessary, including more vigorous enforcement of anti-trust laws, enactment of additional anti-trust legislation designed to accelerate the judicial process, more open foreign trade policy to stimulate competition from foreign sources, and even government competition of the TVA type.

With respect to those markets where power is concentrated and competition cannot be restored or stimulated immediately, we are prepared to support selective controls and government regulation in



the public interest. We hasten to add, however, that we are not enamored by the prospect of government regulation. Over time, government regulatory agencies seem to come all too often to represent the interests of the very industries they were intended to regulate. Therefore, while we would accept government regulation of non-competitive markets as an interim measure, we would insist that measures be taken concomitantly to stimulate and restore free market competition. A restoration of a reasonable degree of competition should terminate regulation.

While the 1971 wage and price freeze and subsequent controls were effective, they were obviously not permanent economic solutions to inflation. What wage and price controls apparently bought was time -- time within which to determine upon legislative, administrative and monetary programs designed to deal over the long term with the fundamental causes of inflation. Unfortunately, controls expired and many of the pre-existing causes of inflation were still present and were aggravated by new ones.

Although our Associations are not in favor of blanket economic controls since such controls produce great disruption and misallocation of resources in essentially competitive markets, we are prepared to accept the imposition of selective controls as a first step toward restraining inflation in particular markets. One such market is the health care industry.

Our Associations are well aware that the economic stabilization program was reasonably effective in suppressing the rate of inflation in health care costs. In the absence of controls, we anticipate a wholly unacceptable rate of price increases which will result in increased Medicare program costs and which will be passed on, in part, to the aged as a result of Medicare's cost-sharing features, benefit gaps and durational limitations.

Our Associations would favor a return to controls with respect to the health industry while more fundamental reforms are developed and implemented that would make such controls unnecessary. We believe that the long-term control of the problem of rising health care costs will require the abandonment of the cost-reimbursement payment method used not only by Medicare but by private insurers as well, stronger internal controls on the part of hospital management, regional health resource planning and the implementation of the professional standard review organization (PSRO) network to assure proper utilization of health care services.

Pursuant to these long-term goals, our Associations' health bill, the Comprehensive Medicare Reform Act of 1974 (S.3154), would require prospective approval of institutional providers' annual budgets and schedules of charges prepared according to standard accounting proce-



dures. This prospective payment procedure for institutional providers would be complemented by negotiated fee schedule procedures for licensed professional practitioners.

The bill would also carry over and build upon provisions adopted in 1972 to promote regional health resource planning and to create a nationwide system of PSRO's to monitor the utilization of health care services. Our organizations are committed to the PSRO network and that commitment is predicated on the belief that such a system could preclude improper utilization of services and aid in controlling inordinate Medicare and Medicaid cost increases.

On the other hand, we strongly oppose attempts to restrain demand for health care services by the imposition of substantial deductible and other threshold costs. Financial barriers should not block access to health care when it is needed.

Our Associations insist that any national health insurance legislation must deal specifically with the problem of rising health care costs. To be acceptable, such legislation must provide prospective payment procedures with respect to institutional providers and negotiated rates with respect to licensed professional practitioners. We believe that the payment procedures and standards contained in our bill have considerable merit and should be considered.

Like health services, food is an item which consumes a disproportionate portion of the income of the aged. Anticipating an aggravation of the 1973 rate of food price increases, our Associations urge the development of a comprehensive food policy embracing measures to maximize food production and measures to eliminate barriers to the importation of foreign farm products. We do not agree that the interests of consumers and farmers are antithetical, especially in the light of existing price support policies guaranteeing a farm income floor and increasing world food demand.

Proposals to Neutralize the Impact of Inflation on Retirement Income

Our Associations have proposed a variety of remedies to neutralize the impact of inflation on retirement income. Our 1974 legislative program, for example, favors cost-indexing of public retirement systems and private pension plans. Our Associations supported the cost-of-living increases in Old Age, Survivors and Disability Insurance benefits enacted in December 1973, the cost-indexing of the Supplemental Security Income Program achieved as a result of the enactment of Public Law 93-368 (HR 8217), and the proper financing of these improvements.

Our Associations are advocating that cost-of-living increases in Old Age, Survivors and Disability Insurance benefits be financed from general revenues rather than from revenues generated through increases in the taxable wage base or rate of the payroll and self-employment taxes. The additional revenue potential of these tax mechanisms is limited; consequently, the extent to which it is used to preserve gains



made in the past, precludes its use in making needed substantive improvements. Since the federal government is ultimately responsible for controlling inflation and since federal general revenues are increasing as a result of taxpayers being forced into higher federal tax brackets because of cost-of-living wage, salary and pension increases, we do not feel it is unfair or unjustified for the federal government to be responsible for preserving the purchasing power of OASDI benefits by providing the social security trust funds with the additional revenue necessary for that purpose.

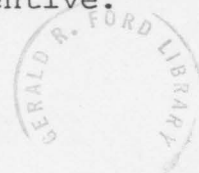
Ancillary to the issue of cost-of-living increases in the OASDI programs, is the issue of the frequency of these increases. Our Associations believe that the method applicable to the civil service retirement system should be adopted for OASDI (and SSI as well).

In view of the vulnerability of the fixed income retiree to the impact of inflation, increasing numbers of older persons who need to work to supplement their incomes find access to the labor market effectively barred by the social security retirement test. Under current law, an employed aged individual will pay social security taxes of 5.85 percent on all his earnings up to \$13,200 and very likely, federal income taxes as well. In addition, for every two dollars that he earns in excess of \$2,400, he will lose \$1 of social security benefits -- an effective tax rate of 50 percent on his excess benefits. This combination of taxes and benefit reductions, that promises to leave the older worker with little net improvement in his income situation, is sufficient to discourage most older persons into retirement.

Our Associations are advocating the removal of the retirement test and the expansion of government sponsored, socially beneficial employment programs for those aged persons who desire, or find it necessary to work. We believe that this latter objective would be achieved by increased appropriations for Title IX of the Older Americans Act.

With respect to private pension plans, our organizations favor legislation to require that pension plans include cost-of-living adjustment features. We believe that such legislation would build upon and complement the basic private pension regulatory legislation which has now received final Congressional approval. In addition, employers should be encouraged to provide retroactive cost-of-living adjustments for their pensioners.

In certain instances where, for example, pension plan actuaries have underestimated the earnings of a plan's trust fund investments and the plan is overfunded, it might be appropriate for a labor union to persuade management to distribute this "accumulated excess" to current retirees in the form of higher benefits. Our organizations have adopted a position in favor of legislation to permit labor unions to bargain collectively for increases in benefits for current retirees and to provide the employer with some corresponding tax incentive.



Also relevant to the subject of cost-indexing as a means of preserving the purchasing power of various forms of retirement income, our Associations recommend the repeal of Regulation Q, which places limits on the rates of interest payable on savings by savings and loan associations and banks, and the indexing of the interest rates payable on Series E and H bonds of the federal government. We also favor a continuation of the recently adopted policy of issuing high interest federal debt instruments in denominations low enough for small savers to gain access to this market.

Older Americans are net savers and, furthermore, small net savers with relatively large percentages of their savings in Series E and H bonds and in savings accounts. With "double digit" inflation, an aged saver who buys new Series E 6% savings bonds will find that he has lost at least 4% on his "investment" at the end of the year. There is no reason why a saver, particularly a small saver, should subsidize the government which is borrowing his money. Insisting that the federal government pay holders of bonds a positive rate of return is hardly a radical idea, particularly when it is the government which is responsible for the control of inflation.

Integral to the subject of cost-indexing for private and public pension plans and retirement systems, is the index to be used. Because the Consumer Price Index for Urban Wage Earners and Clerical Workers is based on the spending patterns of the nation's wage earners, it may not reflect the spending patterns and price experiences of persons in the aged and welfare categories. The use of the existing index to adjust OASDI, SSI, railroad retirement, civil service and other pension and retirement benefits may, because of different expenditure patterns, be resulting in a statistically significant understatement of the amount of benefit increases which these groups should receive.

Our position is that the Bureau of Labor Statistics should be required to determine the need for a separate aged index. The only way to determine this need, of course, is to construct such an index, operate it and evaluate the results. The index should be based on a survey of prices in retail stores where the aged consume and with price weights based upon expenditure patterns which take into account the aged's disproportionately high income expenditure percentages for food, housing and health care.

To protect the aged against the impact of inflation in the health care industry, our Associations are advocating the enactment of legislation to provide the aged and disabled with "comprehensive health care protection". Indeed, because of the recognition that the rising cost of health care is passed through in part, to Medicare beneficiaries as the result of the cost-sharing features, benefit gaps and durational limitations of existing law, comprehensive protection and the restraint of rising health care costs were made the two objectives of our organizations' health bill, the Comprehensive Medicare Reform Act (S. 3154).



In our view, comprehensive protection requires expanding the services covered under Medicare to include such things as outpatient drugs, intermediate care facility services and dental care, reducing or eliminating the existing durational limitations with respect to items and services already covered, eliminating all the deductibles, coinsurance and premiums and substituting therefor a rational system of minimal copayments and superimposing a catastrophic protection feature pursuant to which a Medicare beneficiary would be insulated for the duration of any given year against further copayment liability once he had incurred a maximum liability related to his income (but in no event more than \$750 per family per year). Our organizations are urging that any national health insurance legislation provide a degree of health care protection for the aged comparable to that which would be available to them under the Comprehensive Medicare Reform Act.

INFLATION AS OUR MEMBERS ARE EXPERIENCING IT

The following are excerpts from our members' correspondence. Complete letters are available.

HEALTH

["The second item I would like to mention is that under Medicare, doctors' charges (which have been raised because of the run away inflation) are reimbursed only on the fee the doctor charged two years ago and not his present rate, and we are left holding the sack for the difference which he now charges and what he charged two years ago. This system needs changing to bring it up to date."

#

"The attached Explanation of Benefits from Medicare is a sample of the many EoM B we have received. On a rare occasion we receive credit for the full amount of paid bills for doctors, laboratory or X-ray service.

"Either the senior citizen is being short-changed by the government or overcharged by services of the above. This condition is tragic for the poor unfortunate who has to survive on Social Security and is too proud to apply for welfare aid."

PENSIONS - COST INDEXING

"As everybody knows, retired persons usually have to live on a rather meager income. The plight of the aged is severely worsened by inflation. While Social Security benefits are indexed as protection against inflation, private pensions are not. At an inflation rate of only 10%, the value of a pension is completely eroded after less than 10 years.

"It is high time that legislation be enacted to index private pensions to the cost of living. This is no undue burden on industry. The employees paid good dollars for their pensions, either directly or indirectly. It is only fair for the companies to pay back fair value."

#



"I was retired in 1968 after 41 years in a steel mill. I was a salaried supervisor. In November 1970, the pension plan was updated and a man retiring after that date receives about 75% more per month, nothing was given to personnel who had retired before that date. I think that this is unfair and that there should be a cost of living clause which I would like to see in this bill to take care of all retired workers who are not now covered."

#

"Wouldn't it be a good idea if they could propose to Congress and in the Senate to help some of the retired members with an increase on their pensions, and thus alleviate some of the hardships of its former members. Perhaps there could be such a law made and enforced so that the Unions which deal out pensions to try and increase same as per Social Security."

#

HOUSING

"The effect of inflation on the aging home owner is particularly unfair. The \$20,000 (and horribly complicated) formula for those over 65 offers very little relief. I am sure you will agree that it is highly unrealistic given today's dollar value of homes.

"During the lifetime of a home owner as he or she progresses from home to larger home as family requirements make necessary the inflated price which is received for the last residence is offset by the inflated price of the new one. Eventually, however, the tax on those inflated selling prices must be faced. Unfortunately, that most often occurs when retirement age is reached and the largest of the homes is no longer required nor is it economically possible to maintain it.

"It seems grossly unfair to assess a capital gains tax on personal, owner-occupied residences which are held for years as a living necessity and not for the purpose of turning a profit."

#

"Under the existing U.S. Income Tax Law if a person over 65 years of age sells his residence for \$20,000.00 or less, the profit on the sale, i.e., the capital gain on the sale of residence is not subject to U.S. Income Tax.

"This exemption of \$20,000.00 is not adequate in today's world of 12% inflation. \$20,000.00 may have been fair and adequate when this exemption was granted, but certainly is not so today. I believe that this figure of \$20,000.00 should be increased to \$40,000.00 or more."

#



"Fortunately, I have been living for 6 years in a 3rd floor furnished room, with private bath, paying only \$12 a week rent. On June 1, my landlord gave me a rent notice to move as he needs the space for his son's family. I checked around to find another room with private bath and a hot plate like my place and am shocked at the high rents. The cheapest rent for a furnished room with private bath is \$22 a week and small 1 bedroom efficiency apartments rent for \$110 a month and up. I cannot afford to pay these high rents. The only thing I can do is move into my station wagon and live in a state area where no rents are charged. I do not even eat a square meal and live on Maine sardines and cottage cheese every day."

#

"I retired as a Government carpenter in 1970, tho my salary and also my retirement pay now is not much. They raised my real estate taxes 41%. They claim that when I repaired the back porch and all I did was to put aluminum siding on the bottom to replace the pickets that had rotted out. The siding cost \$30 and they increased the value \$480. I put an aluminum awning on the back of the porch about 10'x15' that cost \$187 from a sales catalogue. They call it a carport. They claim my value is increased \$3,850. I would hate to be forced to sell my home that I saved all these years to pay for and with a thought of security when I was able to retire."

INCOME

"We get a very small pension from my husband's union plus our Social Security and with everthing as high as it is today and still going up its already hard to get along. So can you imagine having to pay income tax on our pension. I think you should try to do something about senior citizens paying income tax on their pensions."

#

For example, my normal monthly SS check from January 1974 thru June 1974 was \$86.20. In July, my current new annuity monthly check was \$87.70 an increase of \$1.50 per month. Social Security Adm. advised me this was due to the premium increase on Part B Medicare beginning July 1, 74. In other words, rob Peter to pay Paul theory.

#

"My wife, at 65, and I, at 72, are part of an unfortunate generation. The depression of the thirties denied us the maximum earning and advancement opportunities during the normally most productive years. During World War II our salaries were frozen and our mobility severely restricted. Pension plans and fringe benefits in commerce and industry did not materialize until the mid or late fifties. Even at that, I was considered too old to participate or unable to transfer what little vested rights I had accumulated to another job. This is not to be considered as a complaint but only a record of the facts.



"To prepare for our old age we carefully budgeted our expenditures throughout our life, denied ourselves many desirable things and slowly, often painfully, accumulated a modest capital by saving nickles, dimes, and dollars. A modest annuity contracted for in the thirties appeared adequate to see us through our retirement age. We never speculated or took undue risks with our hard earned savings but kept it in savings accounts or common stock of public utility companies. All of our lives we never asked for, or received, any public assistance, welfare, unemployment compensation, or sickness benefits.

"Our carefully laid plans for an enjoyable and independent old age are being sabotaged by the cruel inflation aided and abetted by the might U. S. Government. Good solid gold dollars invested in annuities and Social Security are now being repaid to us in inflated, devaluated paper dollars."

#

"Inflation is widely acknowledged to be the most serious problem of the whole country today, but those who have jobs and employment incomes can hope with some confidence that their income will vaguely keep up with inflation. Not so for those of us on fixed incomes. Our problem is the general problem much magnified and accelerated."

#

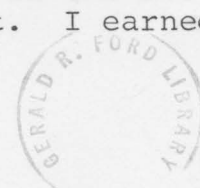
"Inflation is the theft of funds from savers, pensioners, etc. by governments, sellers, unions, etc. That is, funds are tranferred from those unable to resist, to those with the power to demand them."

#

"My husband retired in the spring of 1972 and we looked forward to enjoying the plans we had made - objectives we had decided to achieve - and to complete enjoyment of our 'later year'. Then INFLATION reared its ugly head and with it prices were raised on all things. Our rent UP 40% in twenty-eight months - Gasolene UP 47% in just sixteen months - Gas for home heathing UP 11% and we have not tried to compute the increase in food, clothing, etc. except to note that the cash is sometimes not there when required."

EARNINGS LIMITATION

"I am now working in the capacity as a consulting engineer. I will be 70 years old this year, and when paying my income taxes for last year, I had to pay to the Social Security Administration close to \$900.00. I have paid into Social Security since its inception; and if I should become deceased, the S.S.A. say they would pay the gross amount of \$255.00 to bury me and they keep the rest of what I and the other companies I worked for had paid in over the years. To me, this is nothing but outright "Stealing". After all, I am not, in the above regard, on relief or a ward of the S.S.A. or government. I earned this money and placed it in trust.



"I cannot live on what Social Security pays me. I need to earn extra money and here is where the "Big Gripe" comes in. The earnings ceiling of \$2400.00 a year is a joke. As originally planned I understand, there was no earnings ceiling. I am asking that you vote to change it back as originally set-up."

#

"I am particularly interested in what the Senator has to say because I presently happen to be a victim of the inequity of the earnings limitation in that my earnings for the first three months of 1972, prior to my retirement, are being used as earnings considered in excess of the \$1680 allowed for that year. As a consequence, instead of the 4% increase voted by the Congress to become effective as of April 3, 1974, I will receive a decrease to an amount which is insufficient to meet my living expenses, even when combined with a part time job."

#

"I paid into Social Security every year since its inception and all that time labored under the misapprehension that the benefits I would have coming at age sixty-five would be mine to keep. How wrong I was. I am now sixty-six and my wife and I are drawing benefits to the amount of \$303.70 per month after insurance deductions. Last year my benefits were stopped because I earned \$37000.00. This year, what with property taxes, homeowners insurance, auto insurance, heating oil, electric power, Blue Cross, Blue Shield, life insurance and everything costing much more, I must work the entire year to keep my head above water and lose Social Security benefits in the process or face imprisonment, if I accept benefits not due me by law, but which I paid for down through the years.

"The only work I could find, for a man my age, is located 32 miles from my home, which means driving 64 miles each day, six days a week.

"Social Security allows nothing for the cost of driving to and from work and deducts from our benefits the money earned to pay for gasoline, oil and auto upkeep. And the irony of the whole thing is that I have, so far this year, contributed \$67.89 to FICA for which I will get nothing in return but which is added to my income and thus cuts off all benefits that much sooner."

#

"Due to age discrimination I was retired from a full-time secretarial position at Childrens Hospital of Los Angeles, which posed quite a hardship to me. As I have always been employed, I tried very hard to obtain another full-time position, but try as I did I was not even shown the courtesy of an interview, with all my past experience, due to being age 65. Thus, I have had to resort to part-time work as a typist. This part-time work is definitely a necessity to make ends meet.



"However, in 1973 I earned \$150 over the \$2100 allowed earnings, thus have to pay back \$75.00. In 1974 about October I will have earned more than the \$2400, or rather will have earned \$2400 so will have to report to Social Security and at the end of the year repay around \$300 or more, and maybe you don't think that hurts.

"This limitations ruling should certainly be abolished, for as Senator Goldwater said, we are just trying to make ourselves useful instead of going on welfare, but in so doing are being penalized, and after putting into Social Security since its inception, we are still paying the same high rate of deductions as an ordinary young full-time employee, as the need for additional income above our Social Security allotment is indeed a necessity."

#

"Many of us have had to find jobs to augment Social Security payments. I am one of those who is working to take care of my husband (non-worker) and myself. What is galling is that I am losing my Social Security benefits because of earning a picayune salary.

"My point is ABOLISH THE CEILING ON WAGES EARNED BY THOSE 65 AND OVER."

#

"When I reached age 65 in April of this year and was mandatorily retired, I was quite dismayed to realize that after having worked under Social Security since its inception in 1937 and having always been caused to contribute for the maximum savings possible, I am not able to collect from Social Security because of having deferred compensation in an amount sufficient to be ineligible to receive benefits until after I attain age 72.

"In retrospect, if I could have invested the same amount of money over that long span of time, I would be far better off than under the existing situation."



Gerontological Society

- make Treasury savings bonds available in small denominations on a systematic basis
- SSI should be adjusted on a quarterly basis
- Community service employment should be expanded for older people
- nutrition program should be expanded



General Hamlett

- make Presidential support known
for pay equalization leg. for
military retirees



NATA & AARP

- against 10% gas tax or cut in budget of service programs to the aging.
- fair return to wage & price controls for health industry
- fair health insurance legislative
- social security ^{cost of living} increases be financed thru general revenues
- removal of retirement test



426-4000

426-5344



Nat. Council Sen. Citizens, Inc.

- inflation
- nutrition
- health care
- housing

asks for wage + price controls in health service area only; this is even more necessary now if WHI and its controls are to be instituted.

asks President to come out for soundness of social security

Social security -- need more than once a year benefit increases; move Trust Fund from unified budget; administer SSA by independent board of governors

high housing costs and condominium conversions are threat to elderly

manpower employment - continue Operation Mainstream in title IX Older Americans Act; gov. should increase public service employment for older Americans

need for special aging Consumer price index



AFL-CIO: Report. of Social Security

- SSI and Social Security ^{benefits} must be adjusted more frequently: such as when CPI goes up 3 pts.
 - special aging CPI is needed
 - early retirement
 1. permit retirement under S.S. at 60 with less than full actuarial reduction
 2. shift to an occupational definition of disability for Soc. Sec. + SSI for 55 and over age group
- such soc. security improvements should be financed from general revenues
- need massive effort to find all eligible SSI recipients



Nat. Assn. Retired Federal Employees

- Balance budget in fy '75
- double retirement income credit
- property tax relief



National Council on the Aging

- Urge that elderly not be affected by budget cuts

incomes - eliminate time ~~long~~ between CPI increase and S.S. benefit raise; make SSI at least minimum income floor

Recognize need for employment of elderly; Reexamine early retirement practices



National Caucus of the Black Aged

- SSI guarantee income above poverty level
- massive federal alert re SSI
- emphasis needed on development of
housing and comprehensive geriatric
centers in Black communities
- Passage of comprehensive health
insurance legislation



Memo to Jim Callaghan

From: Pam Wedham

Subject: Major Areas for Discussion
with the President

1. Health

As we said, ~~the~~ we intend
to take a look at how we can
better ~~to~~ involve ^{the recognition}
with an eye toward health
insurance

With the recognition that
health insurance may not be
resolved this year, we're starting
to think about how we can better
present the issue next year. We
intend, as a major part of that
strategy, to much more fully
involve the appropriate interest
groups ~~in~~ in our decision making
process. (Could say something here
about the timing of the proposed
meeting with representatives of those
groups.)

Major health legislation that's
pending derives from the health
insurance proposal and forms a
cohesive plan to develop a balanced
health care delivery system that
can meet the demands of national
health insurance. The three big items
are: health planning, health manpower



and health services. ~~The latter is~~
~~farther~~ All of these we have trouble
with in some form -- health
service is the farthest along and
he should have had a decision
paper on that recently.

2. ^{health} ~~Issues~~ of ~~this~~ are studies
going on in HEW regarding long-term
care and the biomedical research
commission he'll be appointing soon.

2. Aging -

You can report that I'm
working with Arthur Fleming with

You can report that we are
working to see that visible results
follow from his meeting with the
aging group. The vehicle for consideration
of the ^{issues} ~~problems~~ will be the Domestic
Council Committee on Aging ~~and~~ and
be directed by Arthur Fleming with
whom I'm working closely.

3. Social Security

The Social Security Advisory
Council is meeting this year and
will be submitting its recommendations
to the President sometime soon after
the end of the year. We're keeping close
liaison with them as this is
developing into a major concern. A
spate of articles predicting deep
trouble for the Social Security
System has helped to ~~focus~~ focus



attention on the issue and has
panicked some senior citizens into
fearing that the system may go broke.
Cardwell has been very effective
in calming these fears and a
Presidential reassurance along the
same line was one recommendation
of the aging representatives.

The important point is that in
the present the system is sound.
In the long run certain factors
could combine to unbalance the
system. But -- that is why we
are studying the issue now so
that we can plan for the future
and maintain the stability of
the social security system.

Some key facts: Decreasing
birth rates could lead to an actuarial
imbalance by the turn of the century.
The ratio of workers then to retired could
fall from 2 to 1 from the present 3 to 1.
The already high 11.7% payroll tax
on \$13,200 of income would have to
increase accordingly -- especially
if benefits continue to increase at
the rate ~~of 6%~~ they have in the
last 4 $\frac{3}{4}$ years -- a total of 68%.



Alorton

We're preparing a decision paper for ~~your~~^{his} consideration of the possible options in publicly addressing this issue. We expect that ~~you~~^{he} will be receiving a great deal of mail and following Mrs. Ford's statement yesterday -- especially since as Minority Leader and U.S. Rep. he supported the opposite position. This is a highly volatile issue that has brought a great deal of mail (no count avoidable) in opposition to the Rockefeller nomination because of his pro-Alorton position.

Welfare

Sec. Weinberger ~~will be~~^{has} been studying the welfare problem to see what improvements can be made. Despite a reduction in the welfare ~~reduction~~ budget request because a reduction in errors, the system is still a duplicative, inefficient overlapping set of programs. Recently Martha Griffiths released a study that showed just how bad the problem is: for instance a family of 4 in Boston could receive \$6,136 a year in tax-free aid but only \$2,181 in Mississippi. It also showed that welfare continues to



some press conference questions

encourage family break-up, larger
families and disincentives to work.



THE WHITE HOUSE

WASHINGTON

August 22, 1974

MEMORANDUM FOR: PAM NEEDHAM
FROM: JOHN BRODMAN *John Brodman*
SUBJECT: TALKING POINTS FOR PRESIDENTIAL
MEETING WITH SENIOR CITIZENS

2. I know that one of the problems that concerns you most is the problem of inflation. Inflation is a particularly troublesome problem for Senior Citizens because:

- Inflation eats into the value of your savings.
- Inflation makes it extremely difficult for those of you on fixed incomes to maintain your purchasing power.
- Inflation penalizes those of you on low incomes.

4 For this reason, I have declared inflation our country's No. 1 domestic problem. Restoration of price stability will put a stop to the dwindling value of your savings, pensions, and social security payments.

3. We are following a policy of fiscal and monetary restraint to ease the demand pressures in our economy. These policies will be supplemented by other actions designed to promote productivity, efficiency, and stability, such as the new Council on Wage and Price Stability which will monitor wage and price developments in order to expose abuses.

4) Finally, as I have said before, I intend to promote policies that will minimize the adverse effects inflation and our campaign against inflation have on particular groups like senior citizens:



--Social Security payments have been increased 4 times since 1969. They can now automatically rise by 4% a year.

--We also have medicare, medicade, and food stamp programs that are being continuously reviewed in light of our current inflation, to insure that these programs meet the needs of our senior citizens.

5. A complete restoration of balance will be possible only after we successfully moderate inflation. I believe we have the right policies, but we will not win without some sacrifices.
6. I hope the views and recommendations of this group can be fully aired during the upcoming Summit Conference on inflation.



Aging

THE WHITE HOUSE
WASHINGTON

August 16, 1974

MEMORANDUM FOR: DR. JAMES CAVANAUGH ✓
MR. WILLIAM BAROODY

FROM: ~~DAVID~~ PARKER

SUBJECT: Approved Presidential Activity

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Dr. David Hoopes.

Event: Listening Session with Representatives of Senior
Citizen Organizations

Purpose: To discuss problems of the aged and inflation.

Date: Friday, August 23, 1974 Time: 11:00 a.m. Duration: 45 mins.

Location: To be determined by number of participants.

Press Coverage: Full Press Coverage.

cc: Mr. Hartmann
Mr. Marsh

Mr. Cole
Mr. Hoopes
Mr. Jones
Mr. O'Donnell
Mr. Rustand
Mr. Wardell
Mr. terHorst
Mrs. Yates



THE WHITE HOUSE

WASHINGTON

August 21, 1974

MEMORANDUM FOR:

Bertha Adkins
Decker Anstrom
William J. Baroody, Jr.
Frank C. Carlucci
James H. Cavanaugh
Arthur S. Flemming
Theodore C. Marrs
Pamela Needham ✓
Stanley B. Thomas, Jr.

FROM:

Jeffrey P. Eves *J. P. Eves*

SUBJECT:

Presidential Meeting with Old Age and
Retirement Groups

The President will meet with representatives from 19 organizations and associations on Friday, August 23, 1974, for the purpose of discussing problems associated with the aging, especially as they relate to inflation and the current economic situation.

Your attendance at that meeting is requested. The meeting will begin promptly at 2:30 p.m. in the Cabinet Room of the White House. Specific seats have been assigned, and you will find your name card in the appropriate location.

The meeting is expected to last approximately 45 minutes. The President regards this meeting as a listening session and is desirous of hearing the views of the invited organizations.

Attached to this memorandum please find a list of the non-government participants we anticipate having present at this meeting. Also attached to this memorandum is a list of government personnel invited to attend.

Please note that the meeting will begin at 2:30 p.m. This is a change from an earlier anticipated starting time of 11:00 a.m. The



Page 2
August 21, 1974

association representatives are also invited to attend the signing ceremony for the Employee Retirement Income Security Act of 1974, which is scheduled to take place in the East Room at 2:00 p.m. Please call me directly at (202) 456-6454 if you have any questions.





DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

August 22, 1974

MEMORANDUM FOR PAM NEEDHAM
THE WHITE HOUSE

Enclosed is material for use in providing briefing information to the President for the meeting with the Old Age and Retirement Groups.

At Tab A are some suggested talking points.

At Tab B and its subdivisions are background information on various programs dealing directly with the elderly.

At Tab C is information about the Supplementary Security Income Program.

At Tab D is information about the Department's efforts in the nursing home area and about the establishment of the National Institute of Aging.

David H. Lissy
Executive Secretary
to the Department

Enclosures



Tab
A



Tab
B



Older Population of the United States - 1974

Population 65 years and older-----21.7 million
(This represents 10.2% of the total population)

Males----- 9.0 million

Females-----12.7 million

Ratio Females to Males-----142 women
per 100 men

Ethnicity

White-----19.8 million

Minority----- 1.9 million

Residence

Metropolitan Areas-----64 percent

Outside of Metropolitan Areas-----36 percent

Average life expectancy at birth (1972)

Males-----67.4 years

Females-----75.2 years

Labor Force participation

Males-----23%----- 1.9 million

Females-----9%----- 1.1 million

Voting participation - 1972

Older people are 15 percent of the voting population;
63 percent of older people voted.

Health

About 1 million (5.0 percent) are in institutions.

Another 5 percent are homebound

1 in 4 older people enter a hospital each year

Health costs per year are \$1,052, three times as
much as for people below 65 (1972)

Medicare covers about \$425 or 40 percent of health costs.

Income Status

18 percent of older couples are classified as
Poor or Near-Poor by the Bureau of the Census
(incomes below \$3,328).

49 percent of older non-related individuals are
Poor or Near-Poor (incomes below \$2,649)

Social Security beneficiaries

65 years and older-----19.7 million

60 years and older-----22 million



Tab
B-1



SUGGESTED TALKING POINTS

A. Involvement

1. We must do a better job of opening up opportunities for older persons for continued involvement in the life of our nation.
2. Non-involvement on the part of older persons leads to rapid mental, physical and spiritual deterioration.
3. In addition our nation needs the unique contributions older persons can make to our society.
4. We will support programs such as those administered by the Department of Labor and ACTION which provide paid and volunteer service opportunities for older Americans.

B. Income

1. The income of older persons will not be reduced.
2. We will work with the Congress to implement those provisions of the law calling for automatic increases in social security and supplemental security income benefits, based on increases in the cost of living.
3. Looking down the road older persons should have the opportunity in increases in standard of living growing out of increases in productivity.

C. Advocacy

1. We now have a network of strengthened state agencies on aging in every State, and newly established area agencies on aging in 412 of the sub-State areas which cover the nation.
2. We expect both the state and area agencies to become focal points for coordination and stimulation of aging activities at their respective levels of government.
3. We expect also that those associated with these agencies will serve as advocates for older persons in connection with all of the issues confronting them, and in persuading other public and private agencies to devote more of their resources to better serving the older population.



D. Services

1. Our objective is to enable older persons to live in their own homes or other places of residence as long as possible. There will be no retreats.
2. We will do everything possible to move by pooling more effectively the resources and services, both public and private, that are now available, in order to expand and improve existing services such as information and referral, and homemaker-home health aides, and move toward comprehensive, coordinated services for older Americans.
3. We have made significant strides in the directions of opening up services for older persons. For example, 208,000 meals are now being served to older persons, predominantly low-income and minority, five days a week at 4700 sites.

E. Nursing Homes

1. We will continue to follow a policy of refusing to use Federal funds to subsidize substandard nursing homes.
2. Former President Nixon's eight-point program will continue to be the cornerstone for our program in this area.
3. There will be vigorous enforcement of regulations under the direction of the Secretary of Health, Education, and Welfare.
4. We will work cooperatively with the owners and operators of nursing homes in order to improve the quality of care.



Tab
B-2



BRIEFING PAPER ON ACCOMPLISHMENTS AND PROBLEMS
IN IMPLEMENTATION OF THE SUPPLEMENTAL SECURITY
INCOME (SSI) PROGRAM FOR USE BY THE PRESIDENT

P.L. 92-603, signed by the President on October 30, 1972, established a new Federal program designed to meet the needs of aged, blind and disabled people with limited income. This program, known as the Supplemental Security Income program became effective on January 1, 1974 and replaced the former State and locally administered programs providing cash assistance to the aged, blind and disabled. Implementation of the program required the combined efforts of the Federal, State and local governments and was a massive undertaking that was complicated further by two sets of legislative changes that took place in the latter half of 1973.

The initial step in implementing the SSI program required the conversion of over 3 million aged, blind and disabled individuals from the State and local assistance rolls to the new Federal Supplemental Security Income rolls. In order to accomplish this, arrangements had to be made with 1350 State and local jurisdictions throughout the nation.

In addition to converting the State and local assistance rolls, preparations had to be made to accept applications from those individuals who in the past did not participate in the old State public assistance programs for the aged, blind, and disabled.

In January 1974, checks were sent to 3.2 million individuals. There were problems encountered in this process and some people failed to receive their checks on time or in the right amount. However, it is estimated that over 90% of those eligible received their checks in the correct amount in January 1974.

During the first six months of the SSI program, approximately 1.5 million new applications were filed with the Social Security Administration. The vast majority of these claims have been processed and checks have been sent to eligible individuals. Again, problems have been encountered with the processing of these new applications. However, progress is being made daily and the objective for the balance of this year is to arrive at final decisions on claims filed by the aged within 30 days.

In addition to the processing problems experienced during the first eight months of the SSI program, local district offices experienced large crowds and as a result some elderly people were inconvenienced. This occurred despite of major expansion in new field facilities with large numbers of new personnel having been recruited to staff them. In some places crowds at local SSA offices are still quite large, but as progress is made in resolving operational problems, the crowds will decrease and high caliber public service should again be evident in local social security offices throughout the Nation.



Statistical Highlights - Fiscal Year 1974

1. Beneficiaries and Payments

Over 3.6 million people were receiving supplemental security income (SSI) benefits at the end of June 1974, of whom approximately 19 percent were newly eligible and 81 percent were converted from State rolls.

In fiscal year 1974, benefits in the amount of \$2,519,674,325 were paid under the SSI program.

2. Claims Workload

Over 1.5 million SSI applications were received in fiscal year 1974, with 1.1 million of them processed. Of the total applicants, 44 percent are in payment status, 25 percent were denied, suspended, or terminated, and 31 percent have not had final adjudication of their claims (mostly disability claims which require State agency evaluation).

Current Statistics (Through August 8)

As of August 8, 1974, over 3.3 million conversion and 1.7 million new supplemental security income (SSI) claims had been received. Of these, 4.6 million had been completely processed, with 3.6 million (78 percent) in pay status and slightly over 1 million (22 percent) having been denied, suspended, or terminated.

Twenty-six percent of the total 436,000 new cases still pending are in the aged category. The rest, 323,000, are blind/disabled pending claims.

Benefits Payments Certified to Treasury (in millions)

	<u>Current Month</u>	<u>FY 1975 Cumulative</u>	<u>FY 1975 Budget</u>
Number of beneficiaries	3.6	N/A	5.6
Amount	\$419.0	\$859.3	\$4,323.4



Tab
D



PRESIDENTIAL INITIATIVE TO IMPROVE QUALITY OF CARE AND
LIFE IN NURSING HOMES -- DHEW'S ACTION PROGRAM

Prior to January 27 of this year there existed in this country no common set of standards and procedures by which skilled nursing facilities and intermediate care facilities could be inspected and certified for Medicaid and Medicare patients. Numerous complaints had been received from friends or relatives of patients concerned with the quality of care provided, rules and regulations or administrative policies, and payment procedures in nursing homes.

In order to address these several concerns, the Office of Nursing Home Affairs (ONHA) of DHEW has met with such groups as the American Association of Homes for the Aging, the American Nursing Home Association, the American College of Nursing Home Administrators, the American Medical Association, and the American Nurses' Association, as well as the American Association of Retired Persons/National Association of Retired Persons and the National Council of Senior Citizens.

The standards that have now been developed have given DHEW an efficient mechanism for inspecting and certifying nursing homes which receive Federal funds, and allowing them to place special emphasis on the health and safety of patients. The DHEW Regional Director in each regional office is accountable for the success or failure of this endeavor. Additional studies are still being conducted in the areas of 1) quality of care; 2) assessment of alternatives to institutional care; and 3) data collection.

Of the 23,000 nursing homes in the United States, approximately 7,300 are certified to provide health services to Medicare or Medicaid patients, and about 8,000 for intermediate care services. This fiscal year, the Federal costs of paying for care in these institutions reached \$2,058 billion.

NURSING HOME SURVEY

DHEW is now conducting unannounced survey visits of 300 nursing homes, selected at random, which serve Medicare and Medicaid patients. The goals of these survey visits are:

1. Demonstrate Federal presence and commitment to improve the quality and safety for the care of older Americans, particularly in nursing homes.



2. Obtain a statistically valid picture of how "good" or "bad" the situation is.
3. Support newly-established Divisions of Long Term Care in each HEW Region to see that adequate resources are provided and personnel are trained to do the job.
4. Develop a follow-up program with Agencies to deal with the findings of the survey.

The thrust of the long term care strategy campaign is to improve the status of care being provided in nursing homes. The information gathered will be fundamental in developing management information systems about Life Safety Code inspections, certification status of individual homes, and a cost of care index, similar to the cost of living index.

PATIENTS' BILL OF RIGHTS

In response to strong support from numerous national and state advocacy groups for senior citizens, DHEW has drafted a Patients' Bill of Rights to be published in the Federal Register as a regulation. Both Title XVIII, Skilled Nursing Facilities, and Title XIX, Intermediate Care Facilities, will be covered under the proposed regulation, which will permit couples on Medicaid to be placed in the same facility and will make certain that Medicare patients are ensured consideration and privacy as married persons. Patients will have the opportunity to participate in the planning of the medical treatment and to refuse to participate in experimental research. Patients and residents may manage their personal financial affairs or be given an accounting of financial transactions made on their behalf.

NATIONAL INSTITUTE OF AGING

On May 31, 1974 a bill was signed establishing a National Institute of Aging (NIA). The eleventh Institute of NIH has a proposed fiscal 1975 budget of \$13.8 million. The search for a Director for the new Institute is now underway.

The nucleus of the new Institute will be built around the Gerontology Research Center and the Adult Development and Aging Branch, an element to be transferred from the National Institute of Child Health and Human Development.



Title III of the Older Americans Act
-Comprehensive and Coordinated Service Systems for Older Americans-

The overall objective of the Title III program is to develop at the sub-State level systems of coordinated and comprehensive services which will enable older persons to live in their own homes or other places of residence as long as possible.

In order to participate in this program, State agencies must prepare and execute an annual State plan which outlines specific objectives for movement toward comprehensive and coordinated services for older people.

The plan must be submitted by the Governor of the State after public hearings, and is then submitted to the Commissioner on Aging for his approval.

In implementing this program, State agencies have divided each State into planning and service areas. The State agency designates Area Agencies on Aging to develop and implement area plans. These plans are designed to carry-out the objectives set forth in the State Plan. Area plans are submitted to the State agency for approval.

Title III is a Federal-State formula grant program with the following Federal matching ratios: (1) seventy-five percent for the administration of the State plan; (2) ninety percent for the support of services under approved area plans; (3) seventy-five percent for support of services provided outside planning and service areas with approved area plans; and (4) seventy-five percent for support of transportation services to meet the special needs of the elderly.

Accomplishments under Title III:

In Fiscal Year 1974, State Plans were approved in 56 States and Territories. The Governors have divided their States into 620 Planning and Service areas. 412 Area Agencies on Aging have been designated and funded. These Area Agencies cover 60 to 70 percent of the nation's 60 plus population.

In addition to development of Area Agencies on Aging, States have provided support for 327 community grant projects in areas that have not yet received approval of an area plan.



Tab
B-3



Title VII of the Older Americans Act
-National Nutrition Program for the Elderly-

Title VII of the Older Americans Act authorizes a National Nutrition Program for the Elderly which is designed to meet the nutritional and socialization needs of individuals, aged sixty or older, who do not eat adequately because (1) they cannot afford to do so; (2) they lack the knowledge and/or skills to select and prepare nourishing and well-balanced meals; (3) they have limited mobility which may impair their capacity to shop and cook for themselves; and (4) they have feelings of rejection and loneliness which obliterate the incentive to prepare and eat a meal alone.

The program is administered in each State by the State Agency on Aging, unless another State Agency is designated by the Governor and approved by the Commissioner on Aging. The administering agency makes grants to, or contracts with, public or private nonprofit agencies, institutions, or organizations for the purpose of establishing and operating nutrition projects.

To participate in the program, each State must submit to the Commissioner on Aging a State plan which among other things, assures that each project will serve primarily low-income older persons. Provision must also be made to serve the needs of minority older persons.

Title VII is a Federal-State formula grant program with a Federal match of ninety percent. Up to twenty percent of a State's allotment may be used for supporting services.

Emphasis is given to providing meals in congregate settings. Home-delivered meals, where needed, may also be provided to the homebound, but only as a component of a congregate meal program. The nutrition projects must provide at least one hot meal a day five days a week, except in designated rural areas. The projects must also include a range of supportive social services.

Participants in the nutrition projects are given the opportunity to pay all or part of the cost of the meals. No means test is required and no one is turned away on the basis of inability to pay for a meal.

Accomplishments under Title VII:

As of August the 16th, 664 nutrition projects have been funded in 54 States and Territories and are in operation. These projects are serving 208,000 meals daily at 4,700 meal sites. Four hundred and fifty-one (451) of the nutrition projects are in urban settings. 87% of the meals are being served in a congregate setting and 13% are home delivered.

States report that 33% of the meals served are being served to members of minority groups. The report from States also indicates that 66% of the meals served are being served to persons below the Census Bureau poverty threshold.



Tab
B-4



EMPLOYMENT OPPORTUNITIES
FOR OLDER PERSONS

In 1973, about 23 percent of men 65 and older, and 9 percent of women 65 and older, were in the labor force, with concentration in three low-earnings categories: part time, agriculture, and self employment. Unemployment rates among older people are reported low due partly to the fact that discouraged older workers stop seeking jobs and leave the labor market. However, for millions of older people, living on fixed incomes unless they work, retirement is impossible. They must endure age discrimination in employment, deal with mandatory retirement policies, and still find employment in order to supplement meager pensions and social security benefits.

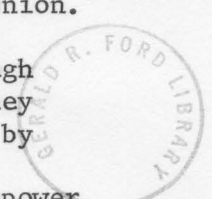
Several actions have been taken by the Administration and Congress to ameliorate the employment problems which confront older people, including:

- liberalization of the retirement/earnings test for social security (workers under 72 are now permitted to earn up to \$2400 before \$1 in benefits is withheld for each \$2 of earnings above that amount);
- enforcement of the Age Discrimination in Employment Act, for which \$3 million is authorized; and
- increased support for volunteer programs for older persons, including the Retired Senior Volunteers Program, the Foster Grandparents Program, and the newly enacted Senior Companion Program, all administered by ACTION.

In addition, employment programs for older people have been supported, with the assistance of National Aging Organizations. These programs are:

- Operation Mainstream, which is funded at a level of \$20 million through June 1975, and provides training and employment opportunities to low-income adults 55 and older, on a full-time or part-time basis. The Department of Labor contracts with five national organizations to administer the program--- the National Council of Senior Citizens operates Senior Aides; the National Council on the Aging, the Senior Community Service Project; the American Association of Retired Persons/National Retired Teachers Association, the Senior Community Aides Program; the U.S. Forest Service, Operation Mainstream; and the National Farmers Union, Green Thumb.
- the Senior Community Service Employment Program ("Title IX"), which was enacted in 1973 and provides useful part-time work opportunities in community service activities for low-income persons 55 years old and older. The \$10 million which has been appropriated from FY 1974 funds for FY 1975 operation of Title IX has been awarded to the same national contractors who are operating Operation Mainstream--- NCSC, NCOA, AARP/NRTA, the Forest Service, and the National Farmers Union.

These programs will continue to operate on a categorical basis through Fiscal Year 1975. After that point, however, it is intended that they become part of the overall manpower program that will be controlled by State and local elected officials, who will set manpower priorities within their States under the provisions of the recently enacted manpower revenue sharing legislation, the Comprehensive Employment and Training Act (CETA).



Tab
B-5



TRANSPORTATION FOR THE ELDERLY

The Administration has given high priority to developing full access for the elderly to transportation in order to assure that Older Americans can participate fully in community life and receive needed services. For example:

- . Transportation is one of the supportive social services which must be provided under Title VII of the Older Americans Act (the Nutrition Program for the Elderly) to the extent that such services are needed and are not already available and accessible to the individuals participating in nutrition projects. As of June 30, 1974, approximately 80 percent of all Title VII nutrition projects were providing transportation services to their participants.
- . Transportation is also one of the many services which may be provided or coordinated under Title III of the Older Americans Act (Comprehensive, Coordinated Services for Older Americans). A recently enacted amendment to Title III (P.L. 93-351) authorizes (\$35 million) funds for the provision of transportation services to the elderly, with priority placed on supportive transportation in connection with nutrition projects operated under Title VII and on the provision of transportation services in areas where there is no public transportation or where the existing public transportation is inadequate to meet the special needs of the elderly.
- . The Department of Transportation and the Administration on Aging have recently effected a joint working agreement which pledges mutual cooperation and coordination in actions designed to achieve increased mobility of older persons by improving their access to public and specialized transportation systems in urban areas. Specifically noted in the working agreement were the plans developed by the Department of Transportation to implement Section 16(b)(2) of the Urban Mass Transportation Act.
- . Under Section 16(b)(2) of the Urban Mass Transportation Act, \$20 million has been set aside in Fiscal Year 1975 for capital assistance grants and loans to private, nonprofit corporations and associations for the specific purpose of assisting them in providing transportation services meeting the special needs of elderly and handicapped persons.
- . Under Section 412 of the Older Americans Act the Administration on Aging is charged with the task of conducting a study and survey of the transportation problems of older Americans and is directed to submit a report on the findings of this study with recommendations to the President, to the Congress and to the Secretary of Health, Education and Welfare, no later than January 1, 1975. This comprehensive study is being carried out on the basis of findings from Administration on Aging and Department of Transportation past and current research and demonstration projects, as well as program experience.



Tab
C



INTERAGENCY AGREEMENTS ON BEHALF OF THE AGING

In its pursuit of activities to assist older persons, the Federal Government is committed to the objective of effectively coordinating those Federal resources which currently or potentially impact on the aged and aging. Among the coordinative actions taken over the past year to increase the efficacy of Federal expenditures upon the interests of the aging, one can identify the following:

- . The Committee on Aging of the Domestic Council has established an Interdepartmental Work Group and task forces in specific areas of interest to older persons. Initial steps have been taken to lay the groundwork for coordinated planning and programming in the areas of research, nutrition, and transportation and energy. A task force was also recently established to develop Federal-wide plans for assisting in the development and maintenance of information and referral sources available to older persons.
- . The Social Security Administration and the Administration on Aging have jointly conducted a program entitled "SSI-Alert." This program is designed to identify and assist older persons who are potential recipients of assistance under the new Supplemental Security Income Program.
- . The Department of Transportation has effected a working agreement with the Administration on Aging, under which it will make current year funds available under its Urban Mass Transportation program, for capital grants and loans to increase the access of older and handicapped persons to public and specialized transportation systems.
- . ACTION and the Administration on Aging have developed joint program objectives under which increased opportunities for volunteer service are afforded older persons. An agreement will also soon be finalized between these two agencies and the Office of Child Development. This agreement will increase the opportunity for involvement of older volunteers in the Head Start program.
- . Negotiations are currently underway within the Department of Health, Education, and Welfare, to develop formal cooperative agreements among relevant HEW components working in the areas of social and rehabilitation services, long term care, community services and mental health services, comprehensive health planning, and information and referral services.



EXECUTIVE

WES
F66-11-1/Baroody
Jm J.

THE WHITE HOUSE
WASHINGTON

August 24, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM J. BAROODY, JR.

SUBJECT: Old Age and Senior Citizens Meeting

filed same On August 23, 1974, the President met at 2:00 p.m. for about an hour with 20 representatives of national associations on the aging and retired persons to discuss old age problems, especially as they relate to inflation and the current economic situation.

There are 21 million U.S. citizens over 65 years of age, and the associations present at the meeting represent over half this many people. A list of attendees is attached under Tab A.

The meeting lasted for 1 1/2 hours with Mr. Baroody chairing the meeting after the President departed. The President opened the meeting with introductory remarks proclaiming inflation "Public Enemy No. 1." He recognized the special circumstances of senior citizens living on fixed incomes and expressed interest in hearing their problems. The President announced that he will sign the Pension Reform Bill on Labor Day and expressed support for the Health Care legislation.

While the recommendations of the group varied slightly from person to person and from group to group, there were a number of points made that appeared to be universal concerns of all senior citizens organizations.

Recommendations with Wide Endorsement:

1. Health insurance is long overdue and badly needed. A good bill taking adequate care of the problem is essential.
2. Inflation must be halted. It hurts old age people and those on fixed incomes with the most severity.
3. While total federal spending must be put into balance, cuts should not be made in programs for the elderly.
4. Mandatory retirement at age 65 should be abolished.
5. Medical costs have shot up dramatically since controls have been lifted (16.3%).



6. The importance and recognition of our senior citizens must be highlighted. They should be involved in the Summit.
7. Social Security should be improved, red tape reduced, and more information available.
8. More should be done in area of transportation for the aged.

Recommendations with Isolated Endorsement:

1. Hartke-Wilson proposal endorsed for older retirees -- equalization of retired military pay.
2. Double the retirement income credit.
3. No reimposition of wage/price controls, but controls on medical costs preferred.
4. Establish minimum income above poverty level.
5. Much greater emphasis on housing and geriatric centers for the old.
6. Do something about people who must retire early due to illness.
7. Change Regulation Q so small savers get same interest rate as big savers.
8. Provide means of productive work opportunities for older people.
9. Government should not cut back on nutrition program.

Follow Up

1. All attendees to receive "thank you" letter from President for coming and for their expressed interest in "our common problem."
2. Autographed pictures of President to be sent to attendees.
3. Send White House official photo of meeting.
4. Baroody operation to continue follow-up activities and stay in contact with group.
5. Jim Cavanaugh will take lead to look into specific things that can be done in this area pursuant to recommendations. He will coordinate with HEW.



WHITE HOUSE MEETING
CABINET ROOM

August 23, 1974 - 2:00 p.m.

ATTENDANCE

Government Personnel

The President

Bertha Adkins
Chairman
Federal Council on Aging

Decker Anstrom
Special Assistant to the Commissioner
Administration on Aging
HEW

William J. Baroody, Jr.
Special Consultant to the President
The White House

Frank C. Carlucci
Under Secretary
HEW

James H. Cavanaugh
Deputy Assistant
Domestic Council
The White House

Loretta Donschikowski
Secretary to Mr. Eves
The White House

Dr. Charles C. Edwards
Assistant Secretary for Health
HEW

Jeffrey P. Eves
Staff Assistant to the President
The White House

Mike Mulligan
White House Intern

Arthur S. Flemming
U.S. Commissioner on Aging
Administration on Aging
HEW

Robert T. Hartmann
Counsellor to the President
The White House

Theodore C. Marrs
Special Assistant to the President
The White House

John O. Marsh, Jr.
Counsellor to the President
The White House

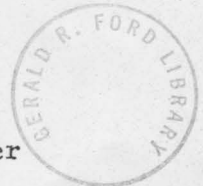
Pamela Needham
Staff Assistant, Domestic Council
The White House

Velma Shelton
Secretary to Dr. Marrs
The White House

Cleonice Tavani
Executive Director
Federal Council on Aging
HEW

Stanley B. Thomas, Jr.
Assistant Secretary for Human
Development
HEW

James Cardwell, Commissioner
Social Security Administration



Associations

Albert J. Abrams
Secretary of the Senate
New York State Capitol

Robert J. Ahrens
Director
Mayor's Office for Senior Citizens

Wiley M. Crittenden, Jr.
President
American Nursing Home Association

Nelson H. Cruikshank
President
National Council of Senior Citizens

Barskdale Hamlett
National President
Retired Officers Association

William Hutton
Executive Director
National Council of Senior Citizens

Hobart Jackson
Chairman, National Caucus on
the Black Aged

Edwin Kaskowitz
Executive Director
Gerontological Society

Margaret Kuhn
The Gray Panthers

John B. Martin
American Association of Retired
Persons

Mary Mullen
National Association of Retired
Teachers

Bernard Nash
Executive Director
American Association of Retired
Persons

Jack Ossofsky
Executive Director
National Council on the Aging

Bert Seidman
Director, Department of Social
Security
AFL-CIO

Ethel Shanas
President
National Gerontological Society

Richard A. Short
President
American Association of Homes
for the Aging

Clarence Tarr
Acting President
National Association of Retired
Federal Employees

Harry F. Walker
President
National Association of State Units
on Aging

Douglas O. Woodruff
President
American Association of Retired
Persons

Albin Yokie
Executive Vice President
American College of Nursing
Home Administrators



J.W.
THE WHITE HOUSE
WASHINGTON

August 24, 1974

MEMORANDUM FOR: ~~Jim Cavanaugh~~

FROM: Jeff Eves

Attached for your information is a copy of Bill's memorandum to the President this date.

On Monday I will send to you the complete notes taken of Friday's meeting with senior citizens.

I expect a letter to go out to all of these groups within the next several days asking that they send us their statements and recommendations. As soon as those are in, I will forward them directly to you.

Thank you very much for all of your great help on putting this meeting together. I really appreciate it.

Attachment

*Good
work*

recd. 8/26/74



EXECUTIVE

WES
BE5-3
PR 7-1

August 29, 1974

Dear Mr. Seidman:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. Bert Seidman
Director
Department of Social Security
AFL-CIO
815 16th Street, NW.
Washington, D.C.

GRF:JPE:jcja

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Appointment Schedule filed: Ed WES 8/22/74

70 listening session on aging

August 29, 1974

Dear Mr. Ahrens:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. Robert J. Ahrens
Director
Mayor's Office for Senior Citizens
City of Chicago
330 South Wells Street
Chicago, Illinois 60606

GRF:JPE:cja

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70 Listening session on aging

August 29, 1974

Dear Mr. Tarr:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. Clarence Tarr
Acting President
National Association of
Retired Federal Employees
1533 New Hampshire Avenue, NW.
Washington, D.C.

GRF:JPE:cja

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70 Listening session on aging

August 29, 1974

Dear John:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. John B. Martin
American Association
of Retired Persons
1225 Connecticut Avenue, NW.
Washington, D.C.

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70 *Listening session on aging*

August 29, 1974

Dear Mr. Jackson:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. Hobart Jackson
Chairman
National Caucus on the
Black Aged
4400 West Girard Avenue
Philadelphia, Pennsylvania

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70 Listening session on aging

August 29, 1974

Dear Mr. Short:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. Richard A. Short
President
American Association of
Homes for the Aging
Presbyterian Home, Inc.
Post Office Box 2007
High Point, North Carolina

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70 Listening session on aging

August 29, 1974

Dear Mrs. Shanas:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Sincerely,

GERALD R. FORD

Mrs. Ethel Shanas
President
National Gerontological Society
609 Sheridan Road
Evanston, Illinois 60202

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70 *Listening session on aging*

August 29, 1974

Dear Mr. Woodruff:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. Douglas O. Woodruff
President
American Association of
Retired Persons
372 H Street
Salt Lake City, Utah 84103

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70 *Listening session on aging*

August 29, 1974

Dear Mr. Crittenden:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

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Sincerely,

GERALD R. FORD

Mr. Wiley M. Crittenden, Jr.
President
American Nursing Home
Association
Oakmont Nursing Home
Greenville, South Carolina

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70 listening session on aging

August 29, 1974

Dear Mrs. Kuhn:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

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Sincerely,

GERALD R. FORD

Mrs. Margaret Kuhn
The Gray Panthers
6342 Greene Street
Philadelphia, Pennsylvania 19144

GRF:JPE:cja

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70 *listening session on aging*

August 29, 1974

Dear Mr. Hutton:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

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Sincerely,

GERALD R. FORD

Mr. William Hutton
Executive Director
National Council of
Senior Citizens
1511 K Street, NW.
Washington, D.C.

GRF:JPE:cja

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70 Listening session on aging

August 29, 1974

Dear Mr. Ossofsky:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Sincerely,

GERALD R. FORD

Mr. Jack Ossofsky
Executive Director
National Council on
the Aging
1828 L Street, NW.
Washington, D.C.

GRF:JPE:cja

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70 Listening session on aging

August 29, 1974

Dear Mr. Kaskowitz:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Sincerely,

GERALD R. FORD

Mr. Edwin Kaskowitz
Executive Director
Gerontological Society
One DuPont Circle
Washington, D.C.

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70 *Listening session on aging*

August 29, 1974

Dear Mr. Walker:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

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Sincerely,

GERALD R. FORD

Mr. Harry F. Walker
President
National Association of
State Units on Aging
Room 400
1123 Eutaw Street
Baltimore, Maryland 21201

GRF:JPE:cja

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70 Listening session on aging

August 29, 1974

Dear Mr. Yokie:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Your interest in the insurance matter and our inclusion of the economics of aging in our summit meetings are part of the approach we need at this time. Your candor and cooperation can help lead to effective compromise and good, early health insurance legislation.

Sincerely,

GERALD R. FORD

Mr. J. Albin Yokie
Executive Vice President
American College of Nursing
Home Administrators
Suite 409
8641 Colesville Road
Silver Spring, Maryland 20910

GRF:JPE:cja

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SEP 2 1974

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70 *Listening session on aging*

August 29, 1974

Dear Mr. Cruikshank:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

Of great importance and closely related to our attack on Public Enemy One is the need for resolution of differing views in health insurance -- particularly to meet the catastrophic tragedies so often a factor in the lives of senior citizens.

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Sincerely,

GERALD R. FORD

Mr. Nelson H. Cruikshank
President
National Council of
Senior Citizens
1511 K Street, NW.
Washington, D.C.

GRF:JPE:cja

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70 Listening Session on Aging

August 29, 1974

Dear Mr. Nash:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Sincerely,

GERALD R. FORD

Mr. Bernard Nash
Executive Director
American Association
of Retired Persons
1225 Connecticut Avenue, NW.
Washington, D.C.

200 36

GRF:JPE:cja

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70 Listening Session on aging

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August 29, 1974

Dear Miss Mullen:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Sincerely,

GERALD R. FORD

Miss Mary Mullen
National Association
of Retired Teachers
2011 San Remo Drive
Laguna Beach, California 92651

GRF:JPE:cja



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70 Re: listening session on aging

August 29, 1974

Dear General:

Thank you for joining me last Friday and contributing to my "listening session" on the problems of the aging. With the great majority of our twenty-one million Americans over sixty-five years of age living on fixed incomes, it is essential that inflation be combatted effectively.

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Sincerely,

GERALD R. FORD

General Barskdale Hamlett
National President
Retired Officers Association
National Headquarters
1625 Eye Street, NW.
Washington, D.C. 20006

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70 Re: Aging

Name	Date
<i>Trudy Fay</i>	<i>11-21-74</i>