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(re: Decker Custom's  
request)

THE WHITE HOUSE  
WASHINGTON

Pam -

See p. 7 for  
mention of elderly  
& food.

Not for  
Decker &  
file

Peggy  
4/7



PRESS CONFERENCE NO. 9

of the

PRESIDENT OF THE UNITED STATES

11:05 A.M. EDT  
February 26, 1975  
Wednesday

In the Convention Hall  
At the Diplomat Hotel  
Hollywood, Florida

THE PRESIDENT: Good morning. Will you please sit down.

First, let me express my appreciation to the people of Florida for their hospitality. It has been a pleasure being here, and I look forward to the rest of the day.

Before answering questions, I have a short prepared statement that I would like to make at the outset. It reads as follows:

"There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.

"There should be no doubt about the position of this Administration and the United States. Such discrimination is totally contrary to the American tradition and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.

"Foreign businessmen and investors are most welcome in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States."

Mr. McDermott.

QUESTION: Mr. President, what was behind Dr. Kissinger's recent observation that some day we might have to go in and destroy the oil wells of the Middle East? Do you envision such a possibility ever happening?

MORE

(OVER)

THE PRESIDENT: I do not recollect the precise statement that is attributed to the Secretary. I suspect you are referring to the oft quoted statement about strangulation.

I have answered that question, as has the Secretary, on a number of occasions. To be repetitive at this point I think might only increase speculation. The facts are that there was an answer to a very hypothetical question of the most extreme circumstances, and both the Secretary and I have indicated our views on the subject.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, is what you call our moral commitment to arm South Vietnam and Cambodia open-ended, and what are you doing specifically to bring the warring parties to the peace table?

THE PRESIDENT: The commitment that we have to the South Vietnamese and the commitment that we have to some extent in Cambodia is one that we, as the United States, agreed at the Paris Peace accords, that we would withdraw our forces and that hopefully peace would be established in Indochina.

Part of our commitment was that we would, in the process or as the result of the withdrawal of our own military personnel, we would continue to supply arms on a replacement basis, and that commitment was predicated on the willingness of the South Vietnamese to fight aggression from North Vietnam.

The South Vietnamese are fighting, are trying to protect their country, and are seeking to defend their country from invasion. It seems to me that as we look back at our participation in the Paris accords, and the promises that were made, as long as they were willing to fight against aggression and invasion, that we had an obligation to help them with military equipment on a replacement basis.

The situation there is one that I am willing to negotiate with the Congress. I indicated that if the Congress would join with me, we would make a firm and final decision on a three-year basis to permit South Vietnam to get over the current crisis that they face.

I think that would be a reasonable solution. I am told that the South Vietnamese in a three-year period, with our military and economic aid, would be able to handle the situation.

MORE



QUESTION: What about Cambodia?

THE PRESIDENT: Cambodia, the problem there is extremely critical. Unless there is additional U. S. military aid, as I have recommended, the Cambodians will run out of ammunition in a relatively short period of time. I think that that would be most unfortunate because if they are able -- between now and the end of the dry season -- to maintain their national integrity -- the present government -- there is a possibility of negotiations that might end the war in Cambodia.

QUESTION: Mr. President with reference to your energy-economic program, Congress is going off in one direction. You have suggested another direction. You have also suggested that you are willing to compromise. I wonder if you might specify some of those areas of compromise?

THE PRESIDENT: I wish there was a single plan proposed by the majority party in the Congress. It is a slight exaggeration, but there are many, many plans that have been discussed by the majority party. I can think of three in particular, the plan that is proposed by Senator Pastore, the plan that is proposed by Congressman Jim Wright of Texas and the plan that has been proposed by Chairman Al Ullman of the House Committee on Ways and Means.

And I understand there are many more. What we need is a plan that the Democrats can agree on, if they can, and then we can sit down and, hopefully, negotiate. I am willing to cooperate, but we have to have something to cooperate with, and so far, they have not come up with anything where they are in agreement, so until they do, we are going to pursue our plan, which I think is fair and equitable and a solution to the energy problem.

QUESTION: Are you saying, a single package plan from the Democrats before you will negotiate?

THE PRESIDENT: I think that is a fair statement, and I think it is a fair proposition. We have to sit around a table with a group or somebody, where they say, "Here is our plan and here is my plan," and then we can try to integrate them. But until they have some consensus on their side, we are in the position where there is no real viable plan for us to take a look at.

Now, I intend to keep the pressure on. The pressure that I have used in legal and legitimate ways has precipitated more response in the Congress than anytime in the last three years. We still have some time, and when I get back to Washington, if they have got a plan where they agree, then we can sit down and negotiate.

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QUESTION: Mr. President, some of the news executives who had breakfast with you this morning report that you talked about Congress not acting on an anti-recession tax cut until June. Are you really that pessimistic about the outlook?

THE PRESIDENT: I certainly hope that Congress acts before then, but I submitted my economic plan for the stimulation of our economy, so we could reduce unemployment, so we could increase employment, in January -- I think it was January 15th of this year.

And our proposal was very simple and hopefully it would result in Congress acting very quickly. It is almost five weeks now, and the House of Representatives has not yet acted. I hope they act this week. Hearings probably will start in the Senate Committee on Finance next week, and then it has to go to the Senate. And then, if there are differences between the Senate plan and the House plan, it will have to go to conference. That could conceivably take until June.

I think that is very ill-advised and extremely serious. We had hoped that Congress would act by the middle of March at the latest, and they could have, if they had taken the simple specific tax reductions that I recommended.

Unfortunately, the parliamentary process has been slowed down in the Congress, and the country has been the loser. We need a stimulant now, and I hope the Congress will realize the urgency of the need for action. And I trust that now that they have been reminded of their slowness, that they will expedite the process.

QUESTION: Good morning, Mr. President. I am Dick Powers from the Fort Lauderdale Sun-Sentinel.

Last week, here, in South Florida, George Meany proposed the nationalization as an ultimate solution of the oil industry. Heretofore, there have been proposals from Congress for the nationalization of health insurance and for utilities and for the railroads. Do you see these proposals as reluctance on the part of the American people to tough out our economic woes and accelerate a drift into socialism, sir?

THE PRESIDENT: I do not think the nationalization of any industry in the United States is in our best interest. Nor do I think a government monopoly in any industry is a good answer, without being critical of individual employees of the Postal Service, I think the Postal Service has not been as good an answer as we would like to the delivery of mail. We are trying to improve it, but it does seem to me that there is a better answer to the energy problem than the nationalization of the oil industry.

We do have to stimulate production. We do have to, through the windfall profits tax that I have proposed, keep profits at a reasonable level. We do have to make sure that we get away from foreign oil imports, but I honestly do not believe nationalization is the best answer.

MORE



QUESTION: Mr. President, on oil-- with your favoring of a minimum price level and oil deregulation -- won't you be guaranteeing to the oil companies a revenue bonanza that is based solely on the arbitrarily high price levels that have been set in the past year or so by the OPEC countries?

THE PRESIDENT: My energy program does not guarantee any specific price except that we have been negotiating with other consuming nations for what is a minimum price or a floor price.

A minimum price at a reasonable level is a way in which we can continue to stimulate domestic production of additional oil, additional natural gas, and other energy sources such as solar, geothermal, et cetera.

We are not guaranteeing oil companies any particular price, and if there is a windfall profit, then the Congress has an obligation to enact my windfall profits tax so that there will not be inequitable benefits from the energy crisis by the oil companies.

QUESTION: Bill Groves from Jacksonville.

Mr. President, is it true that either rationing or allocation would be less inflationary than the package you have proposed, and would be less burdensome on those least able to pay?

THE PRESIDENT: I do not think that is the fundamental issue that is involved. Rationing, gasoline rationing, for example, would be very inequitable, and it would not provide any stimulant for new sources of energy, either oil, natural gas or any of the others.

Allocations--import allocations I assume you are referring to--according to the experts that have looked at it, that I have listened to, tell me that would probably be more injurious to our economy than any other procedure that was used. You would have government officials making arbitrary decisions as to how much oil could go to one industry or to another and that would inevitably be discriminatory.

I happen to think that the price mechanism procedure which I have proposed is a better plan because it gives flexibility to users to make those basic decisions.

The plan that I recommended has, according to the experts that we have talked with and I have listened to, would have a one-shot increase in cost. On the other hand, through the tax rebate program that I have recommended, the added energy cost to individuals, to business, to government, would be returned to those people who have had an added cost.

So, it would be fruitful as far as the users are concerned, and it would stimulate production, which is what we really want.

MORE

QUESTION: Mr. President, now that unemployment has reached a very high point and it seems likely to go even higher, is there anything that you can do as President to alleviate the situation without going to Congress, and if there is, what is it and do you intend to do it and if so, when?

THE PRESIDENT: Number one, we submitted an economic plan to the Congress, a tax reduction proposal that would have returned to taxpayers or resulted in a reduction in taxes of some \$16.5 billion. That proposal is on the agenda of the Congress.

I wish they would act more quickly, and some of our problems might be alleviated. Other than that, I think we have to seek to restore public confidence in the system and in the prospects for economic revival.

There is some evidence that the public now believes, as most experts agree, that we are bottoming out, so to speak, and the prospects for an increase in employment and a decrease in unemployment will come sometime in the third or fourth quarter of 1975.

QUESTION: What you are saying then is there is really nothing more that you as President can do.

THE PRESIDENT: I do not believe so. On the other hand, if there is anything, instead of increasing expenditures, as some have suggested, I would favor a larger tax decrease, but at the present moment I do not think we have reached that point.

I simply would hope that the Congress would act so we could find out whether that is enough stimulant, but other than that, I know of no other proposal.

QUESTION: Mr. President, your Hispanic adviser, Fernando DeBaca, told the Miami News yesterday that you have never formally re-evaluated U.S. foreign policy toward Cuba since you became the President. Are you in the process of re-evaluating the government's position, and do you foresee any lifting of economic and diplomatic sanctions toward Cuba in the immediate future?

THE PRESIDENT: Very frequently in my daily meetings with Secretary of State Kissinger we discuss Latin American policy, including our policy toward Cuba. The policy today is the same as it has been, which is that if Cuba will re-evaluate and give us some indication of a change of its policy toward the United States, then we certainly would take another look, but thus far there is no sign of Mr. Castro's change of heart, and so we think it is in our best interest to continue the policies that are in effect at the present time.

MORE



QUESTION: Mr. President, a number of responsible Americans, including Senator Mansfield, have expressed concern that we are selling more arms than ever to more nations. We now sell to Pakistan as well as India, to Arab countries as well as Israel.

What is your credo in regard to arms sales? Is it influenced by the state of the economy, and what do you say to those who say that such sales are immoral?

THE PRESIDENT: First, let me be very specific. The sales of U.S. military equipment to any country is not predicated on trying to help the U.S. economy. We do have a policy of selling arms to other nations if that country feels it has an internal security problem; and number two, if it is necessary for one or any of the countries to maintain their national integrity or security.

We believe that in many areas of the world a proper military balance is essential for internal as well as external security of various countries. And where other nations, such as the Soviet Union, does sell or give arms to one country or another, if another country feels that for its own security it needs additional military equipment and has the cash, then we feel that it is proper to make a sale from the United States to that country.

QUESTION: Mr. President, South Florida has a disproportionate number of elderly persons, thousands of poor and elderly who are finding it hard to even have one hot meal a day. How can we justify Federal programs that would reduce or take away what little assistance they are getting now, particularly when we continue to pump billions of dollars in foreign aid overseas?

The question they are asking is, when does charity begin at home?

THE PRESIDENT: Let's take the food for the elderly program. In this current fiscal year the Federal Government is spending \$202.5 million for that program under the older citizens legislation, which is six times what it was four years ago.

We will continue to monitor the situation, and if that is inadequate, we will do our utmost to find additional funding.

But I think it has to be put in perspective that \$202 million plus is not an inconsequential amount just for that one program, plus the other programs that are aimed at helping our older citizens.

I feel very strongly that they should be given adequate aid and assistance, plus Social Security, and I should say that I have not recommended a reduction in Social Security, but have recommended a 5 percent increase in Social Security benefits, along with other programs.

MORE

QUESTION: Mr. President, good morning. I wonder now that the sentences have been handed down in the Watergate case against the former top Administration figures how you would feel on the issue of pardon for those men, especially in the light of their contention that they have done nothing that is any more wrong than the President under whom they served.

THE PRESIDENT: It seems to me, number one, since they are appealing their sentencing, that it would be inappropriate for me to make any comment one way or another. And number two, if and when the time comes, the proper thing for them to do would be to apply in the regular procedure or process, which is through the pardon attorney in the Department of Justice.

QUESTION: Without getting into specific cases on the general premise, would you be sympathetic more in these particular cases toward a pardon because of the circumstances?

THE PRESIDENT: I don't think it would be appropriate to make a comment in that regard because they are limited in number, and I would not want to prejudice their current appeal by any comment that I might make.

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QUESTION: Mr. President, as you know, Florida boasts some of the highest electrical power bills in the Nation. Won't the people who pay those bills be hurt substantially by your foreign oil import program, since most, if not all, of the oil that Florida power companies burn comes from Venezuela?

THE PRESIDENT: The energy program that I have recommended would not result in Florida paying a disproportionate share of any cost increase. As a matter of fact, under the administrative action that I have taken, we have, under the first dollar, exempted heating oil as far as Florida is concerned, as far as New England is concerned, as far as Hawaii, the areas that are, as you indicate, in the same circumstances as Florida.

And under the permanent program that I have recommended, the added energy cost to a family, or to business, or to government, would be rebated to the individual, to the business and to the governments, so there would be a neutral impact. Therefore, it seems to me that my proposal is extremely equitable and would not result in any disproportionate burden being placed on Florida or any State in a comparable situation.

QUESTION: Mr. President, your opening statement seemed to imply that the United States was planning some sort of action against the Arab nations that have embargoed Jewish-owned banks. Could you be more specific? What sort of things might we do in this case, if the embargoes continue?

THE PRESIDENT: All we have so far are some allegations. I have asked the Departments of Justice, Commerce and State to investigate any allegations. The actual action that would be taken will be forthcoming from recommendations by those departments. They have not been placed on my desk at the present time.

QUESTION: Mr. President, you have referred to the question of aid to Cambodia as a moral one relating to the credibility of the United States. But is the issue of credibility really at stake when so many of those with whom we would want to maintain it criticized our involvement in that area to begin with and long urged us to get out before we did?

THE PRESIDENT: Are you referring to other nations?

QUESTION: Other nations, yes.

THE PRESIDENT: I do not think we can conduct American foreign policy on the basis of what other nations think is in our best interest. The United States has to predicate its foreign policy on what it thinks is in America's best interest.

Now, we respect the right of other nations to be critical of what we do, but it is my responsibility and, I think, the responsibility of people in authority in the United States to make decisions that are based on what we think is good for America, and that is the way it will be decided as long as I am President.

MORE

QUESTION: Mr. President, there has been a new crop of reports in recent days about the possibility of Secretary Kissinger leaving office this year to be succeeded by Ambassador Elliot Richardson. Could you comment on these reports, and specifically, do you expect Dr. Kissinger to remain in office at least until November of next year?

THE PRESIDENT: I happen to feel very strongly that Secretary Henry Kissinger is an outstanding Secretary of State, and he and I have never discussed any change in his responsibilities. I know of no plans of any kind whatsoever on my part, or his part, to change the responsibilities -- the very heavy and important responsibilities that he has.

On the other hand, I recently submitted the name of Elliot Richardson to be Ambassador to Great Britain. I picked him because I think he will do a first class job there, and he has been recently confirmed. And I am confident, when he goes to London, he will carry out those responsibilities in that job in a very exemplary way.

MORE

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MORE



QUESTION: Mr. President, it is estimated by immigration officials here in South Florida that there are up to 90,000 illegal aliens gainfully employed in Southeast Florida alone. It is also estimated that our unemployment figure runs close to that amount. What is your office doing to address itself to this particular problem?

THE PRESIDENT: We have been trying to strengthen the arm of the Immigration and Naturalization Service, the Department of Justice, in order to handle in an appropriate way the illegal alien problem.

Florida has a serious problem. California has an equally serious problem. We are trying to work with the Mexican government, for example, primarily out in the Western states. We are fully cognizant of the adverse impact that illegal aliens have on employment opportunities of American citizens, but we are trying to stop the flow in. We are seeking to send back illegal aliens as quickly as possible under the laws of the United States.

QUESTION: Mr. President, Senator Pastore is proposing that there be a special election anytime an appointed Vice President succeeds to the Presidency; that is, if there is more than one year of the term remaining.

Since you are the only such person, what is your feeling about it? Would you recommend or endorse a change in the Twenty-fifth Amendment?

THE PRESIDENT: I am not sure that I ought to pass judgment on the validity of the Twenty-fifth Amendment. I guess I could say it worked pretty well this time. (Laughter)

But I think it is appropriate that the Congress take another look at the Twenty-fifth Amendment. It was passed, as I think most of us know, not to meet the unique circumstances that developed in 1973 and 1974.

Perhaps this experience does require the Congress to take a look, to see whether there is a better way or a different way where a Vice President might be selected.

QUESTION: Do you feel any handicap for not having won a Presidential election, and still holding the office?

THE PRESIDENT: The answer is no.

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QUESTION: Mr. President, Jim Reynolds, WIOD News, Miami.

You stated that the Congress has been slow to act on two of the Nation's major issues -- energy and the tax cut. As a former Congressman, can you give us any insight into why you feel the Congress is having this difficulty?

THE PRESIDENT: In the failure of the Congress to act quickly enough in reducing taxes, as I recommended, I am really perplexed because we recommended a very simple method of returning \$16.5 billion to the American people and to American business.

That should have been quickly considered, acted on very rapidly, and I do not understand why there has been the kind of delay that has taken place.

In the case of the energy problem, that is more understandable. Even though I don't like it, it is a very comprehensive program that involves 170 pages in one bill that I recommended and that will require hearings and action.

But what disappoints me -- and this I do not understand -- is why there have not been hearings before the proper committees in the House and the Senate on either my plan or the thoughts that the Democratic Members in the Congress have on their plans.

But that is why I have the pressure on with the import levy. I think they are now beginning to focus on the need and the necessity. Up until recently, they just hoped the problem would go away. Now they are beginning to realize it is serious, and hopefully there will be some affirmative action.

QUESTION: Mr. President, in answering an earlier question about Cambodia, you used the phrase "the commitment that we have to some extent to Cambodia," to distinguish it from Vietnam. Just what is our commitment to Cambodia when at the time the American troops went in there in 1970, people were told there was not going to be any long-term commitment? Could you explain that, sir?

THE PRESIDENT: Cambodia is in a somewhat different situation from Vietnam. Vietnam is involved in the Paris accords. Cambodia was not in an official way. So, our obligation, which I think is important, is that they want to maintain their national integrity, and their security of their country against outside forces.

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The policy of this country is to help those nations with military hardware, not U.S. military personnel, where the government and the people of a country want to protect their country from foreign aggression or foreign invasion.

This is, to a substantial degree, in post-World War II the tradition of the United States, and I think if people in a country want to fight for freedom for their country, to the degree that we can, I think we ought to expand freedom around the world.

THE PRESS: Thank you, Mr. President.

THE PRESIDENT: Thank you very much.

END (AT 11:35 A.M. EDT)



THE WHITE HOUSE

WASHINGTON

February 14, 1975

MEMORANDUM TO:

JACK CASSERLEY

*(speech writer)*

FROM:

PAMELA NEEDHAM

SUBJECT:

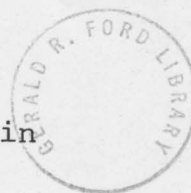
Policies Regarding the Elderly

Enclosed is some material that should be helpful to you in understanding the dimensions of the problem we have been having in selling our program to the elderly. The page from the budget gives you the facts on social security, the Q and A provides an answer to critics on that issue, and my memo to Ted Marrs explains the rationale behind the main policies that are troubling this group.

I'd say the most critical issues here are our proposals to hold down social security increases, to increase food stamp costs, to cut Medicaid State matching and to increase Medicare cost-sharing. Each has a strong explanation as can be seen in the Marrs memo. But each still has strong opposition from the elderly. For instance, their entitlement to cost of living social security increases was a benefit they fought hard for and they are just unaccepting of an attempt to limit it. And the point that they have enjoyed increases in recent years totalling more than the cost of living makes it fair, that in this time of economic difficulties we ask them to be held to a 5 percent increase, is met with the response that they have already carried their share of the burden and do not care to continue making sacrifices at this stage in their lives.

Hopefully, this will give you an idea of the issues and points of difficulty. I've asked Arthur Flemming to prepare a 250-word speech insert and also a fact sheet on the elderly that should put it all in the best possible light.

Call me if you have questions.



**Annuities.**—In all four federally run contributory retirement systems, the benefit calculations are based upon past earnings and are subsequently increased to reflect cost-of-living increases. All four systems have also overcompensated for inflation. Between 1970 and 1976, the CPI will have increased 51% while OASI benefits have increased 77% and civil service and foreign service benefits have increased 55%.

Under old-age and survivors insurance (OASI), 12.4 million retired workers received benefits in 1974. Some recipients in 1974 were primary beneficiaries under the railroad retirement system, but about 39% of these retirees were also beneficiaries under the social security system. A total of 691,000 persons were beneficiaries of the civil service and of the foreign service retirement system. Approximately 43% of the beneficiaries of the two Federal civilian employee systems are also receiving social security.

The probable total number of primary beneficiaries of all the contributory retirement systems is thus 11.9 million persons in 1974 and 13.1 million in 1976.

Table L-4. ANNUITIES TO PRIMARY BENEFICIARIES IN CONTRIBUTORY RETIREMENT SYSTEMS: ANNUITY BENEFITS, BENEFICIARIES, AND AVERAGE PAYMENTS BY SYSTEM

	Benefit outlays (millions)			Number of primary beneficiaries (thousands)			Average monthly payments		
	1974 actual	1975 est.	1976 est.	1974 actual	1975 est.	1976 est.	1974 actual	1975 est.	1976 est.
Old-age and survivors insurance.....	26,556	30,488	33,194	12,394	12,859	13,616	179	203	227
Railroad Retirement Board.....	1,394	1,572	1,743	386	399	401	296	319	350
Civil Service Commission.....	3,831	4,946	5,400	688	762	777	464	541	579
Foreign Service retirement.....	32	46	54	3	3	4	971	1,208	1,278
Total.....	31,813	37,051	40,391	-----	-----	-----	-----	-----	-----

**Other aged.**—This category includes income support to the aged in which the benefits are based upon criteria other than past earnings. The criterion of the program may be a work history of some related person, and is not necessarily based on any measure of need. Underlying the purpose of these programs is the presumption that persons past a certain age (for example, 65) are generally not self-supporting through their own current earnings.

**Aged widows.**—Aged widows account for \$15.4 billion in benefit outlays in 1976—or 36% of all benefits to the aged outside of annuities to primary beneficiaries. The 32.8% increase in benefit outlays to aged widows between 1974 and 1976 is due largely to the increase in widows' benefits to 100% of the deceased husband's primary insurance amount and increased benefit levels under the social security and the railroad retirement systems. Some 4.8 million aged widows will receive benefits from social security in 1976 with 1.2 million widows covered in other programs. There is considerable overlap of these program beneficiaries with those covered by social security. Tax expenditures again

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Table L-5. BENEFICIARIES

Benefits to aged v  
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Federal civilia  
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Uniformed  
members....  
Coal miners....  
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Social security  
DI) member  
Railroad empl  
Dependents of  
tires: Social  
(OASDI) men  
Aged retirees u  
services.....  
Aged veterans...  
Medicare.....  
Public assistance  
aged:  
Old-age assist  
Supplemental  
income.....  
Medicaid.....  
In-kind benefits  
aged:  
Food.....  
Housing.....  
Total....

<sup>1</sup> Benefits for  
<sup>2</sup> Benefits for  
<sup>3</sup> Federal pay

## SOCIAL SECURITY

### Question:

Given the cost of living these days, how does the Administration justify holding down social security benefit increases for our Nation's senior citizens to just 5 percent?

### Answer:

Everyone is aware that social security benefits have been rising steadily over the past several years. In fact, they have increased at a rate that has more than equaled the increase in the cost of living in the Nation. By this June, the cost of living will have increased 51 percent since 1970 while average social security benefits will have gone up 77 percent. You are all aware, too, that something must be done either to slow down the rate of benefit increases or find some new ways of financing the fund payout procedures. This is a critical national question.

2/7/75  
PGN





THE WHITE HOUSE

WASHINGTON

February 6, 1975

MEMORANDUM TO:

TED MARRS

FROM:

PAMELA NEEDHAM

SUBJECT:

Federal Budget Cuts Effecting the  
Elderly

In response to the National Council on the Aging's statement on the budget and the elderly, I'm sure I do not have to say that this is a particularly difficult topic to come out on top of. And, since this statement was released, the budget has come out with more bad news for the aged. Examining each proposal separately, we do have good explanations. And in talking about them in general, I think we have to stress that if the President does not keep the budget down as much as possible and conquer our economic troubles we will all be in even worse shape. Thus he had to cut wasteful and inefficient spending wherever feasible; at the same time he has tried, in each of these programs, to see that the available resources are targeted on the truly needy.

Although it is not in the statement, one of the first questions will be about the 5 percent social security increase lid. The most important fact to point out here is that in the past 6 years the elderly have done extremely well under social security. For instance, between 1970 and 1976, the CPI will have increased 51 percent while average social security benefits have increased 77 percent. So the President's request that this one year's increase be limited to 5 percent is not unfair in view of the restraints the economic situation has placed on other citizens.

With regard to our medicare proposals, we have seen that utilization varies depending on the availability of free service. For example, in the West -- which has 5.9 hospital beds per 1,000 population -- lengths of stay for medicare beneficiaries average 10.1 days. In the Northeast -- which has 8.7 hospital

beds per 1,000 -- lengths of stay average nearly 50 percent longer, 15.0 days. Thus it was decided that moderate cost-sharing can improve cost awareness in utilization decisions. Also, the \$750 limit on cost-sharing will protect the elderly from catastrophic illnesses, replacing the present medicare open-ended liability. In fact, under the current system, a beneficiary could be subject to \$4,462 in copayments for inpatient services and unlimited liability for physician services.

Our medicaid proposal is devised to target more Federal medicaid funds toward improving the low eligibility and benefits in lower income States. Although the present medicaid matching formula provides higher Federal matching to low income States, most of the program funds go to high income States because they are the ones most able and willing to expand the population and services covered. For example, 6 of the highest income States received over 50 percent of all Federal medicaid funds in 1974 and 2 States -- New York and California -- received over 30 percent of this money. Only the 13 highest income States would be affected by our proposal to lower the minimum Federal matching from 50 percent to 40 percent.

Finally, we have proposed that the option of retroactive entitlement of social security benefits up to one year before retirement would be barred if such entitlement would result in retirement before age 65 and, therefore, in reduced future benefits. Although this measure will result in budget savings over the next few years, individual benefits will be maintained at higher levels in the longer term.

suby:

THE WHITE HOUSE

WASHINGTON

February 6, 1975



MEMORANDUM TO:

TED MARRS

FROM:

PAMELA NEEDHAM

SUBJECT:

Federal Budget Cuts Effecting the  
Elderly

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THE WHITE HOUSE

WASHINGTON

January 24, 1975

MEMORANDUM FOR:

KEN COLE *Sam Neidham*

THRU:

BILL BAROODY *BB*

FROM:

TED MARRS *TM*

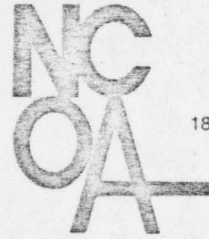
The attached statement appears to be worthy of consideration. What is in fact our policy and rationale?

I have an upcoming conference with the members of this organization.

Enclosure

*recd. 1/29/75*

*The National Council On The Aging, Inc.*



*tel. 202-223-6255*

1828 L STREET, N.W., WASHINGTON, D.C. 2003

AREA CODE 202/223-6255

December 18, 1974

Mr. William J. Baroody, Jr.  
Assistant to the President  
The White House  
Washington, D.C. 20500

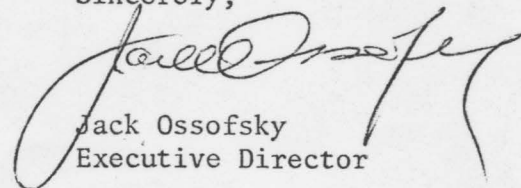
Dear Mr. Baroody:

The National Council on the Aging (NCOA) is a private, nonprofit agency representing individuals and organizations who serve America's older citizens. Responding to President Ford's proposed budget cutbacks in programs which affect the elderly, the Executive and Public Policy Committees of NCOA's Board of Directors have adopted the enclosed statement.

NCOA is committed to correcting these injustices and we are deeply appreciative of any assistance you can give in this regard.

We look forward to working with you in the future to improve the quality of life for the nation's aged population.

Sincerely,



Jack Ossofsky  
Executive Director

*President*

ALBERT J. ABRAMS

*Executive Director*

*Vice Presidents*

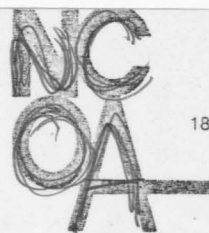
MOTHER M. BERNADETTE DE LOURDES, O. CARM.  
HOBART C. JACKSON

INARFI R LINDSAY DSW

*Secretary*

HUGH W. GASTON, A.I.A.

*Treasurer*



STATEMENT  
OF  
THE NATIONAL COUNCIL ON THE AGING  
ON  
FEDERAL BUDGET CUTBACKS AFFECTING THE ELDERLY



The National Council on the Aging asks President Ford to reconsider his proposed executive order to increase the cost of food stamps on March 1, 1975.

It also urges the President to reconsider his other proposals that will result in unnecessary hardship for the elderly poor; increasing the cost of Medicare, barring retroactive entitlements in the Social Security program, and cutting back on the Federal share of Medicaid costs. It asks the Congress to reject these proposals which, unlike the food stamp order, must be acted upon by the Congress.

The President specifically promised that his efforts to fight inflation would spare the elderly poor. His food stamp price increase will hit hardest at elderly couples or older people living alone. A senior citizen with an adjusted monthly income of \$105 would have the cost of a \$46 supply of food stamps increased from \$18 to \$31 a month. An elderly couple with a \$200 a month income would pay \$60 instead of \$50 for \$82 worth of food stamps, a reduction of one-third in their value.

Those older people receiving Supplemental Security Income benefits will be hit even harder. Those receiving the basic \$146 a month will have to pay \$43 to receive the \$46 in stamps for which they now pay \$30.

The humanitarian reasons for withdrawal of the President's proposals are obvious. It can also be expected that many older people dropped from the food stamp program will wind up needing health services. Where is the economy in this?

These cutbacks are morally indefensible, counterproductive, and economically unjustifiable. We ask all to join us in our efforts to prevent them.





*Aging*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

STATEMENT

OF

ARTHUR S. FLEMMING

COMMISSIONER ON AGING

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BEFORE THE

SELECT EDUCATION SUBCOMMITTEE

COMMITTEE ON EDUCATION AND LABOR

UNITED STATES HOUSE OF REPRESENTATIVES



THURSDAY, JANUARY 30, 1975



I appreciate the opportunity of appearing before this Committee in support of the extension of the Older Americans Act of 1965.

The concept incorporated in both the 1973 and 1974 amendments to the Older Americans Act is a sound one. It provides the basis for the installation and operation of a nation-wide network on aging. During the fiscal year 1974 we placed primary emphasis on the installation of this network. During the present fiscal year we are endeavoring to do everything we can to help the network operate in such a manner as to make a significant contribution to serving the needs of today's older persons.

In this statement it is my purpose to identify some of the steps that we have taken and are taking in order to achieve the objectives set forth in the Act. I am prepared to discuss with the Committee, or to provide for the record, specific information relative to actions taken under each one of the Titles of the Act.

The network to which I have referred the Administration on Aging, the State Offices on Aging, 412 Area Agencies on Aging, and 665 nutrition projects.

As all of us who are a part of this network discharge our responsibilities, I feel that we should keep in mind the following points:

1. We are charged, at all levels of government, with becoming focal points for aging.

2. We are charged, at all levels of government, with serving as advocates for older persons in connection with all issues confronting the lives of older persons.
3. Our major task is to develop a cooperative network to serve older persons through a system of comprehensive coordinated services designed to meet their needs.

In the light of these points, I would like to discuss with the members of the Committee some processes which we are endeavoring to keep uppermost in our minds as we work on the implementation of the provisions of the Act and its amendments.

1. The process of communication. We recognize both the importance and complexities of this process. We endeavor to communicate with both the States and the Areas in the following manner:
  - a. Stating the provisions of the Older Americans Act, As Amended.
  - b. Promulgating regulations which are designed to implement the provisions of the law in the most effective and expeditious manner. These regulations are binding.
  - c. The transmission of program instructions designed to clarify questions of policy arising out of provisions of the law or regulations issued under the law. Program instructions are also issued when

it is concluded that it would be advantageous to older persons for all of the States, in their roles as focal points for aging and as advocates for older persons, to deal simultaneously with a specific issue. Program instructions are binding.

- d. The transmission of guidelines in order to provide technical assistance. They are not binding.

States are free to follow or not follow them at their discretion.

- e. The transmission of information memoranda in order to provide information which we feel will be helpful to State Agencies on Aging in the discharge of their duties and responsibilities. They do not mandate any action on the part of the States. A good example is the Administration on Aging Information Memorandum 75-5 which relates to the Department of Labor Manpower Programs for Older Americans. The purpose of this communication was to provide the States with the latest information about developments in the employment area and to suggest ways in which the State and Area Agencies might become involved in the interest of meeting the needs of older persons in this area.

2. The process of locating authority. The process of identifying what person or what group of persons has authority to act and under what circumstances is one of the most important processes in government. In issuing regulations, guidelines, and program instructions we do everything possible to insure that they are in compliance with both the letter and the spirit of the law.
3. The process of coordinating the resources made available under the Older Americans Act with other public and private resources for the delivery of services to older persons. We all recognize that our ability to meet the needs of today's older persons depends on our ability, working together, to make this process work. Here are some of the factors that we believe will help to make this process work:
  - a. The Older Americans Act. Section 301 of the Act calls specifically for State and Area Agencies to enter into new cooperative arrangements with each other and with providers of social services to bring about comprehensive and coordinated service systems on behalf of older persons.



b. The regulations issued under the Older Americans Act.

These regulations underscore the importance of coordinated programs at both the State and Area levels. They provide that maximum coordination should be achieved between the State Agency and the Area Agency and the social services and medical services Titles under the Social Security Act. They underline the importance of action programs designed to achieve coordination of the delivery of existing services.

c. A high priority has been given in Fiscal Year 1975 to working out and implementing inter-agency agreements.

The Administration on Aging recognizes that the development of effective interagency working relationships at both the State and Area levels depends to a considerable degree on establishing these relationships at the Washington level.

This is why major emphasis is being given during this Fiscal Year to developing formal working agreements with a number of agencies, both inside and outside the Department of Health, Education, and Welfare. A summary of what has happened up to now follows:

1. Transportation--A working agreement with the Department of Transportation is in effect.
2. Utilization of Volunteers--A working agreement with ACTION is in effect.
3. Information and Referral--A working agreement with the Social Security Administration and the Social and Rehabilitation Service has been developed and is about to be issued. A second working agreement with eleven departments and agencies outside of the Department of Health, Education, and Welfare is also in the final stages of negotiation.
4. Adult Services Programs--A working agreement has been developed by the Administration on Aging and the Community Services Administration of the Social and Rehabilitation Service and will be signed shortly.
5. Medicaid Services--A working agreement has been developed by the Administration on Aging and the Medical Services Administration.
6. Rehabilitation Services--A working agreement between the Administration on Aging and the Rehabilitation Services Administration is in the process of being completed.

7. Health Services--A working agreement has been developed between the Administration on Aging and the Public Health Service and is in effect.
8. Use of School Buses for the Elderly--Work is moving forward on an agreement which will involve the Department of Transportation and the Office of Education.
9. Housing--Work is now underway to identify those parts of the Housing and Community Development Act which will lend themselves to joint agreements between the Administration on Aging and the Department of Housing and Urban Development.
10. Research on Aging--An Interdepartmental Task Force on Research on Aging is about to request proposals for a joint contract to inventory Federal Research on Aging. Nine departments and agencies are involved in this project.
11. Coordination with School Lunch Programs and Facilities--The Office of Education and the Administration on Aging have reached an agreement in this area.

12. Energy--An agreement has been reached which involves the Department of Agriculture, Department of Labor, Department of Housing and Urban Development, Federal Energy Administration, the new Community Services Administration, and ACTION.

We do not expect to develop at the outset what might be regarded as ideal interdepartmental working agreements. As soon as we have reached an agreement at the Washington level we transmit it to the Regions and the States. We invite immediate reactions from them and, through the States, the Areas. As soon as the reactions have been analyzed we will reconvene those who worked on the agreement at the Washington level to determine whether any changes should be made. In the meantime, State executives who feel that they are in a position to implement all or parts of any agreement immediately are urged to do so.

- d. The information memoranda we issue which are designed to keep States abreast of significant developments at the Federal level and which could have an impact on their efforts to pool resources. Memoranda which have been issued in the areas of transportation, manpower, use of



voluntary services, natural disasters and energy are illustrative of what has and can be done.

The objective of all of these steps is to facilitate the coordination of the delivery of services for older persons and to bring about a pooling of resources.

4. The process of involving the States and Areas in the evolution of policy under the Older Americans Act. In view of the fact that the Federal Government has assigned major management responsibilities to the States and Areas under the Older Americans Act we believe it is important that the experiences, capabilities and insights of their personnel be drawn on as new policies or policy changes are considered. In order to achieve this objective the following steps have been taken:
  - a. We held in December 1974 a national meeting of State and Area executives on aging.
  - b. Four meetings have been held with all State executives. Four meetings have been held with the members of the executive board of the National Association of State Units on Aging.
  - c. Four meetings have been held with the Urban Elderly Coalition.
  - d. We are arranging to meet with a new national organization of area agencies on aging.

e. If other organizations emerge we will be delighted to meet with them as we see in all of these organizations an opportunity to open up channels of communication and to provide additional opportunities for involvement in the evolution of policy.

f. Provision has been made in the regulations for consultation with the States before national objectives are established for each Fiscal Year. In subsequent years we will also invite, through the States, reactions from the Areas.

5. The process of providing the State and Area Agencies with the maximum opportunity to respond to the priority needs of older persons within their jurisdictions. We believe that it is the intent of Congress that we should do everything we can to make this process a reality.

In order to achieve this objective our regulations and program instructions are designed to give both State and Area Agencies on Aging a wide latitude in determining how they should use the Federal dollars made available to them.



For example, as the interdepartmental working agreements become available we recognize that the ability to implement these agreements at the State and Area levels will vary from State to State and from Area to Area.

Although we will encourage each State to use the agreements in at least a few Areas, we will make it clear that in the beginning the decision as to whether to use an agreement, and the extent to which it will be used, will be left to the judgment of the State in consultation with the Areas.

As we gain experience in the implementation of the agreements we may conclude, after consultation with the States and, through the States, the Areas, that some can and should be implemented on a nation-wide basis.

6. The process of insuring that, when it is possible to do so, high priority needs of older persons, wherever they may live, are dealt with on a national basis. In the implementation of this process the following steps have been taken:
  - a. The Title III regulations provide that there must be included in area plans and budgets provisions for an action program designed to coordinate the delivery of existing services for older persons and the pooling of available but untapped resources from both the private and public sectors for services for older persons.

This provision was included because of a conviction that there is an opportunity for implementing the provision in all Areas and that when it is done some older persons will be receiving services they are not receiving today.

- b. The goal has been established of assuring that by June 30, 1975 information and referral services that meet minimum standards will be accessible at convenient locations to all older persons.
- c. In the submission of State plans for 1975 the States have been required to include an action program designed to bring about a pooling of some of the resources available under Title III of the Older Americans Act with some of the resources available under the Social Services Titles of the Social Security Act. This requirement has been instituted because of a belief that the existence of resources under both titles in all of the States calls for positive action designed to pool the resources in the best possible manner.
- d. Also, in the submission of State plans for 1975 the States have been required to include an action program designed to deal with some of the unique issues that confront older persons as a result of the energy crisis.



We have initiated this effort because of our conviction that the State Agency on Aging should be the focal point for aging concerns and the advocate for those concerns. Published stories, evidence presented to the Congress and to the Pre-Economic Summit Conference on the Elderly all underscore the problems older persons are confronting because of the energy crisis. We have concluded that those of us who are working in the field of aging should tackle this on a national basis. We hope that the interdepartmental working agreement we have developed will be of assistance in dealing with these issues.

7. The process of providing technical assistance. This process is reflected in the discussion of some of the other processes. Nevertheless, it should be highlighted. We believe that the Administration on Aging has the obligation to provide technical assistance to the States and to help them provide technical assistance to the Area Agencies and, through the Area Agencies on Aging, to providers of services.

8. The process of monitoring and assessing by the Administration on Aging of the programs and activities of State Agencies on Aging, by State Agencies of the programs and activities of Area Agencies, and by Area Agencies of organizations which they have funded for the delivery of services. The manner in which this process is handled will determine to a considerable degree whether or not the objectives set forth by the Congress in the Act will be achieved.
9. The process of advocacy. This is one of the most important processes for which those of us who are working in the field of aging are responsible. Here are some of the steps that have been taken at the Federal level in order to implement this process:
  - a. We have made recommendations, to give a few illustrations, relative to (1) regulations issued by the Department of Agriculture in connection with the use of commodities in the nutrition programs for older persons; (2) regulations issued by the Department of Labor in connection with the Older Americans Community Service Employment Act; (3) regulations issued by the Department of Health, Education, and Welfare for skilled nursing and intermediate care facilities; (4) regulations of the Department of Health, Education, and Welfare relative to the Social Service titles of the Social Security Act;

(5) regulations issued by the Department of Health, Education, and Welfare relative to the Supplemental Security Income program; and (6) regulations issued by the Department of Transportation relative to providing funds for capital investments for transportation of older persons in rural areas.

- b. We have developed and are developing, as noted earlier, inter-agency agreements designed to strengthen the Federal Government's involvement in the field of aging. These activities often involve the advocacy role in that, in some instances, other departments and agencies do not recognize initially the unique problems confronting older persons and the necessity of developing special programs in order to respond effectively to these problems.
- c. Through inter-agency agreements and information memoranda we are endeavoring to provide State and Area Agencies on Aging with tools which they can use as advocates in such areas as (1) helping older persons to deal with the unique problems that confront them when they are the victims of natural disasters or an energy crisis; (2) insuring that older persons receive their fair share of general revenue sharing funds and specialized revenue

sharing funds in such areas as manpower and community development and social services; (3) developing relationships which will result in greater use of school lunch facilities with the end in view of broadening the base of the nutrition program for older persons; (4) opening up opportunities for minority contractors in the field of aging; and (5) providing opportunities for minorities and women to occupy key positions in the field of aging at both the State and Area levels.

- d. We meet regularly with the leaders of the national organizations of older persons in order (1) to have them identify the issues which they feel we should be pursuing as advocates for older persons, and (2) to explain to them steps that the Administration on Aging or other agencies contemplate taking so that they can, if they so desire, relate their advocacy roles to these developments.
- e. We meet regularly with the top staff related to Congressional committees dealing with issues in the field of aging in order (1) to have them identify issues which they feel we should be pursuing in the field of aging, and (2) to explain to them steps that we have taken or contemplate taking under existing law.



I hope that this testimony has helped to provide some understanding of the manner in which we are undertaking to implement the basic concepts incorporated in the Older Americans Act as amended in 1973 and 1974. Our experiences to date lead me to believe that the concepts are sound. I recommend that we continue to work on implementing them over a period of the next two years. At the end of that period we will be in a position to determine whether the evidence, growing out of indepth experiences, points to the desirability of making basic changes.



1/15/75

file

THE ELDERLY AND THE PRESIDENT'S ECONOMIC PROGRAM

- Program devised to combat recession with smallest possible inflationary impact.
- This is in best interests of elderly as they are ones hit hardest by inflation.
- The increase of the low-income allowance would benefit those low-income elderly *as would proposals for reduce. in tax rates*
- Elderly who pay taxes would benefit from tax rebate proposal, while those who do not would still receive money from the Government.
- While does limit increase in social security -- this one year -- it would not be unduly burdensome if efforts to combat inflation succeed.
- Finally, general talk about how the stakes in this economic battle are high for all Americans, and the elderly, along with the rest of us, stand to gain greater economic security if the twin dangers of recession and inflation are successfully combated.

*See it tough, its tough on all of us  
like the steelworker*





FEDERAL COUNCIL ON THE AGING  
WASHINGTON, D.C. 20201

MEMORANDUM

*Pom*  
FOR: JAMES H. CAVANAUGH

For your information

*Disb W. Williams*  
F. Richard Williams  
Assistant to the Chairman

*Agins*



HARRISON A. WILLIAMS, JR., N.J., CHAIRMAN  
JENNINGS RANDOLPH, W. VA.  
CLAIBORNE PELL, R.I.  
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HAROLD E. HUGHES, IOWA  
ADLAI E. STEVENSON III, ILL.  
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J. GLENN BEALL, JR., MD.

STEWART E. MCCLURE, STAFF DIRECTOR  
ROBERT E. NAGLE, GENERAL COUNSEL

## United States Senate

COMMITTEE ON  
LABOR AND PUBLIC WELFARE  
WASHINGTON, D.C. 20510

December 20, 1974

Honorable Bertha S. Adkins  
Chairman, Federal Council on Aging  
~~Administration on Aging~~  
~~Department of Health, Education, and Welfare~~  
~~330 'O' Street, S.W.~~ 400 6th. Street, S.W.  
Washington, D. C. 20201

Dear Miss Adkins:

We are writing concerning the provisions of section 205 of the Older Americans Comprehensive Services Amendments of 1973 which require that certain studies be conducted by the Federal Council on Aging for submission by the President to Congress no later than eighteen months after the effective date of the legislation. Since the law became effective on May 3, 1973, the eighteen-month period would expire on or about January 3, 1975.

We can well understand the impossibility of completing and submitting these studies within the time specified in view of the long delay by the President in submitting nominations for the Federal Council on Aging and the subsequent delay in confirming those nominations by the Senate. There is no question that the Council has not had sufficient time to comply with the statutory deadline.

We want you to know that we are certainly willing to extend that time limit until December 1, 1975. We look forward to receiving your reports at that time.

Best regards.

Very truly yours,

*Tom Eagleton*  
Thomas F. Eagleton

*J. Glenn Beall Jr.*  
J. Glenn Beall, Jr.



12 27 1974

from Fleming  
file

## ADMINISTRATION ON AGING

### THE OBJECTIVE

Comprehensive, coordinated service systems to meet the needs of older persons.

### THE TARGET GROUP

- . 30 million older persons (60+)
- . Priority on needs of 5 million low income and minority older persons.

### THE AGING NETWORK

- . Administration on Aging
- . State Agencies on Aging
- . Area Agencies on Aging  
(multi-county, county, or city)
- . Nutrition projects
- . Advisory committees to State and Area Agencies  
and nutrition projects



#### HOW THE NETWORK OPERATES (STATE PLANS)

- . Governors designate State Agencies on Aging  
(56 State Agencies on Aging)
- . States identify planning and service areas
- . States designate Area Agencies on Aging in as  
many areas as funds will allow  
(585 PSA's -- 465 AAoA's)
- . Annual State Plan is submitted by Governor to  
Administration on Aging
  - Management-by-objectives format
  - Identifies needs and resources
  - Sets objectives for State and identifies action  
programs for implementing objectives
  - Public hearings
  - Basis for formula grant by AoA



#### HOW THE NETWORK OPERATES (AREA PLANS)

- . Annual Area Plan and proposed budget is submitted by Area Agency on Aging to State Agency on Aging
  - Management-by-objectives format
  - Focus on development of comprehensive, coordinated service system, not just on funding available to the Agency on Aging
  - Public hearings
  - Approval of budget by State Agency on Aging
  - Area Agency on Aging enters into contracts or makes grants for delivery of services in accordance with approved budget
- . Annual Plan and budget for operation of nutrition projects submitted to State Agency on Aging by Area Agency on Aging or agency designated by State Agency
  - Public hearings
  - Area Agency on Aging or other designated agency enters into contracts or makes grants for delivery of services in accordance with approved budget
  - 675 Nutrition projects  
(4,200 sites; 245,000 meals per day)

PROMOTION OF COORDINATION THROUGH INTERAGENCY AND  
INTERDEPARTMENTAL WORKING AGREEMENTS

AoA AS FEDERAL FOCAL POINT ON AGING

- . 16 Intra and Inter-Department agreements signed to promote coordination and comprehensiveness of services at State and local levels (e.g. I&R, Social Services, Health, Housing, Transportation)
- . 138 Interagency agreements at State level;  
498 at Area level
- . Interdepartmental contract to identify and catalog all research on aging sponsored by Federal agencies
- . Joint evaluation with SRS of Title XX services to older people

## GOALS

1. Increase State and Area Agency capacity to direct programs that will lead to an effective and coordinated delivery of services to older persons
  - . Respond to requests of State and Area Agencies for technical assistance
  - . Monitor, assess and evaluate State and Area Agency performance
  - . When performance falls below a reasonable standard take action designed to raise the level of performance
2. To increase capacity to implement inter-agency and inter-departmental working agreements at Federal, State, and Area levels
  - . Monitor and assess work of agreements on a continuous basis
  - . Make changes in agreements based on experience



has Nixon no info -  
not info for Ford Admin.

check facts for  
inaccuracies -  
check w/OMB

FACT SHEET: ACTIONS TAKEN SINCE 1971  
TO ASSIST OLDER AMERICANS

Since the White House Conference on Aging, which was held in December 1971, a number of actions have been taken in response to the recommendations and concerns expressed at that Conference that have helped today's older persons. These actions have addressed a wide array of objectives, including:

1. Improving the income position of older persons.
2. Helping older Americans lead dignified, independent lives in their own homes.
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- Jan 71 46.5 CPI 4/3/70

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1975

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*maybe  
defunct,  
D.C. committee  
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FACT SHEET: ACTIONS TAKEN SINCE 1971  
TO ASSIST OLDER AMERICANS

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1977 Spring Planning Review  
Issue #3 : Aging Block Grant

Statement of Issue

What is the appropriate Federal role for meeting the particular social services needs of the aged as authorized by the Older Americans Act of 1965, as amended. (OAA)

Background

The OAA amendments of 1973 substantially increased the authorization levels for programs administered by the Administration on Aging and recent congressional action has substantially increased their funding levels. The rapid implementation of increased services, the initiation of new activities, and the paucity of evaluation data, coupled with the short history of these programs indicate the need for administrative action to limit the growth of these categorical programs.

These service programs overlap each other as well as other programs. Title VII of the OAA authorizes a nutrition program for the elderly with ancillary services which duplicates and/or overlaps:

- the OAA Title III comprehensive services component which is separately administered by the Administration on Aging
- the USDA Food Stamp program
- authority available under Titles VI and XX of the Social Security Act (Social Services)

- services provided by various veterans and health programs

Alternative #1 - Group the funded activities under Title III authority by administrative action.

Alternative #2 - Business as usual.

### Analysis

The OAA Title III authority approximates the block grant concept. States are allotted funds via a population formula and encouraged to concentrate resources in a planned and coordinated manner to develop and provide comprehensive services to older persons.

On the other hand, the congressionally popular Title VII nutrition authority offers a narrow categorical approach to providing the aged services linked to the provision of meals. Recent economic problems have highlighted the nutrition component which provides meals to the non-poor as well as the poor.

### Arguments for Combining the Activities

We believe that this action can be taken administratively without requiring a legislative amendment. Such an action could:

- place a "cap" on the growth of these programs tied to the authorization level for Title III
- be attractive to the States since it would reduce their administrative burden and at the same time make available more State administrative funds.



- change the Federal matching requirement from 90% (Title VII) to 75% (Title III)
- allow State governments greater flexibility in identifying problems and assigning priorities in their solution
- permit better coordination with other Federal programs (Food Stamps, etc.)
- allow modest Federal personnel savings
- enhance targetting on the low-income aged since Title III authority provides for priority to be given intra-State to geographic concentration of low-income aged. This is consistent with the recommendations of Federal Council on Aging formulae study.

In addition, a New York State 1975 audit of programs for the aged indicated:

"Basic coordination among county office staff (Title III) and nutrition program staff (Title VII) both funded through the OA (State Office for the Aging) does not occur in many counties.

In 14 counties the staffs are separate and distinct. The lack of coordination and integration between two programs funded under the OAA through the OA is at odds with the basic coordination goals OA has set for itself."

"Federal guidelines require the integration (in 1975) of all Title VII staff with Title III staff."

#### Budget Impact

- remove the Title VII program from its forward funded pattern and possibly make available \$62.5 million in BA for FY 1976.

### Arguments against combining the activities

- These programs are popular with the Congress and have developed and organized strong special interest and advocacy group support. Any major modification of these programs may be interpreted as flouting the intent of Congress.
- States may resist continued funding of the nutrition programs at the 75% matching rate.
- Aging programs at the State and local level may not have reached a point in programmatic maturation to effectively test the Title III conceptual framework.

### Budget Impact

No savings from recommended funding levels can be anticipated; however, a stronger case would be developed to resist congressional increases.

### OMB Recommendation - Alternative #1

The recommended decategorization action offers an opportunity for short-term improvement in addressing overlap and duplication in these service programs. The long-term issue is the Federal role in setting up a separate and isolated delivery system for services to the elderly. Increased use of Title III funds may exacerbate tensions between the needy, in general, and the particular needs of the elderly for social services.

Nonetheless, consistent with the President's budget message, the combining of these two programs under a single authority would enhance coordination, reduce duplication and overlap, and may serve to bring about better equity. Such an action affords an

opportunity to allow the States to identify problems and set their own priorities in their solution consistent with the New Federalism. Finally, this action may serve to limit the rapid growth of these sensitive programs.



1975 Spring Planning Review  
Department of Health, Education, and Welfare

Special Programs for the Aged

Services:

Title III (Community Services)

1. Information and Referral
2. Transportation
3. Nutrition
4. Counseling
5. Education
6. Escort
7. Housing Assistance
8. Legal Services
9. Consumer Education
10. Recreational
11. Health Related Services
  - Preventive Services, Periodic Screening and Evaluation
  - Home Health
  - Homemaker/Home Health
12. Homemaker
13. Chore Services
14. Friendly Visiting Services
15. Telephone Reassurance
16. Protective
17. AND ANY OTHER SERVICES; if such services are necessary for the general welfare of older persons

Title VII (Nutrition)

1. Same
2. Same
3. Same
4. Same
5. Same
6. Shopping
7. Same
8. Same
9. Consumer Protection
10. Same
11. Health Related Services
  - Diagnostic Screening
  - On-site Treatment
  - Treatment by referral
  - Prevention
  - Health Promotion
  - Deinstitutionalization
12. Gerontology (Aging)



May 20, 1975

1977 Spring Planning Review  
Department of Health, Education, and Welfare  
Special Programs for the Aging  
(\$ in millions)

Community Services  
(Area Planning and Social  
Services, State Aging  
Activities, Model Projects,  
Evaluation, etc.)

1968		1969		1970		1971		1972	
<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>
10	8	16	11	15	16	21	15	35	15

Title III (Community Services)

1973		1974		1975		1976		Interim		1977		1978		1979		1980	
<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>
91	41	107	99	105	111	96	100	24	25	96	104	96	107	96	103	96	102

Title VII (Nutrition)

200 70 125 129 100 118 25 38 100 116 150 153 150 166 150 161

May 20, 1975

Natl Inst on Aging

~~meals on wheels~~

~~homemakers~~

## National Institute on Aging

→ NIH

Set up 74 research on aging act

child + human develop - aging branch -

research transferred / indep.

total earmarked for research people

\$ 23.3 m

16.3 NIA

7.0 ADAM

aging grant #

gerontological study

Dr Nathan Shock

act signed  
May 31 74

were part of mental health inst

\$13m annual budget

acting director

- 4-6 will appt director

candidate

Dr Robert Butler

"Why Survive?"

2 others

Future + Potential Research on Aging

Domestic Comm working rep / Asst Comm n.

Inventory of all Research in last 15 yrs



As President, I intend to do everything in my power to help our nation demonstrate by its deeds a deep concern for the dignity and worth of our older persons. By so doing, our nation will continue to benefit from the contributions that older persons can make to the strengthening of our nation.

The single greatest threat to the quality of life of older Americans is inflation. Our first priority continues to be the fight against inflation. We have been able to reduce by nearly half the double digit inflation experienced in 1974. But the retired, living on fixed incomes, have been particularly hard hit and the progress we have made in reducing inflation has not benefited them enough. We will continue our efforts to reduce federal spending, balance the budget, and reduce taxes. The particular vulnerability of the aged to the burdens of inflation, however, requires that specific improvements be made in two major Federal programs, Social Security and Medicare.

We must begin by insuring that the Social Security system is beyond challenge. Maintaining the integrity of the system is a vital obligation each generation has to those who have worked hard and contributed to it all their lives. I strongly reaffirm my commitment to a stable and financially sound Social Security system. My 1977 budget and legislative program included several elements which I believe are essential to protect the solvency and integrity of the system.





First, to help protect our retired and disabled citizens against the hardships of inflation, my budget request to the Congress included a full cost of living increase in Social Security benefits, which became effective with checks received in July 1976. This will help maintain the purchasing power of 32 million Americans.

Second, to insure the financial integrity of the Social Security trust funds, I proposed legislation to increase payroll taxes by three-tenths of one percent each for employees and employers. This increase will cost no worker more than \$1 a week, and most will pay less. These additional revenues are needed to stabilize the trust funds so that current income will be certain to either equal or exceed current outgo.

Third, to avoid serious future financing problems I submitted a change in the Social Security laws to correct a serious flaw in the current system. The current formula which determines benefits for workers who retire in the future does not properly reflect wage and price fluctuations. This is an inadvertent error which could lead to unnecessarily inflated benefits.

I believe that the prompt enactment of these proposals is necessary to maintain a sound Social Security system and to preserve its financial integrity.

Income security is not our only concern. We need to focus also on the special health care needs of our elder citizens.

In my State of the Union Message I proposed protection against catastrophic health expenditures for Medicare beneficiaries. This will be accomplished in two ways. First, I propose extending Medicare

benefits by providing coverage for unlimited days of hospital and skilled nursing facility care for beneficiaries. Second, I propose to limit the out-of-pocket expenses of beneficiaries for covered services, to \$500 per year for hospital and skilled nursing services and \$250 per year for physician and other non-institutional medical services.

This will mean that each year over a billion dollars of benefit payments will be targeted for handling the financial burden of prolonged illness. Millions of older persons live in fear of being stricken by an illness that will call for expensive hospital and medical care over a long period of time. Most often they do not have the resources to pay the bills. The members of their families share their fears because they also do not have the resources to pay such large bills. We have been talking about this problem for many years. We have it within our power to act now so that today's older persons will not be forced to live under this kind of a shadow.

We have made progress in recent years. We have responded, for example, to recommendations made at the 1971 White House Conference on Aging. A Supplemental Security Income program was enacted. Social Security benefits have been increased in accord with increases in the cost of living. The Social Security retirement test was liberalized. Many inequities in payments to women have been eliminated. The 35 million workers who have earned rights in private pension plans now have increased protection.

In addition we have continued to strengthen the Older Americans Act. I have supported the concept of the Older Americans Act since its inception in 1965, and last November signed the most recent amendments.

into law.

A key component of the Older Americans Act is the national network on aging which provides a solid foundation on which action can be based. I am pleased that we have been able to assist in setting up this network of 56 State and 489 Area Agencies on Aging, and 700 local nutrition agencies. These local nutrition agencies for example provide 300,000 hot meals a day five days a week.

Today's older persons have made invaluable contributions to the strengthening of our nation. They have provided the nation with a vision and strength that has resulted in unprecedented advancements in all of the areas of our life. Our national moral strength is due in no small part to the significance of their contributions. We must continue and strengthen both our commitment to doing everything we can to respond to the needs of the elderly and our determination to draw on their strengths.

Our entire history has been marked by a tradition of growth and progress. Each succeeding generation can measure its progress in part by its ability to recognize, respect and renew the contributions of earlier generations.

please make a  
file "National  
Council on Aging"  
and put ~~under~~ in  
Aging file



THE WHITE HOUSE  
WASHINGTON

DATE 8/29

TO:

FROM: SARAH MASSENGALE

file - National Council  
on Aging

[Art Fleming]

[NCOA]

NCOA

Adm. Assoc. Act in critical negotiations



NCOA 25th anniv. mtg  
DC ~ 30 Sept

organiz. of organizations - council  
all voluntary org. w/in aging belong  
representative groups

dinner on 30th, - speaking engagement

|| Fleming wd. like to sign amendments there

has discussed with Terry Jones



Advance Copy  
Attn: Joe Vasquez  
7202 NEOB

Honorable James E. Lynn

or increases

ment would be about \$14 million for fiscal year 1976 and assuming no further ~~increases~~ program expansion and in food-away-from-home costs-- nearly \$20 million for fiscal year 1977.

H.R. 3922 would require the Secretary to make purchases on the open market of high protein foods, meat, and meat alternatives for distribution in the Title VII Program during fiscal year 1975 and 1976 and during the transitional period between June 30, 1976 and October 1, 1976. (Note: the fiscal years referred to here are the same as identified in section 111(c) (1) of H.R. 3922, as enrolled.) Since, for the purposes of the bill, these high protein items would not be considered "donated commodities," the purchases would be in addition to the commodity assistance level of 15 cents per meal in FY '76 and 25 cents per meal in FY '77. Thus, the Department's additional costs for food distribution for the program would increase by whatever amount is appropriated for meat and protein purchases.

The Department believes that the bill would add to the administrative complexities of the Nutrition Program for the Elderly by further dividing program responsibility and oversight between USDA and HHS. Since operating costs for the program are already funded nationally almost entirely by the latter agency, ~~it is not clear whether~~ donation of foods by USDA is ~~more~~ efficient than an expanded cash grant program entirely administered by HHS. We believe that State and local agencies are better able to determine the nutritional needs of the elderly and availability and economic purchase of foods on the open market.

Sincerely,

would appear that

