

ECONOMICS OF AGING: TOWARD A FULL SHARE IN ABUNDANCE

HEARINGS BEFORE THE SPECIAL COMMITTEE ON AGING UNITED STATES SENATE NINETY-FIRST CONGRESS

FIRST SESSION

PART 5—CENTRAL SUBURBAN AREA
PARAMUS, N.J.

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ECONOMICS OF AGING: TOWARD A FULL SHARE IN ABUNDANCE

(Central Suburban Area)

THURSDAY, AUGUST 14, 1969

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Paramus, N.J.

The special committee met at 10:20 a.m., pursuant to call, in the Bergen Mall Auditorium, Paramus, N.J., Senator Harrison A. Williams, Jr., presiding.

Present: Senator Williams.

Also present: Representative Henry Helstoski.

Staff members present: William E. Oriol, staff director, and John Guy Miller, minority staff director.

OPENING STATEMENT BY THE CHAIRMAN

Senator WILLIAMS. The U.S. Senate Special Committee on Aging has come to Bergen County today to continue its study of the "Economics of Aging: Toward a Full Share in Abundance."

I will say that we have looked forward to this day very eagerly and I am glad that all of you have arrived here to share with us this learning experience on some of the economic problems of older people, as well as suggestions for improvement.

At 7 days of hearings conducted already this year, the committee has received disturbing documentation of inadequate retirement income among low-income individuals in large cities.

Today the committee is in a county regarded as generally high-income, rapidly growing, and predominantly residential. But, as pointed out in a study prepared for this hearing, the elderly population of Bergen does not necessarily share in suburban affluence. Those who live on fixed retirement income must, every day of the week, face these facts.

The New York-Northeastern New Jersey area in which they live has had a cost-of-living increase over the last 10 years which is greater than for any other part of the United States. The rise was about 31.6 percent here, as compared to 26.8 percent for the Nation as a whole.

Rising property taxes take a larger and larger bite of retirement income. Preliminary research for this hearing reveals that some elderly persons here pay a third of their income for such taxes, despite the \$80 tax reduction allowed by New Jersey law.

Housing costs are continuing to rise at a rapid rate, making it unlikely that alternative housing can be found in this area for those elderly persons who want to, or must, sell their homes.

Even with medicare, medical costs can wreck the economic security of elderly individuals and couples.

Such pressures have already caused many elderly individuals in this county to question whether they can afford to live in communities where they have spent all or the greater part of their lives. Such pressures have caused some questioning about school costs and other municipal expenditures. The sad truth is that such pressures may well increase and contribute to the retirement income crisis faced by the majority of elderly persons in the United States today.

RETIREMENT INCOME CRISIS

I use those words, "retirement income crisis," most advisedly. I will not attempt to summarize the reports and testimony already received by our committee but I will refer you to the two reports issued earlier; one of the economics of aging and another on the health aspects of the economics of aging. They clearly make a compelling case; which is, that poverty and near-poverty is the fate of millions of retired persons in the United States today, and that major changes will have to be made in public policy if the elders of the future, those now in the work force, are not to face the same fate.

Is the situation different in Bergen County? Perhaps the problem is not as evident; perhaps it is scattered unevenly among the 70 municipalities of this county. But it does exist; our witnesses today will discuss its dimension and meaning.

To help us find both the differences from the national scene, and the similarities, the committee asked Dr. Gladys Ellenbogen, a Hasbrouck Heights resident and professor of economics at Montclair State College, to prepare a working paper¹ for use and discussion here.

I will introduce Dr. Ellenbogen in a moment. I know many, many people would like to speak here today but we probably will not have time for that. We have prepared a paper for your thoughts. The papers are on the table over here. At the break if anybody would like to write their thoughts on the economics of a personal situation or make general observations, this form will be available on the table. If you will submit your thoughts in writing on that paper, it will go to our committee.

This Senate committee is honored to have Congressman Henry Helstoski join us today in his home county in his congressional district.

Henry, you are welcome aboard.

Representative HELSTOSKI. Thank you very much, Senator. I am appreciative of the invitation to be here with you.

Senator WILLIAMS. We want you to help us in these deliberations as we go along.

It is possible that Congressman Widnall will join us during the morning; he was invited to be with us. Of course, Senator Case was invited to be here, too.

We will now hear from Dr. Gladys Ellenbogen.

¹ See app. 1, Item 1, p. 927.

**STATEMENT OF GLADYS ELLENBOGEN, PH. D., PROFESSOR OF
ECONOMICS, MONTCLAIR STATE COLLEGE**

Dr. ELLENBOGEN. The only real note of optimism an economist finds in the study of age in this country today is that men from the U.S. Senate and the House of Representatives, the two centers of power in the United States, are traveling throughout the country gathering the facts, analyses, judgments, and recommendations of those of us involved in the study of the problems of age and those who are living through the trauma of the problem.

I shall divide my remarks into three parts: First, an analysis of the economic problem facing us; second, an analysis of why in the future there must be intensification of the problem; and third, as economists have a way of doing, after demonstrating the trouble we are in and why it can only get worse, I shall make three policy recommendations directed toward avoiding a worsening situation.

My objective is to cover the trouble we are in, the greater trouble we are going to be in, and how to minimize future troubles. Much of what I shall say has bearing on conditions in the Nation as a whole, much is pinpointed to the geographic area we are in.

Unfortunately, we have no opportunity to buy a round trip to life. I am not sure we would all go back by the same route we came this far. I therefore have to begin with where we are now.

Bergen County's population in the last 8 years has risen at a rate of 50 percent more than the population of the country as a whole. New Jersey's rate of growth of population 65 years and over is also increasing at a rate of 50 percent greater than that of the Nation as a whole. The population aged 5 to 17 years has risen for New Jersey at a rate 67 percent higher than for the country as a whole. This steep rise in the school-age population makes for greater competition for the tax dollar between the younger and older age groups.

The cost of living in the New York-Northeastern New Jersey area—that's us—has increased more in the last 10 years than in any other part of the country. So what we have had in New Jersey over the last 10 years as contrasted with the country as a whole is, proportionately more people, more people over 65, more school-age residents, and the steepest rise in the cost of living anywhere in the United States.

WHY PROBLEMS WILL INTENSIFY

My second point, why our problems will intensify. Living costs, particularly those on which the 65-and-over spend significant parts of their incomes—housing, medical care and services—are rising more rapidly than living costs in general. There is no reason to expect the climb in these prices to slow down; on the contrary, they will continue to rise sharply.

If I may inject a cynical note, the only prices the administration has been successful in forcing down are stock market prices. I am not sure I appreciate their anti-inflation efforts along these lines. Regardless of how successful the administration's efforts—this or any other administration—is its attempts to dampen inflation, medical costs will continue to rise.

In New York-Northeastern New Jersey—and that includes us in Bergen County—medical costs in the last 10 years have soared 63 percent. This is as of June of this year. They have probably risen even more in the last 6 weeks. No other prices have risen so much.

Analytically the demand for medical services is rising at a greater rate than the supply of such services. Just as Elizabeth Taylor's high salary can be explained in terms of demand and supply—the supply of women who look like that is very limited in terms of the demand for such women—so the supply of trained medical professionals and paraprofessionals is limited. We do not want instant medical education, we cannot have it. Nor can we instantly build medical schools or hospitals.

The increase in our population is largely in the younger and older age groups where medical care is more often sought than in other age groups. Additionally, our rising income level permits us to get medical attention we would not have sought in less affluent times. The demand for medical care has increased and will continue to increase faster than the supply of trained personnel and the supply of hospitals and nursing homes and medical schools. Therefore, the price of medical care will continue to rise.

Housing costs in Bergen County will continue to shoot up. As a resident of one of the 70 communities in Bergen County I personally favor the one-family house and voted against apartments in my town. As an economist I must admit that with a press of population, an increase in the demand for housing, the cost of a dwelling unit will be higher if an acre is used for four single family homes than for 40 apartments. I am not referring to property taxes, I am talking about the price of housing. More than half of Bergen County's 70 communities do not permit multiple dwellings. With the demand for housing increasing rapidly and the supply rising slowly, rents for existing apartments increase and costs of land and houses increase.

Older people seeking to sell their homes, perhaps it is too large or too costly to maintain, frequently find themselves priced out of both the smaller home market and the apartment. They then are faced with rising costs of maintenance. Doing it yourself at 75—standing on a ladder may save service costs of home maintenance but falling off the ladder brings us up against the rising costs of medical services.

Services will continue to rise, whether it is teachers' salaries, policemen's salaries, barbershop costs, the costs of repair services. In these functions technological advantages cannot always be applied. A policeman cannot be made more efficient by driving his police car faster. A first grade teacher cannot have 80 pupils in a class and increase her productivity. We will continue to need more teachers and more policemen and other persons rendering services.

So much for the trouble we are going to have.

POLICY SUGGESTIONS

My policy suggestions cover three aspects of the problem—those changes which will help persons now 65 and over. I expect others today will cover this topic so I shall just mention a few: Higher property tax exemptions, rent supplements, more favorable income

tax treatment, more extensive health protection, higher social security benefits.

My major proposals concern people who today are not yet 65. The first line of defense against an attack on our economic well being is our own savings. I think it is time to let younger and middle age groups help provide for their own old age. Our tax laws and pension structure favor the profligate and penalize the thrifty. My suggestion is, do not call for more government spending, rather for less government income.

1. Banks and savings and loan associations and perhaps other financial institutions should be allowed to set up special accounts in which interest earned on savings accounts is placed. This interest would not be taxed until withdrawn. If we leave the interest accumulation for our later years, it will be taxed at the lower rate of our nonearning years. Perhaps part of it should not be taxed at all.

2. With respect to contributory pensions, I would add to allowable itemized deductions used in arriving at adjusted gross income the employee's share of a contributory pension. As an example, say a pension deduction is 5 percent of salary—the income tax should be computed after allowing for deduction of the 5 percent of salary. This will provide an incentive toward greater pension provision.

These suggestions require no outlay by the Federal Government, no additional administrative machinery. They permit us to help plan for our older age with our own money. I find I have a certain sentimental attachment to money I have earned.

3. Pensions would vest after a short number of years and would be portable. As it is now, each time we leave a job and start a new one pension costs for the employee and the employer rise. With vesting and portability we can always be 21.

I have found, as the last thing I want to say, there is a certain symbolism in the moment of birth. We come into the world, someone turns us upside down, hits us, we cry, everybody is happy. The only one who can help us is our mother and she is unconscious. It is downhill all the way after that.

I think that if some of these suggestions would be put into legislation, it would not be that much downhill.

Thank you. [Applause.]

Senator WILLIAMS. I just broke a personal rule; I applauded, too. That was a magnificent statement, Dr. Ellenbogen; very helpful. I will say that you open many avenues of thought for me personally and for our committee.

Perhaps we can continue our testimony and then later amplify many of the exciting and innovative new ideas that you expressed this morning. It was a great statement. We have the statistical data which I intend to review, Doctor. I think it was a very clear and lucid statement that you made here before the committee today.

Dr. ELLENBOGEN. Thank you.

Senator WILLIAMS. We are going to proceed with the plan of bringing groups of people here sort of in a panel situation and hear from them individually and then I hope there will be an opportunity and time for some questioning, too.

STATEMENTS OF JAMES J. KIDD, OF NEW MILFORD; JOHN W. TERHUNE, OF PARK RIDGE; MRS. ANNA M. LUCCHESI, OF PARK RIDGE; EDWARD L. CARR, OF DUMONT; AND IRVING STEINBERG, OF HACKENSACK, ACCOMPANIED BY MRS. MILDRED KRASNOW, EXECUTIVE DIRECTOR OF BERGEN COUNTY OFFICE ON AGING

Senator WILLIAMS. Our first panel will be representative, I am sure, of the living situations faced by people of retirement age, all from Bergen County. Mr. James J. Kidd, of New Milford; Mr. John W. Terhune, of Park Ridge; Mrs. Anna M. Lucchesi, of Park Ridge; Mr. Edward L. Carr, of Dumont; and Mr. Irving Steinberg, of Hackensack, accompanied by Mrs. Mildred Krasnow, executive director of Bergen County Office on Aging.

STATEMENT OF MILDRED KRASNOW

Mildred, are you the organizer of this particular panel? Do you want to introduce the members of the panel to the committee?

Mrs. KRASNOW. Thank you.

Mrs. KRASNOW. I am Mildred Krasnow, executive director of the Bergen County Office on Aging, and want to thank you for allowing me to make a brief statement on the work of the Bergen County Office on Aging and its relationship to the economics of aging.

Established in September 1966 under the provisions of the New Jersey State plan to implement title III of the Older Americans Act of 1965 the Bergen County Office on Aging, which serves as a community extension of the New Jersey Division on Aging, has responsibility for:

1. Increasing the public's understanding of the real nature of the aging process and of the aging individual;
2. Identifying and assessing the needs of the aging as well as gaps in services in order to plan for and stimulate new solutions for present or potential problems in cooperation with other government and voluntary agencies;
3. Coordinating programs for the aging in the area of community services; economics, including employment, income, and retirement; health care; mental health; housing, including both institutional and noninstitutional; leisure; and education; and
4. Advising both the local governing body and the Division on Aging of the unmet needs related to aging and recommending appropriate legislation and procedures.

In a county of 70 municipalities, which has a population of almost 1 million people, 10 percent, or approximately 100,000 persons are 65 years of age and older. Of this group, at least half, according to the 1960 census figures, have incomes under \$3,000 a year. The economic aspects of aging as related to this segment of the population on low, fixed incomes compare most unfavorably with those in the working force, especially in a high-cost metropolitan area where the cost of living, according to the Bureau of Labor Statistics, is considerably higher than other areas throughout the country as a whole.

Since one of the functions of the Office on Aging is to identify the needs of the older resident, an information and referral service was developed. Although information collected indicated that there are many areas of economic concern—such as the high cost of drugs and medical expenses, the lack of employment, the need for better trans-

portation and at lower fares, etc., we will limit ourselves to just one aspect of the problem—housing.

HOUSING: A MAJOR NEED

Analysis of the statistics gathered has shown that a major concern of the older population is finding housing suitable to their needs and at rents they can afford. From September 1966 through July 1968, 426 inquiries have been received requesting assistance in finding such housing. Unfortunately, in a so-called "affluent" county, there is a dearth of low and moderately priced apartments for a variety of reasons. One is that many of the nearly 70 percent of the senior citizens who own their own homes no longer can afford to maintain them because of the tremendous yearly increases in taxes. Forced to sell their homes, and wanting to remain in the community, they are competing with the apartment dweller for the limited number of apartments which are available. This competition creates spiraling rent costs which prices the economically disadvantaged out of the market. In addition, also due to the rising tax rate and other considerations, landlords are raising rents in order to meet their costs of operation.

Since local municipalities are forced to levy higher and higher property taxes in order to meet their obligations, help for the senior citizen in obtaining apartments at rents which will allow them to maintain themselves in dignity, which will leave them enough money to eat properly, to buy the necessary clothing, and to pay their drug bills and other expenses without applying for Old Age Assistance, can only come from programs provided by the State and Federal Government.

One such program exists which could provide one answer to the housing problem. Known as the section 23 leasing program, it is a program of Federal assistance enacted in 1965 to aid local housing authorities in providing quarters for low-income families in dwellings leased from private owners. It is administered by the U.S. Department of Housing and Urban Development.

In an effort to carry out its mandate to help fill gaps in services and provide information on possible solutions to problems, having determined the need in the housing situation, the Bergen County Office on Aging has been making a concerted effort not only to bring the leasing program to the attention of local governing bodies, but to get them to implement this program in their communities.

Operated through local housing authorities, either county or municipal, assistance to the elderly person is almost immediate. No new construction is needed. The tenant can remain in his present apartment. The landlord receives his full rent once the housing authority has determined it is proper and economically feasible. The community receives its full share of taxes since the landlord continues to pay his regular taxes. The tenant pays between 20 and 25 percent of his income and the difference is made up by the Federal Government through an annual contributions contract between the local authority and the U.S. Department of Housing and Urban Development.

Today, out of 70 communities, only five municipalities have instituted the leasing program, although eight have passed enabling ordinances which would allow them to use the services of the Housing Authority of Bergen County should they decide to go ahead with the program. The need remains in many of the remaining communities for assistance to the elderly apartment dweller.

GROUNDWORK AT COMMUNITY LEVEL

Much groundwork must be laid before most communities are willing to provide this assistance. The older generation is not only the low man on the totem pole of community priorities, it is the low man on the list of Federal priorities. Although such a program as the section 23 leasing program does exist, the possibility that moneys will not be appropriated to continue and expand the program is an ever-present reality. It is with this thought that we ask the Special Committee on Aging to exert its influence in making sure that the Congress of the United States not only maintains its present commitments to the elderly of the country but creates and develops programs which will expand the horizon for the older citizen.

We appreciate the opportunity to present just one small picture of the economic aspects of aging in Bergen County. We look to you for continued support in our effort to provide a better present and a brighter future for the older adult.

Thank you.

Freeholder William Dorgan was here. He did want to welcome you on behalf of all the residents of Bergen County. If he comes in a few minutes, may I interrupt? Thank you.

As an introduction I would like to quote a letter just recently received by the Office on Aging.

I am so tired of hearing what you are "going" to do for the senior citizens, the golden agers, et cetera. What you are doing is driving us to the wall. My husband and I have been retired for 14 years. When we retired we had enough for our needs but now our taxes are sky high, over \$800 on a small house in which we lived for 46 years. Food and medicine and meat are out of reason. When we live on what is given you must have so little that you cannot live in the first place on such a sum.

We did all we could not to be a burden on anyone but you will force us on relief. The little social security we have received cannot cover the rising costs of everything. I wish everyone would stop talking about what they are going to do and get busy and do it. By "you" I don't mean you, I mean our country.

Your visit here, Senator, is proof that as chairman of the U.S. Special Committee on Aging someone is doing something for the senior citizens.

Now may I introduce the first witness on the senior citizen panel, the chairman of the Steering Committee for Senior Citizen Clubs of Bergen County, Mr. James J. Kidd. [Applause.]

STATEMENT OF JAMES J. KIDD

Mr. KIDD. Thank you, Mrs. Krasnow.

Welcome to the Senator and honorable members to hear our testimony today.

As you know, I am the chairman of the Steering Committee for Senior Citizen Clubs of Bergen County. I would like to point out that the membership of the 86 clubs total over 10,000 members and that these senior citizens represent a fair sample of all the elderly in the county. They represent all income levels, from affluent to needy. The steering committee has interested itself on problems of all the Bergen County elderly, with special emphasis on housing, medicines, transportation, and taxes. You will hear reports from committee chairmen

who have been exploring these areas and bringing the attention of public officials, the press, and the general public to the extreme needs of many of the elderly in Bergen County.

Many of the elderly in extreme need were not always in this condition. They have been solid citizens all their lives. They paid their way and tried to put by money for the old age which now confronts them.

I cannot put it too strongly that the present generation of middle-aged and young people has not had the experience of living as they did, and really cannot understand how their parents and grandparents bought homes or paid rent, took care of their own elderly, and often their relatives' orphaned children without public assistance. They sent their children to college without the help of special loans and usually without scholarship grants. In addition, they put as much by as they could for their old age.

They did this on pre-World War II incomes. They worked hard, they did not have labor-saving devices. They did not have the means or conveniences for travel—they did have the horse and buggy and the trolley cars—or any of the pleasures and leisure-time activities that almost everyone enjoys today when even a poor man often owns a car.

TAXES DRAIN RESOURCES

The plain fact is that the present-day elderly who put aside money or bought a home that they thought would shelter them in their old age find that what they have provided is not equal to present-day inflated prices and present-day increased taxes.

Remember this folks, that social security did not start until 1937 and a large amount of those who are old now had already worked for 20 years before it started, so that those who retired early got smaller social security checks than those who retire today and still do get a smaller check.

The senior citizens do not want charity, they would like some material evidence of consideration. Theirs is a generation that contributed a great deal to their country. They worked to achieve the benefits the present middle-aged and younger generation are sure to enjoy—social security and medicare to name only two.

I urge you to give your most serious attention to the following witnesses who will come before you.

I thank you for giving me this opportunity to speak to you and hope the senior citizens will all benefit from what comes out of this meeting.

Thank you. [Applause.]

Mrs. KRASNOW. Thank you, Mr. Kidd. I am sure that Senator Williams will discuss the generation gap and the lack of communication with you after the rest of the panel presentation.

May I now introduce Mr. John W. Terhune, a senior citizen of Park Ridge who is devoting much of his time to trying to correct the situation about which he will talk.

Mr. Terhune.

STATEMENT OF JOHN W. TERHUNE

Mr. TERHUNE. Senator, Congressman, ladies and gentlemen, my purpose here today is to bring to your attention the desperate plight of many of our elderly citizen homeowners. The homeowners I speak of

are the innocent victims of an unconscionable and ever-increasing property tax that has now reached the point of confiscation. Most of these elderly citizens have a set income far below the poverty level; in fact, I would say that many are living at a bare subsistence level.

Here are a few typical cases that I found upon investigation. Mr. E, age 79, and Mrs. E, age 74, their combined total income is \$2,250. It costs them \$120 for prescriptions and other medications, \$395 for their 1969 taxes for an antiquated house over 50 years old, which leaves them \$1,738 for all their living expenses. Incidentally, Mr. E. has been chronically ill for the past 15 years.

Here is Mrs. H, a widow 72 years old. Her total income is \$1,872. Her 1969 tax bill is \$738, an increase of \$196.16 over 1968. Her drug bill is \$52 a year. She lives in a substandard bungalow at least 48 years old. All she has left for food, clothing and the rest of her living expenses is \$1,081.40.

And lastly, Mrs. L, a widow, 81 years old. Her total income is \$1,320. Her 1969 tax bill is \$555.58, which is an increase of \$160.77 over 1968. She, too, lives in a substandard house which is more than 50 years old. All she has left for all living purposes is \$764.42.

As people grow old, their home becomes more and more an integral part of their life, and to be forced out of their shelter and privacy because of excessive taxation will undoubtedly shorten their lives.

The need for adequate relief from these burdensome taxes by our elderly homeowners is immediate and now, and since time is of the essence it is my most earnest hope that meaningful tax relief will not be too little or too late.

Thank you very much. [Applause.]

Mrs. KRASNOW. Senator Williams and Congressman Helstoski, I would now like to introduce Mrs. Anna M. Lucchesi, a widow who is one of the elderly citizen homeowners having such a difficult time making ends meet because of her limited income.

Mr. TERHUNE. I will ask Mrs. Lucchesi questions beginning with the purchase of a home up to the present time.

Mrs. Lucchesi, do you mind telling us how old your are?

STATEMENT OF MRS. ANNA M. LUCCHESI

Mrs. LUCCHESI. I am 79.

Mr. TERHUNE. About the year 1935 did you and Mr. Lucchesi locate a little two-bedroom bungalow that you wanted to purchase and which was not a new building at the time; in fact, it was about 15 years old? Is this so?

Mrs. LUCCHESI. That is right.

Mr. TERHUNE. Now when you purchased this building, how much did you pay for it?

Mrs. LUCCHESI. \$4,200.

Mr. TERHUNE. Will you please tell me what the taxes were at that time in 1935 when you purchased it?

Mrs. LUCCHESI. \$89.

Mr. TERHUNE. And your taxes remained constant for a period of almost 12 years, there was very little change. During that time did you and Mr. Lucchesi speak with each other and assure each other that no matter what happened to either one of you the survivor would always have a home?

Mrs. LUCCHESI. That is right.

Mr. TERHUNE. Now in fact, 10 years later, 10 years after you purchased your house, your taxes were still below \$100.

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. Then in the late part of the 1940's and going into the 1950's your taxes evidently started to escalate and increase.

Mrs. LUCCHESI. They did.

Mr. TERHUNE. Now, Mrs. Lucchesi, will you tell us what happened in 1956?

Mrs. LUCCHESI. In 1956 my husband died.

Mr. TERHUNE. When your husband died you had to supplement your income, is that correct?

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. So you got a part-time job. This part-time job required you to work sometimes 1 day a week, sometimes 2 days a week, for which you received a total sum of \$45 per month or \$450 per year, is that correct?

Mrs. LUCCHESI. Right.

Mr. TERHUNE. At the time you started this work, how old were you?

Mrs. LUCCHESI. Sixty-five.

Mr. TERHUNE. You continued this work, except for the 2 summer months, for a period of 10 years.

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. At that time you were 75 years old.

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. Then what happened when you were 75 years old?

Mrs. LUCCHESI. I had to quit.

Mr. TERHUNE. You could no longer do this work?

Mrs. LUCCHESI. No.

Mr. TERHUNE. Now this position that you took, it was about a mile and a half from your house so in all kinds of weather you walked this distance to this job that you had, a distance of about a mile and a half which of course meant that you walked about 3 miles a day, is that correct?

Mrs. LUCCHESI. Yes, I did that.

Mrs. KRASNOW. For 10 years.

Mr. TERHUNE. Now, Mrs. Lucchesi, your taxes kept going up so that in 1968 they were \$554.41 net after you had received \$80 off, is that correct?

Mrs. LUCCHESI. That is correct.

Mr. TERHUNE. And your 1969 tax bill has increased \$192.39 and is now \$746.80?

Mrs. LUCCHESI. Right.

Mr. TERHUNE. Now you are obliged to every day of your life take medication and the yearly cost of this medication is \$182, is that right?

Mrs. LUCCHESI. That is right.

Mr. TERHUNE. Now you are also facing the cost of sewers in front of your house which will be levied at about the sum of \$260, is that right?

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. Now that sum added to the \$746 will make your combined taxes, including sewer tax, slightly over \$1,000, is that correct?

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. And in addition to that you have to pay for this medication at \$182 a year which brings the total amount of expenses to almost \$1,200, is that correct?

Mrs. LUCCHESI. That is correct.

Mr. TERHUNE. Now you have a total income of \$1,958, is that correct?

Mrs. LUCCHESI. Last year.

Mr. TERHUNE. That is last year's income?

Mrs. LUCCHESI. Yes.

Mr. TERHUNE. So if we deduct the amount of expenses that you have to meet, these taxes and medication, all you would have left would be a little less than \$800 to cover all your expenses of food and all other living expenses and so forth keeping body and soul together, is that correct?

Mrs. LUCCHESI. That is correct.

Mr. TERHUNE. Now you find that you cannot work any more. If you were facing the fact that you are going to lose your home, you were not going to have this home any more, what effect do you think this would have upon you?

Mrs. LUCCHESI. I don't know. I would be very much upset. I would not know what to do about it. Of course I have lived there so many years, so many memories, and it is a comfortable place, a very small home and easy to take care of but I would not keep it up if I had to pay the enormous taxes.

Mr. TERHUNE. Thank you, Mrs. Lucchesi. Thank you very much. [Applause.]

Mrs. KRASNOW. Thank you, Mr. Terhune and Mrs. Lucchesi. I know that Senator Williams and Congressman Helstoski have been very much interested in your testimony.

May we at this time, Senator Williams, even in the middle of our panel discussion invite Freeholder Dorgan to speak for just a moment.

Senator WILLIAMS. Certainly.

We welcome you, Freeholder Dorgan, to a hearing which has already proven most helpful to us, increasing our understanding of specifics of the terrible pressures on reduced income. We welcome you.

STATEMENT OF FREEHOLDER WILLIAM J. DORGAN

Mr. DORGAN. Thank you, Senator.

My job here is to welcome you a little belatedly. In Bergen County we have almost a million people. We are happy that you took the time and thought it important enough to come to our county and Cape May County to conduct these hearings. We would like you to know that while it is true that we are known as an affluent county that our senior citizens' problems are just as real as the problems of the cities. We welcome you here today. I am sure that these hearings will be very fruitful.

Thank you very much.

Mrs. KRASNOW. I should like to introduce at this time a gentleman who has devoted a great deal of his life, not only his retirement years but years before his retirement, working for the good of many people in the county. He wants to talk about a very specific area of concern to the older person.

Mr. Ed Carr.

STATEMENT OF EDWARD L. CARR

Mr. CARR. Senator Williams, my good friend Congressman Helstoski, fellow citizens of the audience. Before I start, Senator, I wish to assure you of my heartfelt gratitude for this privileged opportunity to testify. To you, ladies and gentlemen, I shall try to the best of my ability to give you a most tragic but true picture of how almost half of the 100,000 seniors who have been trying to live out their few remaining years in dignity with a livable security are gradually being ground to dust in oblivion, and most tragic of all in some cases in connection with suicide. I am sure you can realize their concern.

Now their greatest problem I have found is the ever increasing rise in taxes for school purposes. When you realize that over 65 cents, I repeat, over 65 cents out of every dollar of this merger income is taken out of taxes for school purposes, I am sure you can realize their concern. I have some other figures on school costs which you probably would like to know. Today it costs over \$700 to teach each child in our school system. During 1969 the tax levied for school purposes is close to \$148 million. On the basis of a total of 268 schools in the county, simple arithmetic will prove that it cost over a half million dollars to maintain and operate each school.

Now perhaps you would like to know what we of the steering committee and the Council of Bergen County Clubs have been doing for you and ourselves. Over the past year as your legislation representative with the approval of the steering committee I drew up and presented the following resolutions:

First, to the President of the United States and our New Jersey Representatives in the Senate and Congress we had a resolution asking for an immediate increase in social security benefits on a par with the present rise in the cost of living.

Second, probably a little belatedly or a little late, we sent a resolution to the platform committee chairmen of both the Republican and Democratic parties asking them to establish in their platform the recommendations arranging for rent controls down to expansion of the food stamp program. In Trenton a resolution was introduced, and unfortunately it is being jockeyed back and forth between the senate and the assembly, to reduce or eliminate the disadvantage especially of seniors of going out twice to the school election. We are asking that this be reduced to only once.

We also have a resolution in Trenton asking that school taxes be eliminated entirely for this low-income group or the \$3,000 a year or less group.

Last but not least, recently we have petitioned our State legislature to create or establish an investigation body and/or a commission to thoroughly and impartially investigate the entire State school system.

IMPACT OF SCHOOL TAX

To justify this resolution I would like to bring out a few points. First off, as you know school taxes are our chief problem. We also fear that if and when this committee is established if they dig deep and hard enough they will find many avenues open for increasing efficiency and effecting substantial savings.

Before I close I would like to clear up one very false rumor which was circulating after the defeat of the school budget in which seniors are only partially involved; that senior citizens are against education. Seniors as a whole are definitely not against education. In my experience I have found a good majority of them are against the increasing infiltration of the various varieties of so-called luxury items which they feel are not only very costly but also in some instances nonessential. [Applause.]

Again, ladies and gentlemen, if after due deliberation you feel that this last resolution calling for an investigation of the school system has merit, please write your legislators in Trenton telling them so, pass the word around to your friends and neighbors. In any event, thanks for listening and may God bless you. [Applause].

(See appendix 1, item 2, p. 931, for additional material.)

Mrs. KRASNOW. Thank you, Mr. Carr. I know that you have made a very effective statement on the school tax situation.

May I say, Senator Williams and Congressman Helstoski, that Mr. Carr does speak for a large segment of the senior citizens in the county. There are, however, a good number of older adults or senior citizens who feel as I am sure even Mr. Carr does, that we need a very strong and very good education system. They are willing to pay for the education system. But the costs are high and it is difficult for them because they are on a limited retirement income. What they are asking for is relief from their property tax. They are not against education. I think if many in the audience could speak they would say that they are willing to have some of the things that Mr. Carr calls luxuries or frills and that they are willing to pay for them. But we must find a way to take the tax burden off the property owner. That would correct the situation. The senior citizen then or those who do vote "no" would not be voting down the school budget. But this is the only place they have a chance to say "no" in order to protect themselves.

I would now like to introduce Mr. Steinberg. Mr. Irving Steinberg is a gentleman who, although he is representing a very large senior citizen organized group, works very closely with the Office on Aging to report on very special areas for the benefit of older senior citizens in the county.

Mr. Steinberg. [Applause.]

STATEMENT OF IRVING STEINBERG

Mr. STEINBERG. Senator Williams, Congressman Helstoski, it is a great privilege to be here today. It is a privilege that those people could take their time off from Washington and travel to come and listen to you, and when I say listen I know I mean listen to you.

I must start with a little story that was told to me by a rabbi. There was a little boy visiting his grandparents. I told this story

around various clubs already, so stop laughing, I want the Senator to hear this. He heard grandpaw and grandmaw crying, that they need \$100 by next Thursday to pay the rent; if not, they are going to be put out in the street. The kid picked up a little piece of paper and he writes a letter to God and he says, "God, please send me \$100 by next Thursday; otherwise, grandpaw and grandmaw are going to be put out in the street."

He addressed the letter to Washington. When the Postmaster General got that letter he read it and he didn't know what to do himself so he sent the letter to Nixon. Nixon looked at that letter and he took a piece of paper and wrote a memorandum to the Postmaster General saying to send the kid a \$5 check. When the kid got the \$5 check he wrote another letter to God saying, "Dear God, if you send me any more money, don't send it through Washington because they robbed me of \$95." [Laughter and applause.]

Now, Senator, I fully realize that here you speak about Federal matters, about your ability to listen to us. We have a topic that concerns each and every senior citizen. I would like to use a minute or two on that topic, and that is transportation. In order to illustrate to you, Senator, I brought exhibit A with me.

Mrs. Brown, will you please stand up for a minute. I want everybody to see you.

Mrs. Brown is a widow. She is 66 years old. She is in the middle class income. Our Congressman today called a middle class income \$8,000 to \$15,000. But this woman is in no income. She gets \$57.10 a month social security. We were fortunate enough to put her in one of the houses in the senior citizens project. Mrs. Brown could not live on \$57.10. Even with the cheap rent she spends \$35 or \$36 a month.

So we worked with her and we got her on county assistance. Guess how much she gets there; \$51 a month. Remember, I said she is in the middle class income. So she gets altogether \$108. She has to go to work in order to be able to buy at least one tomato for 20 cents, lettuce she cannot afford to buy. Mrs. Brown is a diabetic and she uses part of her money for pills, medication.

Mrs. Brown is a product of Hackensack. She was raised here, everybody knows her. Professional people, doctors, lawyers, freeholders—if they need somebody to do a little housework they call Mrs. Brown, but Mrs. Brown, to get to their house, needs two buses. If she works 3 hours, she spends \$1 carfare back and forth to get home. She cannot make coffee in the morning because she will miss the bus. So what does she do? She would like to go into a luncheonette.

I am telling you a true life story. I followed Mrs. Brown and I wish to God you people would follow her with help right now. She would like to have a cup of coffee. She walks 15 blocks for the next bus because she cannot afford to pay the first quarter. She would like to have a cup of coffee. Today coffee is 15 cents and a roll is 20 cents so she cannot have it any more. She stopped working because the doctor said she cannot go on any further.

Those are the conditions of transportation at the present time in Bergen County. We are speaking for Bergen County, we are not interested in anything else.

Now we leave Mrs. Brown and we pick up Mrs. Kreeger. Mrs. Kreeger has a friend that is very sick, seriously sick, and is in the

Hackensack Hospital. She has known her many, many of her 73 years, and Mrs. Kreeger cannot come to Hackensack Hospital because it is going to cost her \$1.40 transportation back and forth.

I can go on and on and on. I have been following these people for 3 years. Now what is wrong with our State? Twenty States already out in the West—California, Ohio, Connecticut, New York—I can give you a record of many, many States, some of them have free transportation for senior citizens. We are not asking for it. What are we asking for? We are saying to our legislature representatives that between the hours of 9 in the morning and 4 in the afternoon we would like to get low-cost transportation. At that time the buses are running empty. We watched that and surveyed the empty buses running all day. Why shouldn't they give us cheap transportation? Because they can go into Trenton and get \$750,000 subsidy to help them pay their expenses.

A little businessman on Main Street when business falls down, what does he do? Big sign in the window, "Sale, 40 percent discount." Give us a chance for those hours between 9 and 4, we will fill the buses up. They cannot come to any meetings. Our clubs are deteriorating, we cannot get them in there because of transportation.

I hope, Senator, even though it is not your field you will see that something can be done and should be done about it. One assemblyman answered me, and believe me I will follow that man until after November 4. He said to me, "If you can show me where the money will come from, I will work for that bill."

Now I am not against our lawmakers to get well paid. They deserve it; they work hard. The next morning they passed a bill that took 15 minutes for a 75-percent increase for their wages and \$750,000 for public service. [Applause.]

You have the right, I told you, not to go to Washington. Forget your petitions, forget your resolutions. These are the men. Senator Williams has given away his time, his energy, his life. Now I am not campaigning for him but I know what he did for my club. The reason I say this is because the Senator maybe does not remember me. I am here but I am in a dual capacity. I am also president of the Hackensack Golden Age Club and he did a lot of good work for us, and we thank you right now. [Applause.]

Never mind. The most important thing—there is a cancer among the senior citizens. I want to remind the Senator of one thing. You see this crowd over here, it is the Office on Aging. Mildred Krasnow—little Millie I call her—deserves credit for all your people. [Applause.] Senator, don't forget they had to pay a dollar carfare, some of these people here, in order to get here. Mildred Krasnow certainly deserves a great big kiss. [Applause.]

SHORTCOMINGS OF MEDICARE

Now, Senator, I will not take much more of your time but it is very important, as I said, that we have to cut that cancer out of medicare for senior citizens. Now, listen to this. You know me, I always come without a prepared speech. Sometimes I am afraid I would not be able to pronounce the words, but recently when I heard a certain gentleman on television with his speech I don't think it pays

to get writers to write a speech for him because I listened to him 35 minutes and in 35 minutes he used the word "poverty" 35 times.

Evidently the gentleman forgot that to us poverty is not a definition what it means to him, poverty—poverty means to us poor and forgotten. We are the forgotten people. Yes, medicare is a wonderful thing but as I spoke to Bill Oriol the other day, I said that medicare to us is like a leaking umbrella. You go outside when it is raining and you think you have protection and you open it up and the rain comes right through it.

Now what is wrong with medicare? Medicare needs a lot of improving. What is it? There are a lot of elderly people who cannot afford to pay the first \$44, they cannot afford to pay the first \$50, they cannot afford to pay one-fifth of the balance to the doctor. Besides that, when they come out of the hospital and they have to have more medicine, if they are diabetics it is \$17 and \$18 a hundred pills. If they have arthritis, it is \$14.50 for a hundred pills. If they have high blood pressure, it goes up to \$21.

Senator, medicare is good but it needs a lot of improving. Medicare needs improving. Dentistry, a lot of people say the old people don't need dentistry any more. They got their teeth fixed or they got false teeth for the last 5 years, but don't forget their gums are shrinking and the uppers and the bottoms are falling out and they cannot even enjoy it if somebody wants to make them a present of a piece of steak. [Applause.] I know certain people who never tasted that.

Eyeglasses. Do you know, Senator, what it costs in Bergen County for an elderly person to get a pair of glasses? This is not just talking politics with you, it is the truth, it is fact. The Office on Aging makes surveys on this. It costs \$50 and \$65. Am I right or wrong? [Applause.]

Hearing aids. We have a certain club. That little woman right at the present sitting in front me, you have to write on a blackboard if you want to tell her what Senator Williams did in Washington or anybody else because she cannot hear. What does a hearing aid cost? Two hundred fifty dollars.

Now, ladies and gentlemen, we are here to tell our godfather Senator Williams who has taken so much interest in us that medicare needs improving. We are paying \$4 a month insurance for medicare but we have to pay \$72 a year to Blue Cross and Blue Shield subsidy. You know what they give you? If it is in-patient, they don't pay you. If it is outpatient, they give you something. Even if they charge us one dollar a month extra and give us our money's worth, give us eye-glasses, give us dentistry—do you know that elderly people once their feet start aching and they have to go to a doctor it is \$15 just to look at them and put a little powder on them. We are dealing with that.

We don't want to die, it is too expensive to die. Even dying costs you \$1,500 at the present time. [Applause.]

Senator. I want to finish. I got a little notation up here and I am through. If I took up too much time, it is important to bring out everything that is in our hearts, that is in our heart. All I can say is that we thank you. We are happy and I am happy to have you here. I am not worried about Congressman Helstoski. Congressman Helstoski was first elected to the Congress by the National Council of Senior Citizens.

You remember I came to you and I said we are endorsing you. He was not a senior citizen then and he is not a senior citizen today, but when you reach that day we will take you in. [Applause.]

Mrs. KRASNOW. Thank you, Mr. Steinberg. I think it is apparent that people enjoyed your dramatic and very important message.

Mr. STEINBERG. It was not dramatic, it was from my heart.

Senator WILLIAMS. Well, I will say that this presentation by all of you this morning I will remember as long as I am working as chairman of the Special Committee on Aging. Every moment of it was most worthwhile from where I sit on the committee, not just for you but for the generations who will come on to retirement in this country. You have contributed so much, believe me.

I would like to just sit and chat and chat some more with you but we have to worry about time. Already you have given me, and I am sure the Congressman will express it, too, the facts as they are, the terrible hardship of meeting all of these absolutely essential expenses on a reduced income.

I will say now on transportation, it is true that our transportation companies are not carrying full loads between going to work hours and coming home hours. There are relatively empty buses throughout the country. There are some enlightened bus companies who have reduced those fares. As a matter of fact, in San Diego, Calif., they not only reduce fares and get older people riding, it is paying for itself, they are not losing money on it. As I recall they are making money on it at reduced fares in those off-peak hours. So you stay with it and I will tell you I will stay with it with you on that, too. [Applause.]

Mr. STEINBERG. Thank you very much.

Senator WILLIAMS. That is one specific. There is the whole business of improving medicare and dealing with the crushing burden, and this is very much the problem in New Jersey. Particularly in New Jersey the property tax causes terrible pressure. Ways are being suggested to alleviate this problem and we will try to deal with them to relieve some of that awful property tax pressure on older people. You have our support there and we appreciate it.

Henry, would you like to thank our friends as I have had the chance to do?

STATEMENT BY REPRESENTATIVE HELSTOSKI

Representative HELSTOSKI. Yes, Senator. This testimony this morning has been very significant and in fact somewhat emotional. I have some direct experience because my mother is 80 and on social security. I might say, Mr. Steinberg, on Blue Cross and Blue Shield she pays something like \$188 a year to supplement the medicare program. It is a known fact that what we are doing is propagating not a social security system, we are propagating the social insecurity system. This is what has come about. [Applause.] I do not think anything less than a 50-percent increase in social security benefits would suffice.

Second, this problem of property taxation is a critical one in our State of New Jersey and it has been growing. I think the whole philosophy is distorted. We are taxing property but yet it is not income producing. We are taxing people simply because they have a residence and something has to be done in terms of putting a freeze on property taxation because of its rising impact on the senior citizens today.

I want to compliment all the people who participated in the panel. I think they had some very salient points, they are driving the point more clearly home. I think some immediate action is necessary. We do other things by crash programs but we are neglecting areas that are of real concern to our whole society and the senior citizens area is one of those.

Thank you very much. [Applause.]

Senator WILLIAMS. We are grateful to you all. Everything that was said is being taken for a record that will go in the volume of our committee hearings in Washington. I would suggest to Bill Oriol—by the way, I did not introduce Bill Oriol who is our staff director.

Mr. STEINBERG. Everybody knows him.

Senator WILLIAMS. I stole him away from Bergen County 11 years ago. He was then on of the leading general writers, political writers for the Bergen Record. I spotted his talent and persuaded him to leave Bergen County 11 years ago.

Bill, you are looking younger every day because you are working for people that keep you young, right?

Mr. ORIOL. Yes, indeed.

Senator WILLIAMS. Very good.

I would suggest that the record of these hearings that will be in a volume made available to the senior citizen clubs of Bergen County when they are prepared.

Mr. M. I. HIGBIE. Mr. Chairman, excuse me. May I respectfully ask a question. Yesterday we saw the parade up Broadway and the boys were 24 minutes early. Maybe that was because they had \$24 billion to back them. I respectfully submit this panel hearing, while it is very necessary, is only about 10 years late. Thank you.

Senator WILLIAMS. Thank you. We will agree. I guess we have to deal with the proposition that we are here late and let's catch up. That is what we are about.

Now on several of the major issues of senior citizens we have a group headed by Mr. Samuel A. Goodstein who is the Teaneck Coordinator of Senior Citizen Housing for the Housing Authority of Bergen County; Mr. Ralph van Syckle, Tenafly Welfare Director; Mr. Paul Giblin, an attorney from Paramus on the Bergen County Central Trade and Labor Council; Mrs. Mary Niedermeier, a nutritionist with the Bergen County Health Department; and Mr. John P. Lyle, Director of the Bergen County community action program. These people are accompanied by Mr. John Perry of Englewood.

Mr. Goodstein, are you going to direct operations for this panel?

Mr. GOODSTEIN. I don't know how good I am, Senator.

Senator WILLIAMS. Is Mrs. Barbara Pawlowski here?

Mrs. PAWLOWSKI. Yes.

Senator WILLIAMS. I also want to say while we are getting arranged that Mr. Charles Steel from Teaneck is with us today. Mr. Steel is a representative of the National Retired Teachers Association. There he is. Glad to have you with us today, Charlie.

Now I gather the panel is ready. Mr. Goodstein, would you proceed.

STATEMENTS OF SAMUEL A. GOODSTEIN, TEANECK COORDINATOR OF SENIOR CITIZEN HOUSING FOR THE HOUSING AUTHORITY OF BERGEN COUNTY; RALPH VAN SYCKLE, TENAFLY WELFARE DIRECTOR; MRS. MARY NEIDERMEIER, NUTRITIONIST, BERGEN COUNTY HEALTH DEPARTMENT; AND JOHN P. LYLE, DIRECTOR, BERGEN COUNTY COMMUNITY ACTION PROGRAM, ACCOMPANIED BY JOHN PERRY, OF ENGLEWOOD

Mr. GOODSTEIN. Senator Williams, Congressman Helstoski—Henry, I am glad Irving promoted you to a Senator but you will have to stand in line.

Let me say at the outset that anything that I have to say during my small contribution I fear is totally inadequate as compared to what you just heard here a few minutes ago. Irving Steinberg I know and, Senator Williams, I might suggest that if he is not your campaign manager you look into the matter immediately. He lays it on the line and he tells it like it is.

Congratulations, Irving.

I have prepared a statement here but as I say I feel it is totally inadequate inasmuch as what has gone before. However, I shall read it to you as I prepared it and I hope that my message comes across.

At the outset let me say, Senator, when I went to Boys High School over in Brooklyn in my geometry class I learned that the shortest distance between two points was a straight line so I am going to endeavor to take this thing to a straight line right now on just the one thought that I have in mind for the day. I think, as I said, that everything has been said. I am just going to nail this one point down.

In the fall of 1965, the mayor and council of the township of Teaneck, N.J., asked me to head up an advisory board on senior citizens housing problems in the township.

Let me say here and now that had I known what I was undertaking, had I been aware at that time of the many trials and tribulations, of the heartache and despair with which the forgotten generations of our "titled" senior citizens have to face each day, I would have perhaps hesitated before accepting this position.

In the years which followed I have come to know and to understand the frustrations which beset people who had indeed and in fact planned their future and who now in the twilight of life are left standing by the side of the road as life continues to pass them by.

Heeding the admonition as set forth in Ecclesiastes, they did—yes, they did—remember their Creator in the days of their youth but strangely and frighteningly enough, those whom they created, those whom they nurtured and loved, those communities which now live in the affluence which these senior citizens created seem to have forgotten them. They wonder where it is that they were turned off from the mainstream of life. Their thoughts and their problems are as real and as awesome as one may dare imagine. Too proud to beg, too decent to revolt, too timid to demand, they stand and wait and wonder.

While congresses and politicians of every persuasion ponder, pontificate and promise, our senior citizens die waiting. This is not an idle remark, nor is it the figment of one's imagination. This is not a "tale told by an idiot" as Shakespeare might have put it, this is indeed the truth. I shall introduce into the record an article which appeared in the Record of July 31, 1969, which will give credence to that which I have just said.

It is my opinion that we have waited far too long and debated far too much. We are dealing with people who are desperately in the need of immediate help. Consider if you will a person who has worked all of his adult life, has reared a family in a home which he purchased so that his declining years would hold for him the assurance and peace of mind which a roof over one's head offers. Consider, too, if you will, that he is now retired and living on a fixed income of less than \$5,000 per year. I would point out to you that his local taxes today are almost as much and in many cases more than he might have used as a down payment for that home. He is being driven from the haven which he had prepared for his years of retirement. He is not being disenfranchised by anything that he failed to do. As a matter of fact, he did everything that is expected of a decent human being who earned his daily bread and from it tithed for the future.

He is, in fact, being brought to his knees by something which our Government has not done. We have not, in all our ponderings, given a single thought to the individual homeowner of whom I speak. His taxes continue to spiral ever upward while the worth of the dollar which he set aside for the "evil" days continues to shrink. The very metal in his coin is no longer there. He is expected to feed himself, to shelter and to clothe himself, and at the same time to continue in the financial support of a community some of whose services he no longer receives.

TAX RELIEF: \$80 A YEAR

For years he supported and paid for the educational system in his community and today that same system, which he no longer uses, takes approximately 60 to 62 cents of his every tax dollar. I have in my possession, which I shall make a part of the record, an official list of 903 aged homeowners in Teaneck alone over the age of 65 with an income of less than \$5,000 per year.¹ The only assistance given to them is an annual allowance of \$80 on their realty tax, a tax which continues to rise at the rate of more than 10 percent annually.

I spoke to our tax assessor last night because I was a little bit leary of our figures. I spoke to Joe Kropinski over in Teaneck. I must apologize for the written statement, I was wrong. The taxes in the last 3 years in Teaneck alone have risen over 40 percent. The figures on the books today stand at 12 percent in 1967, 12 percent in 1968, and 16 percent in 1969, and God only knows where we are going in 1970. If you think those boys went to the moon, I have news for you—we are going to outstrip them.

A modest home which was bought 30 years ago for about \$9,000 is now assessed at three times that amount, and that assessment will be raised again this year by virtue of the 100-percent-evaluation law in

¹ Retained in committee files.

the State of New Jersey. The tax on this property, which less than 20 years ago was some \$200 to \$250, today stands at \$1,100 and continues to rise.

The senior citizen is therefore forced to sell his home and to look for suitable housing at a rental commensurate with his pitiful income. Here he is brought face to face with the impossible, for in this affluent area there is no such thing. If a small apartment with one bedroom were available to him, and there are very few—and believe me I know; I am the coordinator of the housing project in Teaneck—he is asked to pay a rental of \$150 per month and up, and believe me that in most cases it is up. In the southern end of Teaneck, in an area which was once referred to as Skunk Hollow, there are at present being erected a complex of garden apartments whose monthly rentals for a one-bedroom apartment starts at \$250 per month and you have my word for it, Senator, that there are not too many at that price.

It remains, therefore, for the senior citizen to try to maintain his home since there is no other place for him to go. In order for him to pay his taxes and to keep the property in conformity to one of the strictest building codes in the country he must, of necessity, rob his stomach of a decent diet and mend his old clothing since new ones are completely out of the question.

This is the specter to which our senior citizen opens his eyes at the beginning of each day and this, gentlemen, is the nightmare which he takes to bed with him at day's end. They do not need our help today or tomorrow—they certainly don't need it next year—they need all the kindness and every consideration which was due them yesterday. They cannot wait and we dare not cogitate further. The time is now.

Our Federal Government must join hands with our State and local governments in a concerted and immediate—and I underline immediate—effort to remove from the senior citizen the awesome, back-breaking burden of being taxed for education. Take from his already humped and aching back that 60 cents of every tax dollar and he will once again be able to take his place in a society that seems to have forgotten; to have done no more than give the empty title of "senior citizen" to our aged loved ones.

While young men walk on the moon our senior citizens find it difficult to as much crawl on earth.

Thank you, Senator. [Applause.]

(See appendix 1, item 3, p. 933, for additional material.)

Senator WILLIAMS. Thank you very much.

We appreciate the record material. Certainly the awesome implications of your statement will be helpful to our committee.

Now how are we going to proceed? Are you the chairman of this panel?

Mr. GOODSTEIN. I am not the chairman, at least I did not think I was.

Senator WILLIAMS. I make you the chairman to introduce the other folks.

Mr. GOODSTEIN. Every time I raise my voice I get promoted. I was warned about that; I was in the army and I was told never, never, never to offer any help, but I will do it. I am chairman of more committees than you can shake a stick at.

We have Ralph van Syckle with us, Tenafly welfare director, who I think has a very important message for us.

Mr. van Syckle, would you like to borrow my mike?

STATEMENT OF RALPH VAN SYCKLE

Mr. VAN SYCKLE. This one is better, it is the older style.

The Honorable Harrison A. Williams, Jr., members of the Committee on Aging, members of the Bergen County Center on Aging, honored guests, ladies and gentlemen, hardly a day goes by that someone does not say to me, "You don't have any welfare problems in Tenafly." While Tenafly is an affluent community—we do not have as many problems as some other communities in Bergen County—the problems we have are just as serious and important as those in the other communities of our county.

Since our hearing is on the economics of the aged I will deal mainly on this particular branch of welfare. I would like to make it clear from the very beginning that I can only speak for Tenafly. The question is, just what is our municipality doing to help the elderly in need? The main council adopted on June 10, 1969, ordinance No. 974. I would like to quote part of that ordinance: "An ordinance to authorize the Housing Authority of Bergen County to act in and for the Borough of Tenafly as a housing authority for the benefit of senior citizens housing and to authorize a contract with the county of Bergen and its appropriate agencies to provide senior citizens housing services."

On the strength of this ordinance a committee was appointed known as the Community Relations Committee and one of our former mayors was made chairman of that committee. A confidential questionnaire was prepared and mailed to all residents. A total of 4,700 questionnaires were mailed along with postage-paid self-addressed envelopes for their return. It is interesting to note that approximately 492 were returned for screening. I would like to add that the Bergen County Housing Authority has been most cooperative with our Community Relations Committee on the Aging.

RELUCTANCE TO ACCEPT "WELFARE"

Just recently I had a couple come to my office very much worried over what will happen to them. Their social security plus their pension amounts to a monthly income of \$235, or an annual income of \$2,820. Needless to say, they are having a very difficult time to make ends meet. They have lived in their house for many years and they do not want to move out of Tenafly. I explained to them in detail how they could apply to the Bergen County Welfare Board for supplemental aid under the category of old-age assistance. Because of their pride they told me they did not want to receive public assistance in any form.

I would like, if I may, to recite one more case. A maiden lady 66 years of age became ill and was unable to work. She told me for many years she did housework for a living and was very generous in helping those of her family and others. She receives a monthly check from social security amounting to \$73.60. This is all the monthly income she receives. She was admitted to the hospital for tests and care.

Since the doctor advised against her returning to the room she was renting in Tenafly, the social service of the hospital was able to place her in a nice boarding home. In the meantime I referred this case to the Bergen County Welfare Board. She is now receiving supplemental aid in the category of old-age assistance. While she would like very much to return to work, this is a physical impossibility. However, she has expressed to me many times, and with tears in her eyes, she dislikes being on the relief roles.

It is not uncommon for the aged citizens in need to come to my office to apply for old-age pensions. I have to inform them that to my knowledge I know of no old-age pension and I will explain to them the benefits of old-age assistance. This upsets them because most aged citizens have pride and do not want to be on the relief roles. The term "being on relief" has a certain amount of stain to do it and this has always been most disturbing to me, so much so that I got enough courage up to write a letter on August 6, 1969, to the Honorable Lloyd W. McCorkle, Commissioner of the New Jersey Department of Institutions and Agencies, to suggest that we change the term "old-age assistance" to "old-age pension" and gave him my reason for the change.

In conclusion I sincerely feel that in helping our aged population in need we must not only help them in their economic plight but we must also respect their tender feelings in order that they may live out their golden years with dignity and spiritual contentment. Respectfully submitted. [Applause.]

Mr. GOODSTEIN. At this time, Senator, may I digress for just one second, please. We have sitting in the audience the executive director and the former executive director of the Housing Authority of Bergen County. We are doing a wonderful job in Bergen County on senior citizens rent subsidy under Section 23 of the Housing and Urban Development Act as amended in 1965. Of course this is not a panacea, you know—Section 23 of the Housing and Urban Redevelopment Act of 1937 as amended in 1965. This is a rent subsidy program of which Mr. Van Syckle spoke—no, no, that is Federal. That is Federal. The gentlemen are here. Mr. Dwyannel Travers who laboriously broke the ground along the way. I wonder if Dwyannel would stand up and take a bow for us. Mr. Travers. [Applause.]

And right now the man that I am working with very, very closely, and I might say that he is doing a yeoman job, Mr. Bill Malone. Mr. Malone, will you stand up, please, and take a bow. [Applause.]

I would like now to introduce to you Mr. Paul Giblin.

He is not here. Paul is not here.

Remember that, Bill. He is our attorney.

Is Mrs. Mary Niedermeier here?

Mrs. NIEDERMEIER. Yes.

Mr. GOODSTEIN. Mrs. Mary Niedermeier is a nutritionist with the Bergen County Health Department, and I think she will have some very interesting facts for us.

STATEMENT OF MRS. MARY NIEDERMEIER

Mrs. NIEDERMEIER. Senator Williams, Congressman, members of the senior citizens groups, honored guests, I would like to make a few remarks on the nutritional aspects of the economics of aging.

Nutrition is only beginning to come into its own as a scientific discipline and its importance for the well-being of the elderly is now being recognized. A nutritionally well-balanced diet does not guarantee that one will be in good health but one cannot be in the best of health unless he lives on a good diet. Faulty food habits are probably the greatest obstacles to optimal nutrition in the majority of persons.

Being poorly nourished is often the reason for complaints that drag an older person down. Among these complaints are chronic tired feeling, gloomy outlook on life, anxiety over small things, loss of sleep, and overweight. All during life a human being needs foods that contain protein, vitamins, and minerals. The elderly person of 75 years needs as much protein as he needed when he was 25 years old. He needs as much vitamin A, ascorbic acid, as much as most of the B vitamins, calcium, phosphorus, and magnesium.

These statements are substantiated by the revised 1968 recommended daily dietary allowance of the Food and Nutrition Board, National Academy of Sciences, National Research Council. In fact, the only nutrients that the elderly female needs less of than she did at 25 years of age are iodine and iron. Both male and female need more vitamin B₁₂ but fewer calories than at an earlier age. Therefore, the quality of the diet in proportion to the calories should be improved when one becomes older. In other words, food should yield more nutrition per calorie.

Some major dietary problems of older people are (1) inadequate diets, (2) overweight, and (3) inappropriate use of vitamin and mineral preparations. Some deficiencies found in the diets of our senior citizens are inadequate protein, iron, calcium, vitamin C, thiamine, and vitamin A. Foods which are excellent sources of these nutrients are meat, fish, poultry, cheese, eggs, milk, fruits, and vegetables which in today's market are the expensive foods.

Clinical protein deficiencies are not uncommon in the elderly. Mild deficiencies may be manifested by (1) a sense of habitual fatigue, (2) slow healing of wounds, and (3) lowered resistance.

As stated above, there should be a reduction of calories from 20 to 30 percent as compared to that of the young adult age group. Reducing calorie intake to control weight should not involve reducing the intake of protein, vitamins, and minerals to below the recommended level. The desired diet in later years is high in protein, moderate in carbohydrates, and relatively low in fats.

Present food prices seriously reduce the important nutrients that the senior citizen can derive from his diet when a low fixed income yields insufficient money for proper food. Calories from a high-carbohydrate, high-fat diet can be obtained but nutrients necessary for good health and a longer life are not furnished.

Even if the elderly person had the skills and knowledge to plan a nutritionally adequate meal plan on the minimum amount of money available to him, the shopping necessary for weekly specials at the supermarkets where the lowest prices are possible would be highly impractical and in most cases impossible to do. This statement is made because in most cases there is a lack of transportation and the distances from the home to the supermarkets with the lowest prices are too great for the elderly to walk. Anyone who has a minimum amount of money

for food should not shop at the little expensive neighborhood corner stores which extends credit and sometimes delivers. The feasible plan for the senior citizen may be for him to shop at the nearest supermarket, but this particular store may not have all the "best buys" for the week.

I have prepared menus for 7 days providing three meals a day, costing a minimum of 66 cents a day for food only. These menus were planned using the current lowest prices available at two large supermarkets in Bergen County. It took considerable time for me to work out a minimum nutritionally adequate diet and I will make the following comments:

- (1) These menus are very limited in a variety of goods.
- (2) Where more than 1,800 calories are needed, the nutritional adequacy will suffer.
- (3) Where the lowest prices are considered, quality in many cases is sacrificed.
- (4) The psychological effects on the person who has such a minimum amount of money to work with for his daily food is most depressing.

The nutritional needs of active people are greater than those who are inactive. For the senior citizen who is able, it is well to encourage him to walk to keep fit, as well as permitting him to remain independent so as not to become a burden on society.

Dietary habits are affected by many elements, some of which are economic, others, the degree of nutrition education of the person, the ease of preparation of food, physiological, psychological, and food faddism.

A well-balanced diet for the senior citizen with dental problems is very possible. By changing the methods of preparation of meats, vegetables, and fruits, the elderly can have a varied, well-balanced diet.

The food faddists thrive on the ignorance of many of the aged concerning the elementary facts of nutrition. Faddists push the expensive so-called health foods, protein tablets, and other supplements such as sea salt, seaweed, rose hips, alfalfa pills, various seeds and concoctions of vitamins and minerals. Preparations of vitamins and minerals should be taken under the advisement of the physician.

The desired diet in later years is high in protein, moderate in carbohydrates, and relatively low in fats and this can be accomplished by recommended and wise food choices. The elderly, especially those on low incomes, need more help and guidance from the health professions, including more individual attention on diet and eating habits.

FOOD STAMP PROGRAM

The food stamp program in Bergen County is designed to be helpful to the low-income groups. This plan is a nonwelfare program to increase the food purchasing power and in this way to improve the dietary adequacy of the low-income families. Milton Goldstein, county director of the program, believes that since the program is associated with welfare, applicants are repelled. "It's an excellent program," says Goldstein. "It is designed to give assistance without delay. A family who applies can receive benefits the next month. It's not meant to solve all social ills," he says, "but it helps in one area."

The publicity of the food stamp program has not been adequate enough to inform the public on what it is, how it works, and what the benefits are that are derived from it. Other complaints from recipients of the program have included a feeling of embarrassment and shame when the stamps are offered to the shopkeeper instead of money.

The food stamp program cannot attain its ultimate goals in increasing the food purchasing power and in the improving of the diets of the low-income family unless an effective education program is provided to teach basic nutrition practices and buying skills.

Thank you. [Applause.]

Mr. GOLDSTEIN. May I at this point introduce the Reverend Father Francis Blum of St. Anastasia's Roman Catholic Church. He is on my coordinating committee and he is doing a bangup job. Thank you, Father.

At this time I would like to introduce to you, Senator, Mr. John P. Lyle, director of the Bergen County Community Action Program. I believe Mr. Lyle is accompanied by Mr. John Perry of Englewood.

STATEMENT OF JOHN P. LYLE

Mr. LYLE. Hon. Senator Williams, Congressman Helstoski, ladies and gentlemen, we have been brought together here today as a panel to discuss major issues. I am about to introduce a formal statement into the record on a major issue that is rarely discussed. I do not believe that it is skillfully neglected but there is a lack of advisability to the compoundedness of the dilemma of that which I am about to introduce into the record.

In discussing the aged poor and the economic aspects of their dilemma, the immediate focal point is usually the consequences of poverty in terms of physical needs. The statistics available to verify insufficient social security allotments, minimal diets, housing facilities, and medical care are, unfortunately, in much greater abundance than the positive steps taken to alleviate these well-articulated deficiencies. Of course, the most visible and identifiable effects of economy on the aged are physical, relating to food, shelter, and health. However, no less important, though less readily discernible, are the severe and debilitating psychological and emotional influences of economy on the aged.

Before attempting to measure with verbal yardsticks the emotional and psychological tolls, let us briefly look at the position that is often and sadly the blighted harvest of 65 years of life. More than likely, those who are in poverty at 65 have been embraced by it most of their lives. However, it is at a time when these people are most vulnerable that they are most victimized. Their existences have weakened them physically and spiritually; they need better housing, better medical care, and greater emotional security than their more fortunate youthful and financial counterparts.

However, (1) they are least likely to be the possessors of the tangible economic resources that would make these facilities available to them; (2) where these resources exist gratis, they benefit those who are in the least rather than the greatest need. The economic card stacking that maimed their youth and middle age continues more violently through what has been ironically labeled "the golden years." There-

fore, at a time when they have been rendered most helpless, they receive the least aid and are in the worst position to help themselves.

Viewed in this perspective, it should be apparent that physical demoralization will not be the only toll levied on the aged. The economy is a two-pronged sword, it afflicts both body and spirit. There is an emotional and spiritual impoverishment that manifests itself in intense feelings of insecurity, loneliness, cynicism, and depression. Recently a television program called "Don't Count the Candles" documented the vacuum that often fills the life of the aged. The intense loneliness of one female shutin was exemplified by a toy doll she kept in the chair opposite her. As she said, "It's almost human and I can pretend it talks." Her case is not a solitary one, nor does she stand as an exception. Tragically, her situation is often the rule. From that kind of loneliness, the persistent nagging emptiness of days of too many hours, can only come depression, lethargy, and feelings of isolation.

LONELINESS AND ISOLATION

Even when the aged are in the company of other people their own age the loneliness and isolation that are the bitter fruits of their physical impoverishment are like walls between them. This same television program took its cameras into a cutrate cafeteria frequented by senior citizens. As the camera focused on the myopic, vacuous faces, the viewer was struck by the ominous stillness of the room. Except for the tinkling of silver and china, there was only silence. However, when the spirit has been battered, bruised, and finally left alone, mere human contact will not restore it. That contact must have meaning and that meaning usually comes from man's inner resources. When these resources, what one might call hope, optimism and will, are dead, or near death, the result is a room of people who are neither alive nor dead.

While the loneliness, the isolation and the apathy are bad enough, since they imply a defeated personality, they are not the only psychological byproducts. Some of the aged poor whose character has not yet been broken are often a suspicious, cynical and fearful lot. They harbor information about themselves which might alleviate the sharpness of their condition and withdraw into their own world of reserve when questioned too personally. We find this constantly in connection with Bergen County work. They often refuse to comment honestly upon resources or services rendered to them, fearing the little help they get will be withdrawn if negatively but honestly commented upon.

In addition, many of them don't trust people. One senior citizen succinctly summed up the philosophy of many of her peers with this statement: "My money is my best friend." A set of attitudes prevail that boomerang from and back to misery. No force is ever really allowed to intervene effectively and what emerges is a monster born of forces from within. Thus, because of very understandable feelings and attitudes, the aged poor help to maintain the status quo of their situation.

Only one worse situation need be cited in this area. The psychological miasma is further complicated by the issue of race. To be old in a society still esthetically seeking the fountain of youth is bad. To be poor in a culture that has deified the dollar is worse. But, both of these points

are surpassed if one is not only old and poor, but also black. Then all of the loneliness, fear, insecurity and the rest previously articulated are further compounded by the hate of racial prejudice.

It has been the premise of this testimony, honorable Senator, that economy in terms of the aged can be doubly devastating. It does not leave behind the wreckage of a body or a spirit but of an entire individual.

I thank you. [Applause.]

Mr. GOODSTEIN. Senator Williams, I should like to take leave of you now, this panel and myself, but before I go—

Senator WILLIAMS. Some chairman you are, you overlooked one of the panelists. [Laughter.]

Mr. GOODSTEIN. I told you. Give me one more chance.

Senator WILLIAMS. All right.

Mr. GOODSTEIN. Mr. John Perry of Englewood. Mr. Perry delivered a statement on the intensification of that subject just discussed.

For purposes of the question and answer period for this panel another resource member of my staff, Mrs. Barbara Pawlowski of the senior citizens coordinating committee. She will not deliver a statement.

At this time I would like to introduce Mr. John Perry.

STATEMENT OF JOHN PERRY

Mr. PERRY. Senator Williams and Congressman Helstoski, a little more than 30 years ago I moved into Englewood and I heard this expression about the city of Englewood: "Englewood is one of the wealthiest towns of its size in the country." The 1960 census gave us a rather peculiar picture of the wealth of Englewood. When I say peculiar, this is what I am referring to. Someone had plotted a graph and one end showed a peak which represented wealth and oddly enough there was a second peak we will say opposite the first. That second peak represented the incidents of poverty that exist or existed in Englewood as of 1960.

Mr. Lyle mentioned the word "race." I am using very largely the word "minority" and I would like to give you an observation on how poverty is affecting the minority people who come in and out of our Englewood neighborhood center.

Since most minority people are to be found in the ranks of the unskilled and lowest paid workers they receive the lowest benefits in pension, social security and other beneficences. The continual rise in living costs had diminished the buying power of these grants and the need is for supplementary aid. A high priority is the housing needs of this group of citizens. In comparison to rent paid in better neighborhoods, senior citizens living in slum areas are paying far in excess of the worth of the rentals with little or no service. Many of the premises are rundown, unkempt, overcrowded firetraps which are unsafe for human habitation. The average monthly payment for apartments averages about \$150 per month in the nonwhite community as against \$125 in the white community.

There are some minority old aged persons who receive some pensions from their jobs. Most of them receive less than \$3,000, while a few have pensions that are less than \$1,800. It is evident that these

figures are based on the 1940 cost of living scale. The aged are liable for all taxes. Persons receiving social security are hard put trying to make ends meet.

Living costs in the New York metropolitan area are very high; hence, the intensification of economic pains to this group. Their plight suggests the need of some kind of control. Some senior citizens find it difficult adjusting to the new role. They resent not being the dominant figure and dislike the seeming intrusion into their personal life. There are few who are self-sufficient and require a minimum of attention while others feel unwanted, become irritable and demand an inordinant amount of attention.

Because the young people no longer live in large apartments, grandmother has lost the status of being a built-in babysitter. Talents among this group are going unused because of the arbitrary age restrictions relating to retirement. I have already mentioned the fact that the cost of living is very high in the metropolitan area and the minority old age citizen becomes an easy prey to unscrupulous landlords and credit giving vendors.

INDIVIDUAL "CASES"

I would like to mention just one or two cases that have passed through our center.

Mrs. W receives \$105 from social security. She is aged 77. She pays \$120 per month rent plus \$10 for utilities. She receives Meals on Wheels but she lacks sufficient money for fuel.

Mrs. G is blind in one eye. She receives \$77 from social security. She needs supplementary welfare. She is depressed because she cannot work. She has a retina detachment and she is heavily indebted. She pays \$100 rent.

Mrs. K, aged 80, receives \$109 in social security. She is crippled, she lives alone, she must be transported to the hospital and to shopping. She pays \$90 rent.

In conclusion, I would like to join with S. J. Martin who says that there are many unmet needs where experience and understanding of old age could be used rather than allowing them to rust out their remaining days. The knowhow of this group of citizens can be beneficial to both receiver and giver. I would like to offer these few suggestions.

There should be a permanent department on the aged on the Federal basis to bring about the quality of care for the aged. We should have more residences for senior citizens. We should establish discount centers for the aged. We should use retired citizens who have skills in places where they can be most helpful. Lastly, I feel that the mandatory retirement age should be limited rather than compelling citizens to retire at age 62 or 65.

I thank you. [Applause.]

MR. GOODSTEIN. Questions and answers.

MR. VAN SYCKLE. I think, Senator, the question and answer period ought to be withheld until we finish with all the panels rather than doing it with individual panels, don't you think so?

Senator WILLIAMS. I think that would probably be more satisfactory. I have limited observations at this time.

Henry, did you have any questions?

Representative HELSTOSKI. No, not at present in the interest of time, Senator.

Senator WILLIAMS. The rent supplement program in Bergen County is unique enough to have it described a bit.

Mr. GOODSTEIN. May I correct you, Senator. Subsidy, not supplement. You said supplement; it is a rent subsidy.

Senator WILLIAMS. If you could tell me just briefly, how does it operate?

Mr. GOODSTEIN. It is a very simple operation in this respect. Quite candidly it was dug out of the 1937 Housing Act as amended in 1965 and this is the way that it works. Anybody over the age of 62 with an income as an individual of less than \$3,600 a year or a couple with \$4,200 a year or less with net cash assets of up to what was \$12,000 and now has been raised to \$15,000—I would like to explain that if I may as we go along—is entitled to a rent subsidy providing, of course, that his landlord will agree to assign the lease to the Bergen County Housing Authority.

We have been very successful in Teaneck. Teaneck is the township that started this program. We introduced it and from there the county acted. I might say with due credit to our executive directors that we now have a blanket coverage in the county rather than taking it town by town. Any town may come in and simply pass an enabling ordinance such as the gentleman spoke of here and come into the Bergen County Housing Authority at 45 Essex Street and from there on they are in business.

SUBSIDIZED RENTS

The program is working. We started to subsidize rents in Teaneck as of the 1st of August. Our landlords are falling into line. Some of them, of course, are a little reticent about it. There are people who don't trust Government and we are doing our best to convince them. I might say we will do a fair job of convincing them if just given enough time.

The fact of the matter is that the program is working; it is a shortcut to anything that you might undertake in helping the aged citizen so far as housing is concerned. This does not in any way negate my statement on the homeowner who is not being helped at all. This program is for tenants only.

I would say here and now, Senator, that if there was some way of getting a dentist into Washington and putting some teeth into this section of the law we would have less trouble with some of our landlords and the program could go ahead more rapidly and more smoothly, and I think that we could help a great many more people as we go along. As I said, Senator, these are the people who needed the help yesterday; they don't need it today, they needed it yesterday.

Have I made it clear? Is there anything else you would like to ask me about the program?

Senator WILLIAMS. What is this assignment of the lease?

Mr. GOODSTEIN. The lease is between the tenant and the landlord. The tenant then signs an agreement with the Housing Authority of Bergen County and we in turn pay the landlord his rent and we take a portion of the rent from the tenant. In other words, this is not a

welfare program, nobody is on charity, nobody is on welfare, nobody need bow his head. He comes in or she comes in at the first of the month and signs his or her rent check and hands it to us in our office and we in turn pay the whole rent to the landlord. So there is no shame, there is no disgrace, there is no begging involved in this and it is completely out of the realm of welfare. Of this I may say right here and now that I am extremely proud. I don't believe that senior citizens, so called, belong in welfare.

Senator WILLIAMS. May I ask Mr. Perry, has Englewood passed the enabling ordinance so that that city is included in this?

Mr. PERRY. Senator, I have no knowledge that such an act has been passed as yet but I may be incorrect. I have no knowledge of it.

Mr. GOODSTEIN. May I say that Englewood has its own housing authority, Senator, and therefore would have to apply to HUD for this kind of program on their own. I am sure that our authority in Bergen County would be very glad to give them whatever help we can in reaching HUD. If they would just contact Mr. Malone at 342-1756, I am sure that he would help them in reaching HUD so that they could initiate this program in Englewood.

Senator WILLIAMS. There was one part of Mr. Perry's presentation that startled me. I believe you said that you know examples where non-white people are paying \$150 a month and comparable housing was \$125—

Mr. PERRY. No; that is not quite right, Senator. I said an average of \$150. That \$150 per month average can be broken down in this manner. The tenant pays perhaps anywhere from \$100 to \$125 rent per se. In addition to the rent he must supply his own fuel, he must supply his own utilities. So that then added to his rent of \$125, you will have anywhere from \$30 to \$40 for fuel and utilities which brings it up to where in the better neighborhoods the tenant pays a flat average of \$125 or \$135 per month which includes utilities, heat, and so forth.

Senator WILLIAMS. I see. That clarifies it.

Henry, do you have anything?

Representative HELSTOSKI. Mr. Goodstein, in terms of numbers how far has this rent program progressed in Bergen County through the rent authority?

Mr. GOODSTEIN. Well, I don't have the numbers at the moment. Figures are being prepared by Mr. Malone, and I do not know if he is in the room.

Is Bill Malone still here?

Bill, could you answer that question for me? You have the records.

Mr. WILLIAM MALONE. We have an additional 1,000 units.

Mr. GOODSTEIN. 1,000 units that we have covered. There are 12 communities participating in the program for the 1,000 units. We are going to apply for more, I might say.

Representative HELSTOSKI. Is there a large waiting list at the present time?

Mr. GOODSTEIN. The only waiting list we have at the present time, Congressman Helstoski, I am sorry to say are apartments. We don't have places to put these people. Apartments are not plentiful in the affluent towns within Bergen County. We don't have apartments. What we can do about this, I don't know. This is a question all unto

itself. I hope that one day you and I might sit down—I think I told you that I would like to sit down with you, and I told Senator Williams before we started here today that I would like to talk to him.

TIME IS RUNNING OUT

This is one of our problems, we have got to do something about it because time is running out on us. Unless and until we do something for these aged citizens, and I refuse to call these senior citizens, these are our fathers, these are our mothers, these are the people whom we love, unless we do something for them and do it in a hurry, we are going to open up a Pandora's box that will rock the program. There will be a welfare program such as Mr. Nixon could never envision in a million years.

Representative HELSTOSKI. Let me say in terms of the total 100,000, 30 percent would be renters and that would mean there is only 1,000 units available from a potential rental population of 30,000 people.

Mr. GOODSTEIN. I would say that you are close to it but I would even make it broader. I have not taken a count. The 1970 census is about to be taken next year. We are now speaking in terms of the 1960 census which has outstripped itself completely.

Congressman Helstoski, I might remind you that there are nineteen and a half million aged citizens in the United States today as of the 1960 census. This represents the population of 20 States within the United States. We are disenfranchising 20 States of the United States by number in this area of housing alone, and there are many other areas that I did not get into.

We could be here for a year and a half, but in housing alone we are disenfranchising the population of approximately 20 States within the United States. There are 13,000 people alone living in the United States today who are over the age of 100 years. Now these may be shocking figures to you. By 1978 it is expected that the population increase will produce for us a population of 25 million aged citizens over the age of 65. I would say that these are frightening figures and I would say that we had better get down to the business at hand and do something about it and do it in a hurry. I think that housing is our number one problem. [Applause.]

Senator WILLIAMS. Thank you very much, Mr. Goodstein.

I just want to say that Mr. John J. Lamb from Hillsdale is with us. He is a retired postal inspector and represents the National Association of Retired Civil Employees. We are very pleased to have you with us, Mr. Lamb. [Applause.]

I believe we are all entitled to a break now for about a half hour.

Mr. GOODSTEIN. Before you folks leave I would like to say something to the Senator and Henry Helstoski since you appointed me chairman of this panel, and I thank you for the appointment. I am going to go home and tell my wife I am another chairman and I am sure she will be delighted. Let me say this to you, Senator and Congressman. Somewhere it has been said that it is better to light one candle than to curse the dark. I think, Senator, that you and Henry Helstoski by coming here today have lit that candle. You kindled the flame of hope for us. [Applause.]

On behalf of all these people and on behalf of those that are not here and on behalf of those who are not within the reach of my voice, let me say to you I truly hope—and I know that you will because I know you personally and I know Henry personally—I know that you will go back to Washington and this candle is going to create one hell of a flame and I hope that you do it in a hurry.

Thank you. [Applause.]

Senator WILLIAMS. We will recess briefly.

(Whereupon, at 12:45 p.m., the committee recessed.)

AFTER RECESS

(The committee reconvened at 1:40 p.m., Senator Harrison A. Williams presiding.)

Senator WILLIAMS. We will reconvene our committee session for this afternoon again with Freeholder Dorgan. I understand Assemblyman Moraites was called to Europe, is that right? He has the witness list and he is not with us.

Senator Knowlton is with us and Senator Woodcock, Mayor Rose, and Mayor St. George.

Mr. DORGAN. He was here but he had to leave.

Senator WILLIAMS. We are honored, indeed, to have, if I may say so, such an imposing panel. We certainly welcome the opportunity to get together to learn from the most distinguished elected officials from Bergen County in the various areas of elected office.

Freeholder William J. Dorgan.

STATEMENTS OF HON. WILLIAM J. DORGAN, BERGEN COUNTY FREEHOLDER; HON. WILLARD B. KNOWLTON, NEW JERSEY SENATOR; HON. JOSEPH C. WOODCOCK, JR., NEW JERSEY SENATOR; AND HON. GOTTHOLD ROSE, MAYOR OF GARFIELD, AND PRESIDENT, REPUBLICAN MAYORS' ASSOCIATION

Mr. DORGAN. Thank you, Senator.

My appointed topic has been the effects of transportation. However, before I go into that subject I think it behooves me to clarify a few points in the previous discussions concerning what Bergen County has done, especially in the area of these housing authorities, to assist senior citizens in Bergen County. We first saw the need earlier to create a committee especially on social services encompassing most of the needs of these programs that we have been talking about by doing the following things.

We have implemented and are using successfully our own Bergen County Housing Authority on which so much discussion centered around this morning. To sum that up, we have a commitment and we have funds for a thousand units in Bergen County. However, that does not include all of the towns. We have only some 12 towns coming into that program and there are an equal number of towns or close to it that have their own housing authorities because the Urban Development Department recognizes either a municipality doing it on its own or done regionally, and they do prefer a regional approach as Bergen County is attempting now.

So there must be far more than a thousand units that have been authorized. I say it is closer to 2,000 in the county, 1,000 being under the regional and the others breaking down amongst the individual. We have taken this subject of transportation as a whole and we have attempted to start two projects: One is the reduced fare for bussing of elderly citizens to our parks, and secondly we are attempting an experiment in bussing to industrial shopping centers for low income and senior citizens, working in conjunction with the State of New Jersey on a \$150,000 grant.

We have talked about the subject of taxes and the other freeholder has moralized the State legislature to at least double the exemption on property taxes for senior citizens. This has dwindled away over the years as you have heard earlier and the legislature now has some four bills pending before them on transportation and other bills on increasing the amount of exemption that you senior citizens derive. To say that that is necessary is an understatement.

Originally people were given an \$800 exemption, senior citizens, back in 1963. In 1964 Judge Broadhurst came out with his opinion that each town has to be revalued at 50 percent of the market value, and this is where the disparity occurred. As a result of this ruling the State then saw fit to convert the \$800 to a flat \$80.

Now here is what that means. Whereas most of these elderly houses were under the old valuation, \$2,500, \$3,000, \$3,500, in that area, an \$800 exemption was a real sizable reduction to a senior citizen. So through the years, because of the spiraling inflation, a senior citizen now paying \$800 worth of taxes still gets only that \$80 exemption and therefore their percentage is dropping from some 25 to 30 percent down to 10 percent.

Take a case in fact. A woman just approached me a little while ago; one of our senior citizens, Mrs. Anna Lucchesi of Park Ridge. I don't want to tell her age, you should not tell a woman's age, but she is an elderly woman, a diabetic I understand. In 1936 in Park Ridge she purchased her home paying \$86 a year taxes and after the decision of Judge Broadhurst she was paying around \$300. At that time she received that \$800 exemption which was meaningful to her. She now pays a net of \$746 with her \$80 exemption. In other words, she is paying \$826 now as opposed to \$86 or about 10 times the amount of taxes that she paid and herein lies the inequity.

You heard from our community action program with senior citizens working with Mr. Lyle who are doing the job on meals on wheels, legal services, et cetera. I think that his speech was self-explanatory.

RELIEF FROM PROPERTY TAX

We talked about how we can relieve in New Jersey, the property tax effect. I can tell you now that the solution is not quickly another broad-based tax because I have spoken to these senior citizens on many occasions and they were sold a bill of goods that on our last broad-based tax a sales tax would be effected by reducing the amount of their real estate tax and this has never proven to be true. This tax this year is yielding some \$260 million, a small fraction of which has been given directly to municipalities and helped to reduce municipal taxes. But in 67 of our 70 towns, from last year to this year, the senior citizen will

pay more tax dollars, so the effect has been little or none from that general sales tax. So we are going to be very slow to say that that is the solution paid for schools and other costs in the State picture.

I would like to say that this is a good moment for me and I hope for all of us here. Only very rarely do any of us get a chance to make direct contributions to the shaping of laws and forces that have direct impact on our lives, and that is what is happening here today. If there is a lesson to be learned today, it is that hard work and determination in the name of a good cause can bring success. These are difficult times, and one of the worst things that could happen to us would be that we become victims of apathy and inaction because we are ignorant or self-satisfied.

In the statement of the board of freeholders of Bergen County I want to welcome Senator Williams and his committee to our county. We are deeply honored by the presence of the committee and want to add our congratulations to the many they have already received for the work they are doing. Activities and events like these are important to the life and value of a community.

I also want to warn our junior Senator that we in Bergen County plan to call on him in the near future. County government is reflecting on the contributions we can make in the years ahead. We will assume even more vigorously the role of advocate for change and improvement in programs for senior citizens. Those of us who view these programs from the county level will be asking Senator Williams to use the full force of his office to help Bergen take full advantage of the provisions of the Older Americans Act to develop employment and training programs for our elderly.

As you know, there are many of us in public office who have been trying to seek better transportation at less cost for our senior citizens. We have achieved a degree of success; we are not yet satisfied. Transportation is a major key to a happy life in retirement years because many of our senior citizens no longer drive, most live on fixed and moderate incomes.

While better than 60 percent of our senior citizens here in Bergen own their own homes and naturally love and enjoy them, they—like their rent-paying counterparts—still must be able to travel for many reasons. A short trip away from home provides a change of pace, a change of scenery, which is so vital for proper perspective and healthy outlook. A day trip to a museum or to a park or a lake, all of these are necessary from time to time to provide mental stimulation which, we are told, will result in better physical health.

Here in Bergen things of this nature—museums, parks, theaters—are not centrally located as they might be in a major city like Manhattan. In Manhattan, for the cost of a 20 cent token one can ride a subway to Columbus Circle and there at Lincoln Center one can go to the Huntington Hartford Museum, the opera, a ballet, Convention Hall (the Coliseum) and so on. But not here in Bergen. Bergen County is some 350 square miles and some 22 miles in length and to tie in with bus service is almost an impossibility. To reach varied kinds of entertainment here, one must be prepared to take a series of day trips in many different directions. So it is imperative here that we have programs at work that put this kind of entertainment within the reach of all our citizens, including perhaps most of all those who are free to enjoy it most, our senior citizens.

REDUCED TRANSIT FARES

This is why reduced fare public transportation must be a goal of all of us who serve in public office. Even if that is in the off hours as we have proposed to the legislature, we would like to emulate the New York City plan where a half fare basis is given during those off hours which is now working.

As I pointed out earlier, we have reached some success in our efforts.

We have a program underway now which makes it possible for our senior citizens to take public service buses to Van Saun County Park and also to Darlington at reduced fare. While that represents a start, and an important start, it is nevertheless only a start.

We must now try to conceive other ways to achieve our goal. We must look around and try to determine what we can take advantage of to the benefit of our senior citizens.

We know, for example, that last November the voters of this State approved bond issues totaling \$990 million. This may be discussed by some of the legislators. The transportation bond issue was for \$640 million, \$200 million for railroads and mass transit and \$440 million for highways. Many of you may have voted for those bond issues.

While we realize that those were capital construction bond issues—that is, the moneys must be used for capital purposes—we can nevertheless perhaps apply some pressure to make certain that all of our citizens truly benefit from them, including our senior citizens.

Toward that end we could, for example, insist that before any mass transportation company receives one penny of that massive transportation bond issue, said company must show us how it proposes to ease the transportation burden. This is what we customarily call the hook and carrot approach in politics, but it can be made to work.

I spoke earlier of the experimental summer bus route. I should like now to see Bergen County receive a planning grant from the Department of Transportation to enable a restructuring of routes to better serve low income and heavy industrial areas of our county. This type of planning brings more social benefits in addition to economic benefits. The Federal Government financed such a study to enable the city of Battle Creek, Mich., to begin a modernization of its public transportation; why not Bergen County?

The areas of public transportation improvement do not stand alone as a prime but isolated problem of senior citizens. This is the heart of the problem we feel of many of the problems plaguing the elderly—loneliness, unemployment, underemployment, health care, cultural deprivation—the entire matrix. A good and inexpensive system of public transportation will be the linkage between the senior citizens and those centers.

Again I want to say thank you, Senator Williams, and your committee for inviting me to appear today. I am confident that the major objectives of all who are unified in the common purpose of helping the aged live out their years in comfort and free from worries will be reflected in the final report of this congressional committee, and not only the report but also in the implementation of the recommendations of that report and this hearing.

Thank you, Senator. [Applause.]

Senator WILLIAMS. Thank you very much. I appreciate that very much.

I would like to say that yesterday afternoon the Older Americans Act did pass in the Senate. There are many programs that I am sure can be developed in Bergen County and the citizens here will avail themselves of those programs. There are other programs, too, that have come from our committee here that are in the administration's programs for older people that are meaningful to the older people who participate and very meaningful for those who receive the benefit of foster grandparents, for example, and senior aides. Another program is green thumb. I strongly recommend them to you.

Mr. DORGAN. I think I will just go along the panel here.

The next speaker will be Senator Knowlton who will address you senior citizens.

STATEMENT OF HON. WILLARD P. KNOWLTON

Mr. KNOWLTON. Thank you, Bill.

Senator Williams, all the members of the panel, ladies and gentlemen, my topic today is the health problem confronting senior citizens. Now, the senior citizen in his later years in many instances is faced with grave problems of health, and this not only affects him but affects in many cases his family, his sons, and his daughters. I know of a case where a senior citizen had a very severe stroke. The family tried to take care of this senior citizen. The family had children. The father had put away moneys for the children's education. But because of the expenses involved in caring for his parent, these funds which had been set aside for education rapidly were dissipated. So, therefore, we have to look at this problem from an economic viewpoint as well as from a moral and an ethical standpoint.

We know that our hospitals are overcrowded. We know that we do not have enough doctors. There is no sense in beating the medical profession over the head because of rising medical costs or in criticizing hospital administrators, because they have their problems, too. Hospitals in this county, as elsewhere, are faced with increasing capital needs, more rooms. In the Englewood Hospital, Englewood, N.J., alone, over the period of 10 years, three additions have been added and still you have to wait to get a bed.

The medical profession also has its problems. You just cannot turn out doctors like you turn out a Ford car; it is impossible. You cannot have large medical schools because of the educational techniques used in training people to become doctors. In New Jersey we have tried to answer this shortage of doctors in part by providing funds for the establishment of a new State medical center in Newark, which is now underway. We also hopefully will have up here in Bergen County another medical college in order to answer the need for more doctors.

Medicaid has helped the senior citizen a lot, and it will soon be supplemented by medicare. But there are gaps which these two programs do not fill. Somehow funds must be supplied by government to fill these gaps. Government assistance is needed in an increasing number of cases for capital expansion of private nonprofit hospitals. These hospitals need government assistance in order to provide adequate medical facilities.

EXPANSION OF NURSING HOMES

Another area that is rapidly coming to the fore is the expansion of nursing homes. These nursing homes, primarily operated by the private sector, must be brought into the governmental picture insofar as supervision and assistance for the needy senior citizen with a severe health problem. The same also for medicines and drugs. You can get a lot of these under medicaid and maybe under medicare, but again there is a gap which must be filled by government.

One of the great problems facing a State or a local government is communicating with the Federal Congress. Too often the Congress goes off on a program without getting down to the grassroots and finding out what really are the facts. Senator Williams, you are to be commended for bringing Congress by your presence to us here in Bergen County so that you can learn firsthand what the needs of this county are.

Incidentally, Bergen County is not unlike most other counties in the State or in any State for that matter. All counties, all areas of local government throughout this country, have problems in common. Some of those problems differ in degree and in intensity, but basically the problems of State and local government are the same throughout the Nation. I would hope that your subcommittee, Senator, would set up a permanent panel consisting of people who are engaged in government on the local and State level to meet with you and to discuss practical methods of carrying out programs to help the senior citizen with his health problem.

Now just one more word about property taxes. I happen to be a member of the joint appropriations committee of the New Jersey Legislature. We would like to do much more than we are doing, but the question always comes up, Where do you get the money? If you want services, you have got to pay for them. Unfortunately, they just don't come free for nothing.

I do not know what the picture for the tax structure in the future of this State will be. I do know that the Senate committee on taxation will be conducting hearings this fall, and I hope they will consider Senate bill 666 of which I happen to be a cosponsor. This would change the tax exemption status of the senior citizen from a fixed dollar amount to a sliding scale based upon percentage of assessed valuation.

The minimum payment to a senior citizen upon presentation and approval of his claim would be \$125. Then there is a percentage over that depending upon the assessed valuation of his or her property. I hope that this committee will consider the bill favorably because it removes the fixed dollar amount formula which should never have been in my opinion and should be placed with a percentage formulae.

Now this accomplishes two things. First of all, it provides flexibility for the senior citizen's tax problem. Secondly, it prevents the erosion of the property tax base upon which local and county government depend so much.

Finally, I am hopeful that the Congress and the Federal Government will return more funds to the States, including New Jersey, and let the States and the cities work out their own destinies with these moneys, subject of course to general guidelines and supervision by the

various Federal agencies. I think in this way we can get some meaningful solutions to solve the health problems of our senior citizen and to solve their tax problems.

Thank you. [Applause.]

Senator WILLIAMS. Thank you very much, Senator. I will say that your suggestion of greater communication between the various parts of government makes a great deal of sense to me. We have not had such an advisory group.

Mr. DORGAN. Thank you.

Next is the senior legislator from Bergen County, Senator Joseph C. Woodcock, Jr.

STATEMENT OF HON. JOSEPH C. WOODCOCK, JR.

Mr. WOODCOCK. Thank you very much, Bill.

Senator Williams, member of the panel, ladies and gentlemen, this is the first time I have ever been introduced as a senior anything but certainly in this company I deem that to be a distinguished title.

I sat in the audience this morning and listened to speakers that preceded this panel. Let me say that I was impressed not only by the presentation but the information and the suggestions made. I think that this Senate committee will benefit by the thoughts expressed.

One of the speakers this morning, Mr. Goodstein, said that the most important problem facing the senior citizen was housing. I would say that I could not agree more with that statement. Certainly housing is the most important problem of the senior citizen. Of course that is the one that takes the most money in most instances.

I think that the problem of housing breaks down into two categories, those people who rent and those people who own property and of course pay property tax. I think that while the Federal Government has, and rightfully so, done something about subsidizing the rent paid so that they can meet the cost of their rental properties, I do not think that the Federal Government has done anything with respect to the property-tax payer.

Now let me say I do not like to be in a position of passing the buck from the State to the Federal Government with respect to whose responsibility it is for the senior citizens. I think that it is our responsibility whether we are on a local, county, State, or Federal level. This is our joint responsibility and I think we ought to see to it that we take care of it.

I think that if we look at the history of the senior citizens' exemptions here in the State of New Jersey that everyone here in this room, if not everyone in the State, could agree that that system has been a dismal failure. First it was set up on the \$800 exemption to the assessment and then we got into 100 percent taxes and that became nothing. Particularly here in Bergen County with the rise in values of property, that became absolutely nothing and it meant nothing in dollars and cents to our senior citizens and their taxpaying problems.

We then went to the dollar amount and we said we will give you \$80 off with the tax bill. Of course that sounded a little better but then we realized that as taxes go up the \$80 looks like little or nothing. I think we are searching about to come up with a solution to this par-

ticular problem. Some of them that have been suggested I think are good solutions but in a sense rather impractical.

There have been suggestions that the senior citizens be totally exempt from paying school taxes and that the responsibility of the school tax should fall upon all of the other citizens in the community and the county. The fact is, that regardless of the effect it would have to the advantage of the senior citizens, I think it would be a rather bad thing when you consider that it would fall most heavily upon the young married couple that bought a home. In Teaneck or any place else in the county you have other problems besides the taxes to take care of, so that you would discourage if not eliminate almost entirely, the purchase of homes by young married couples. I do not think we really want to encourage that here in Bergen County or the State of New Jersey.

MAINTAINING THE HOMESTEAD

I think that we have to look elsewhere for the solution. I think, too, that we should encourage as much as possible senior citizens staying in their homes. I listened with interest to Mr. Lyle talk about the loneliness, and I think that some of it comes because the senior citizen has been uprooted from the community in which he has lived almost his entire adult life, has become acquainted with that community most closely, and that is where his roots are. Then, because of the economic pressures, he is forced to sell that home and move into a strange community and a strange environment. I say that that is unfair and that is something that we should be moving to correct.

So really when we consider it, this is important from that aspect. It is also important from the aspect that if we force the senior citizens to sell more of their homes, then they go into the rental market and they put more pressures on the cost of apartments and in addition force that up. Unless the Federal Government—and I say the Federal Government because I think that in the end that is the only government that has the wherewithal to do it—wants to get into a public housing program for the elderly, I see no solution to the problem. I do think that we can encourage the senior citizen to maintain his home in his community if we can give him some realistic tax relief based upon the facts of life.

I think the facts of life are these. No. 1, 50 to 60 percent of the tax bill here in Bergen County is made up of school taxes. I think that this is one of the things that the senior citizen has paid for over the years and repaid. They paid for the schools, they paid for the sewers, they paid for the streets. The streets and sewers and other things that the community supplies, they still use but they really have no direct use or value coming to them from the school system. The school system is very important to the local community.

So if we can in some fashion devise a means of relieving them of that burden, I think that we will go a long way to giving them some degree of economic stability and assurance. I think that this might be done if, No. 1, we on a State level were to enlarge the area from which we levy and collect our school taxes because as it is now if you happen to live in a town like Teaneck which has little or no industry, the homeowners and the real property owners there produce **nothing** in the way of income and pay the entire burden of the tax levied.

We do have here in Bergen County certain areas of the county where it is advisable for the industry to locate because they don't have as much of the tax burden to pay and we arrive with taxation falling most heavily upon the homeowner not only in this county but elsewhere. So I think if we spread the cost of education on a countywide basis in terms of levying and collecting taxes we will give some relief generally throughout the county.

We will also in some degree stabilize the cost of schools throughout the country and we will not have school systems competing for teachers' services and so forth. In addition, and in connection with this, I think that the Federal Government should subsidize the property owner who lives in his one-family home who is a senior citizen and is trying to maintain a decent standard of living for himself and for his spouse.

If we use the Federal Government to set up a subsidy for the senior citizen to the extent of the school tax levy, then in a sense we will be continuing the program that we have established for those people who are renting property. I think if we can establish that, then we can look forward to the time when we can see the senior citizen staying in the community that he wants to stay in, staying in the house that he wants to stay in, and living out his remaining years in happiness and contentment.

Senator Williams, I just want to thank you on behalf of the citizens of Bergen County for taking time out to hold your hearings here in Bergen County. I want you to know that we will do everything that we can to support you in anything that you do to bring some relief to our senior citizens here in New Jersey.

Thank you, Senator. [Applause.]

Mr. DORGAN. Thank you, Senator.

Next and last on our panel here it is fitting that we have a mayor of one of the three cities. We have only three cities in Bergen County and the mayor of one of those cities is here, Mayor Rose.

Mayor. [Applause.]

STATEMENT OF MAYOR GOTTHOLD ROSE

Mr. ROSE. Thank you, Bill.

Senator, the discussion that I heard this morning and this afternoon can apply to many towns in the county of Bergen but only in a small way to the city of Garfield. The city of Garfield is one of the poorer towns in the county of Bergen where 65 percent of the dwellings are over 50 and 55 years old; then probably 20 more percent are over 50 years old, and the remaining between yesterday and 20 years ago. So our problem is somewhat different. I feel, however, that the purpose of the Senator's gathering here today was to find out how individually elected officials felt and what could be proposed for you people who make up this wonderful audience.

We in Garfield do have a housing authority in two setups, one an 11-story building and the other a two-story building, and we house several hundred families. To me the plight of the senior citizen who has his home is one that he did not choose, but it came about to him because of his desire in his early life to be a homeowner. As a wage

earner in those years, while he had no deductions as we have today, his pay was meager and his savings were very small so that before his home was paid off little could he save. After it was paid off he saved from that salary he earned in those days, which compares to what the average office boy or the apprentice gets today.

So he did not have the nest egg put away that is possible today for a father of a family to save even though he may have a \$40,000 or \$50,000 home compared to a \$5,000 or a \$6,000 or a \$10,000 home of years ago. But the estate dwindled as time went on. Sickness, births, raising a family, many times made it necessary to dig into that nest egg and have it dwindle down so that by the time relief was offered by either the Federal or State government there was no remaining cover to go to.

Now the thought is what and how can they be helped? We have in our municipality just discovered that there have been a group of individual investors from the city of Passaic and elsewhere who have bought up our so-called tenement houses, I ordered the Inspector of Health to condemn those buildings until they meet every requirement of the Board of Health laws and rules. To give you an example, those tenement houses and apartments rented from \$45 to \$55 per month. Some of those apartments that were completed and remodeled for a very, very small cost brought an increase in the rentals from 600 to 1,000 percent.

Now all senior citizens do not have their homes any more, some sold them and they have had to move somewhere else. My recommendation to Senator Williams and to Senators Woodcock and Knowlton is that they give serious consideration to see that a law is passed which sets a ceiling on the rentals of homes. [Applause.] I realize that it cannot be done overnight but it is never too late to start. If the things we are doing today had been done some years ago, many of these people would not be sitting in this audience at this moment.

I say to you, Senator, that the law will be most emphatic and easy to enforce if both the Federal Government and the State of New Jersey passed that law, because if one overlooks it the other agency should find it. That to me would look like a solution that may not affect most of you here now, but it will certainly take care of many of the people and the citizens that will follow you—regardless if that name or title is called aged or senior citizen. I think the relief should come from the government, be that Federal or State, but it should be a law that affects everyone—not anyone alone but everyone.

Thank you. [Applause.]

Senator WILLIAMS. Well, this concludes the presentations of this panel. I will say, gentlemen, each of you contributed greatly both to me personally here today and certainly for our record which other members of this committee, of course, will study back in Washington. We want to express our appreciation to you. I know that taking you away from all activities and demands on your time and your attention to problems that affect all of our people here and people like them throughout the country—they will express their appreciation to you, I am sure. Thank you.

Mr. GOODSTEIN. Senator Williams, may I ask Senator Woodcock a question?

Senator WILLIAMS. I think this is breaking our own rules that we formed because of practical demands of time, but because you did contribute so much time——

Mr. GOODSTEIN. I can take it up with the Senator personally. Perfectly all right.

Mr. DORGAN. I think there will be a question and answer period after the next panel.

Mr. GOODSTEIN. I will see you later, Senator.

Senator WILLIAMS. Our final panel deals with health issues. We have Harold Baumgarten of Demarest who is on the faculty of the School of Medicine, Columbia University; Leonard Hilsen, director of the Bergen County Health Department; Dr. Richard B. Berlin of Teaneck, the president of the Bergen County Medical Society; and Maurice Gold, cochairman of the Englewood Citizens Committee on Aging, and associate director of the Department of Social and Community Services, Maimonides Medical Center in Brooklyn.

Mr. Hilsen, you are the director of the Bergen County Health Department. Could you be the chairman of this panel and lead us into discussion now?

Mr. HILSEN. I am real pleased and I have something to tell my wife.

STATEMENTS OF HAROLD BAUMGARTEN (DEMAREST), FACULTY OF THE SCHOOL OF MEDICINE, COLUMBIA UNIVERSITY; LEONARD HILSEN, DIRECTOR, BERGEN COUNTY HEALTH DEPARTMENT; RICHARD B. BERLIN, M.D. (TEANECK), PRESIDENT OF BERGEN COUNTY MEDICAL SOCIETY; AND MAURICE GOLD, COCHAIRMAN, ENGLEWOOD CITIZENS COMMITTEE ON AGING, AND ASSOCIATE DIRECTOR, DEPARTMENT OF SOCIAL AND COMMUNITY SERVICES, MAIMONIDES MEDICAL CENTER, BROOKLYN

Mr. HILSEN. Our first speaker will be Harold Baumgarten from Demarest, faculty of the School of Medicine, Columbia University.

STATEMENT OF HAROLD BAUMGARTEN

Mr. BAUMGARTEN. Mr. Chairman, it is both timely and appropriate for a review of the problems of the medical care for our senior citizens who live in the so-called affluent suburbs. The basic problem faced by these fine people is the grossly mistaken impression that they have no problems. Nothing could be further from the truth in our opinion. The suburban aged individual actually is frequently in a more difficult situation than his counterpart in the urban or rural area.

You have heard testimony on his inflexible income and the dramatically increasing taxes and the problems that are created by his asset position. I might point out in many areas of the United States this very asset, this house which he has and gives an emotional and cyclic income, the fact that maintenance may control his expenditures to some extent. A third and very important factor of a private home demands both mental and physical attention to keep the house up, to keep exercising, and so forth, which can all be removed before he

receives public assistance. Hence, a move to a work-free apartment may frequently be considered as emotional or physical suicide.

Yet this house can be a barrier to adequate medical attention. When one hears about limits of asset positions, I think this limit bears some serious scrutiny, particularly those of us who are interested in obtaining health care at a reasonable cost in the way that he can best participate.

Another point regarding our senior citizen's problem is the fact that when he lives in the suburbs he deals with a medical-care market geared for people with the capacity to pay for medical care. The suburban area is basically a fee-for-service, private-practice-medicine area and will probably remain so for a long time to come. This makes it a "buyer beware" market and a market where the buyer has difficulty in anticipating or controlling his medical-care expenses. In effect, it is the reverse of the urban ghetto situation.

Our suburban elderly are surrounded by one form of medical care and isolated from all other forms of medical attention. For example, there are no cooperative health centers, no union health centers, no prepaid group practices, and little hospital-based diagnostic and/or treatment centers in this area. There are not even the everyday garden variety health department centers. No, none of these are available, and it is highly doubtful that the suburban ghetto of the aged can ever make them available. Our suburban elderly must obtain medical care under the least efficient and most expensive methodology possible.

In many instances no one officially knows that the suburban elderly person exists, especially the official health agency—if any—planning for their care. This is the result of a phenomenon I choose to call "blood is thicker than sunshine." Although this refers primarily to those who, after retirement, move to the sunshine States; you will find it equally true of those who live in urban settings and move to the home of a son or daughter. What we are describing are those elderly parents who live away from their children until they lose their good health or their marriage partner. They are counted as residents of either a metropolitan area or a sunshine State. However, their real base of living and medical need should be the home of their successful son or daughter living in suburban New Jersey.

To assume that this son or daughter is financially able to provide fully for the care of parents is to ignore the rapid increase in the costs of education, the extent to which postgraduate education is required as a base for an above-average career, as well as the generally higher levels of costs required to live in suburbia. It is this very dedication to children, this desire to better prepare children, that brought the parents to the suburban community. It further ignores the trend toward contributory pension schemes, the effect of the graduated income tax, and finally that we are in the grips of a spiraling inflation.

As much as he may want to do so, a son may not be able to meet the obligations of the cost of more than the most short term illness for his mother or father, the same mother and father, who, in fact, are not able to get assistance here because (1) they have not been recognized as living here, or (2) no one has planned for their care because they just were not counted.

AN UPENDED "FUNNEL" OF MEDICAL CARE

As the institutional segment of medical care is currently structured in suburbia, there is an inordinate concentration of facilities and capacities at the acute level of care with little or no attention paid to the sub-acute and custodial levels.

Please let me try to illustrate this by using a symbolic funnel. This funnel represents the institutional medical care system as we know it. At the top or at the wide part of the funnel is the community general hospital with a cost of approximately \$85 per day and an average length of stay of about 7.5 days per case. Below the hospital is the extended care facility, a most valuable medical facility which is currently not properly used, with a cost of about \$40 per day and an average length of stay of from 35 to 40 days.

Next, as we narrow down the funnel, is the skilled nursing home with a per diem cost of \$20 to \$25 and an average length of stay of about 2 years.

The level below the skilled nursing home is the custodial nursing home, maintaining people with medically oriented support over a prolonged period of time. Sparse data available about this type of care indicates a length of stay of about 4 years and we can hope to produce this care at a rate of about \$12 to \$14 per day.

Finally, we must take into account a level of care which can be labeled "Sheltered living." We know very little about this form of care. It is most frequently rendered badly and can be found in great abundance in the back wards of our State mental hospitals, and at a fantastic social cost in private dwellings.

The funnel illustrates two facts about the provision of institutional care for our elderly. The first, the width of the funnel accurately represents the availability of beds; and the second, the capacity of a bed to serve the needs of patients. Let me illustrate the latter point first. The average hospital bed can serve 50 patients per year, an ECF bed eight patients per year, a skilled nursing home bed one-half a patient per year and so on as the length of stay increases.

The first problem is a result of our amazingly unrealistic and complex systems of financing and financial planning for both capital and operational costs. This system has thrown most of the capital financing and, corresponding, most of the cash flow for operations into the upper end of the funnel. The lower end of the funnel is strangulated and is closing due to its being under-financed and overburdened. I suggest that the validity of this statement can be found in the waiting list which exists for the long-term care section of Bergen Pines Hospital, which I understand, is somewhere in the neighborhood of a 4 years' wait to get into this long-term care center.

This closing of the funnel from the bottom simply decreases our ability to move patients to the facility most appropriate to their needs. Hospitals are experiencing difficulties in the transfer of patients to ECF's and the ECF's has difficulty in finding nursing home placement for their patients no longer needing the intensive care of the ECF. Finally, there is no acceptable sheltered living available for our partially ill, partially dependent elderly.

I might point out an example of this. There is no one in this room who fits into this. No one in a wheelchair, people with crutches could not get to this room. These are the people I am alluding to.

"FANTASY-LAND" OF DEFINITIONS

The problem is further complicated by a fantasy land of definitions and regulations which brings forth rather adequate financing for hospital and ECF care by calling them "health care," but throws all other categories into what historically has been a medical cesspool: "welfare," with a result of gross underfinancing of the lesser institutions and no incentive for any type of sponsor, be he religious, proprietary, or monetary, to build or operate in these areas.

The system is simply not working properly and the victims of the failure are not the persons who are currently screaming about the cost of medical care to the elderly, but those patients who are forced to either be in facilities which overtreat and overregulate them or those whose illness must progress through neglect until they fit bureaucratic definitions of health care in order to receive assistance. The framers of this upside down system have set up a situation where the cost of medical care has actually been increased rather than decreased.

Let me try to put this into perspective for Bergen County. My figures are illustrative only, no objective survey has or can be done to make these determinations.

Let us assume that on an average day 100 hospitalized patients could be served just as well in extended care facilities (not just by medicare standards but by realistic medical appraisals of the patient's need). Actually getting these patients out of the hospitals into the ECF's would create an effective saving to the citizens and businessmen of this county of about \$1.6 million per year. By taking this analysis only one step further and estimating that 50 ECF patients could be moved into skilled nursing homes, there would be a combined saving of \$2 million.

I do not feel that my estimates are anything but ultraconservative, and I feel that far more than \$2 million are now going down the drain in this county simply because the patients cannot receive care in the facilities most appropriate to their needs. Add to this, if you will, Senator, the misuse of the time and talents of skilled medical personnel which is, of course, a resource in far shorter supply than dollars, and this situation becomes a tragedy.

Mr. Chairman, the funnel in the illustration you have is an upside down triangle of what can best illustrate the need. What is needed, what will relieve the pressure and, of course, save money, is a rapid and effective growth of those components at the lower end of the care spectrum. Our triangle should be reversed.

We need lots of adequately financed and effectively operated sheltered living facilities. We need lots of clean, safe and well-run custodial nursing homes. And these homes must be able to get support and skills from their sister health care facilities up the ladder rather than floating in a medical and social vacuum as they are forced to do today.

RECOMMENDATIONS

Mr. Chairman, up to this point I have dealt only with problems and I fear that these may not have been the least bit revealing to you as surely they have been placed before you during the past few years.

However, permit me to suggest two steps for your consideration, steps which may go far to relieve many of the problems faced so directly by our elderly and especially by the suburban sick elderly.

1. Reverse the trend toward the unrealistic concept of separate health insurance for only the highest risk segments of our population. This is the logic for writing automobile insurance for people only while they are intoxicated. What has it done? This exposes our sick elderly and those who work hard caring for them to continuous and grossly unwarranted criticism, punitive legislation, and disturbingly antitherapeutic regulation.

2. Eliminate once and for all the unworkable definitions, now promulgated, which attempt to separate health care from social care. The trend of all segments of medical care is to consider the patient as a whole person, not a disease or an infirmity, and this must include social and emotional factors of his life. Current regulations found in medicare and medicaid frequently ignore this trend and in fact reverse it. Please understand that it is valid to consider the providing of a proper environment in which to regain health as a health care expenditure.

With these two changes I feel sure that we will provide for our senior citizens a health care program which will be more effective than that which we currently have and that it will be provided at a substantially lower relative cost to the community. Every problem which you have heard when considering health care of the aged exists here in Bergen County, and for many the solutions are more remote than they would be in either a large city or in a rural area.

Thank you very much. [Applause.]

Senator WILLIAMS. I failed to mention that Dr. Baumgarten is Chairman of the National Advisory Council on Nursing Home Administration, U.S. Department of Health, Education, and Welfare. I think that should be mentioned and the significance to us all is obvious.

Thank you. [Applause.]

STATEMENT OF LEONARD HILSEN

Mr. HILSEN. To stay with the simplicity of the schedule, I am Leonard Hilsen, director of the Bergen County Health Department.

Senator Williams, Freeholder Dorgan, senior citizens, and guests, I have been charged today with presenting to you an overview of the health services available to the elderly in Bergen County, to report on their problems and to discuss current trends.

Because of the limited time allotted to me, I have prepared for inclusion, but will not read, a partial list of health services for senior citizens.¹

Mr. HILSEN. There is a wide variety of health services available in Bergen County, but a burgeoning county population has created shortages of all kinds. Few efforts have been made to tailor services for the specific needs of the elderly, and costs for care at every level have risen astronomically.

The Bergen County Health Department is most interested in continued planning to meet the health needs of the elderly who comprise, incidentally, about 8.5 percent of our total population.²

¹ See appendix 1, p. 936.

² Jan. 1, 1969, population for Bergen County, 921,130.

A study conducted in one Bergen community, in cooperation with the community action program agency, lead to the inescapable conclusion that many of our elderly needed general medical assistance. Specifically, what is needed is continuous and comprehensive care provided by the same physician, available at the time of need, in a place that the patient can reach without undue difficulty and at a price he can afford to pay.

A majority of the elderly citizens see private physicians but only when they have acute symptoms, and rarely for preventive health care. They usually do not ask for and do not receive a "complete physical examination." Few get multidagnostic tests unless hospitalized or ailing for a considerable period of time. Frequently, the elderly change doctors because he has the same symptoms and has not found relief. In other words, he "shops for a doctor."

If a diagnostic testing is to be done, the patient must travel to a hospital or private lab. Transportation, as we heard, and the paying of bills can create difficulties.

Some of the health problems which we have found to be critical in our county include the following :

EYE CARE

While medicare covers the cost of eye examinations to determine disease of eye surgery, it does not cover cost of routine refractions or eyeglasses.

HEARING DIFFICULTIES

Many of our senior citizens have been sold hearing aids that were either improperly fitted or were ineffective in remedying their hearing deficiencies.

During a recent interview a 70-year-old patient told one of my staff members of her difficulty in hearing. When she was asked if medical attention would be desirable for this condition she replied, "I have a hearing aid and although I have had a number of adjustments made, I cannot wear it." She complained to the gentleman who sold the hearing aid to her and was told, "A new device could be purchased for \$300."

As with eyeglasses, medicare does not cover hearing examinations for prescribing, fitting or changing hearing aids—which occasionally forces the elderly to the untrained, ill-equipped and fraudulent merchants.

DENTAL TREATMENT

Many of the elderly simply cannot afford dental care. A large number of our senior citizens have improperly fitting dentures or are dentureless.

PODIATRY

Many senior citizens require foot care and treatment. Frequently, they are not referred to a podiatrist or, if they do go, they find the cost prohibitive. "Routine" foot care is not covered under medicare but is often essential to the elderly patient with circulatory problems.

MEDICATION

For many senior citizens the cost of drugs is prohibitive. For those who live on social security and have meager savings, a chronic illness requiring continuous medications presents an overwhelming burden.

Many elderly patients tend to "stockpile" drugs which can result in a potentially dangerous situation. Prescription drugs are labeled by druggist identification number. The patient knows how much to take and the frequency. The label does not specify the name or action of the drug. Public health nurses find patients taking a drug prescribed years earlier. The patient remembers he took it when he had a similar condition.

Mrs. T., another elderly Bergen County resident, told us that she receives a faster response from the pharmacist if she pays for the medication herself rather than submitting a welfare prescription form.

A case recently seen by a health department staff member was an 85-year-old woman, arthritic, hypertensive and senile, who lives with her 81-year-old sister. This patient takes at least 11 pills each day; sometimes her sister adds a tranquillizer. When Mrs. G. seems to need more, or less, medication, her daughter calls the doctor for instructions. But Mrs. G. has not been seen by a nurse or doctor since she was discharged from the hospital over 6 months ago. The family does not seem to mind; "She's very old," they said, "the doctor said he couldn't really help her much anyhow."

GERIATRIC NUTRITION

For the healthy senior citizen, nutritional needs do not necessarily undergo great changes in later years, although financial and social circumstances often do. Reduced income, physical limitations on comparative food shopping and lonely mealtimes often contribute to the end result of a poorly balanced diet. Those who are ill, in addition, must, at times, attempt to follow a special dietary regime. Without special instruction, and followup, such diets are sometimes poorly understood and badly maintained.

Although it is the intention of the Food Stamp program (under the auspices of the Bergen County Welfare Department) to expand the purchasing power of the food dollar, it does, from time to time, cause social embarrassment. For example, Mrs. P., age 70, does not shop locally because she would rather use the stamps in another town where she is not known.

TRANSPORTATION

Transportation is a grave problem for the elderly, many of whom are totally dependent on public means. In Bergen County buses do not run frequently, are not routed to pass hospital outpatient departments at times which would be convenient to the elderly patient, and are an expense. In addition, the height of bus steps is very difficult for some infirm, elderly patients to climb.

Miss O. went to a nursing home after her hospital stay this spring. Now that she is home again, she goes to see her doctor every 2 weeks by cab because it is too far to walk and the bus does not run very often.

NURSING HOMES

For the elderly patient who can afford posthospital care, no special problem exists. There are private nursing home beds and medicare beds (provided that the patient is able to pay the \$400 deposit which most extended care facilities require). A real problem exists, however, for the patient who cannot pay or is a welfare recipient.³ In our county about 50 percent of the elderly welfare recipients are placed in the long-term unit at Bergen Pines Hospital but the remainder (usually approximately 350 patients at any given time) are often placed in nursing homes in other sections of the State of New Jersey because of the shortage of low-cost nursing home beds in this area. A placement far away can result, for the patient, in almost complete isolation from his family.

HOME HEALTH AIDES AND HOUSEHOLD HELPERS

For the elderly who need this particular type of assistance at home, medicare makes provision for payment of home health aide visits. These partly skilled workers are in very short supply and many patients must wait in hospitals, make do with inadequate amounts of service or no service at all because there are simply no household helpers available. The situation is even more difficult with the non-medicare patient. Homemakers and home health aides, available for as long a time as a household with illness has need and at a fee adjusted to meet ability to pay, would be a most valuable health resource.

To those of us who have a special concern and responsibility for the health of senior citizens in New Jersey, as well as in the rest of the United States, it is apparent from a study of their needs that we must develop better personal health services. One way that this may be achieved is by strengthening outpatient services in local hospitals and by adjusting the clinic hours to better accommodate the needs of those whom the clinics serve.

Another trend in personal health services currently being explored by the State department of health is the development of satellite health centers where senior citizens would receive the necessary, direct health services in a readily accessible location. In recommending this, Dr. Kandle, State commissioner of health, says:

* * * Many of our more traditional services need to be increased and rearranged to make sure that those who need them most get them in the right place and the right time.

Special attention has recently been directed toward all the environmental problems of the senior citizen—housing, transportation, air pollution, to name some. In other words, assistance to the senior citizen must be based on a realistic and comprehensive study of senior citizen ecology.

The elderly urgently need more federally funded housing with sliding scale rentals based on ability to pay. Presently in Bergen County some 18 communities provide rent subsidy.

The Bergen County Health Department, realizing the need to protect the senior citizen against health frauds and medical quackery, particularly regarding false claims for arthritis and cancer cures, is

³ Welfare recipients receiving old-age assistance, 793. MAA program recipients, 1,047.

currently developing a special educational program to be called Consumer Protection for Bergen Residents.

In conclusion I would like to stress that aging is only a biological process; it does not denote that an aged person is any less of an individual. His vast years of experiences and time-tested capabilities, as well as his hopes and aspirations, must play a very important role in our society.

Thank you. [Applause.]

Our next speaker will be Dr. Richard B. Berlin of Teaneck, president of the Bergen County Medical Society.

Dr. Berlin. [Applause.]

STATEMENT OF DR. RICHARD B. BERLIN

DR. BERLIN. Senator Williams, ladies and gentlemen, for the past 2 or 3 evenings at my home the children have had to walk quietly lest they disturb dad who was thinking about what to say to the Senator. I thought that by this hour I could relax mentally but now I have to figure out what to say to the patients who have been sitting in my office since 1 o'clock.

Senator WILLIAMS. Don't tell them I was here.

Dr. BERLIN. I am sure they will understand.

The physicians of Bergen County welcome the opportunity of commenting upon economic factors affecting the health of our aging population. Inflationary shrinkage of purchasing power is a problem of growing concern especially for those on fixed retirement incomes.

Several factors indicate that our area, however, with a high-income level, has relatively few serious deficiencies in the delivery of health care services. The county hospital has a low bed-occupancy rate, community hospital clinics are operating well under capacity, and physicians see few, if any, senior citizens who lack medical care due to poverty. Ninety percent of our aging populace is covered by social security and medicare. Those not covered include some with adequate private means, some with private health insurance plans, and some with genuine need. The latter are generally assisted by welfare plans which next year will be consolidated under medicaid. Few new services will be provided by this new law other than much needed nursing home support.

Which problems should be the concern of your committee? Trustees of the Bergen County Medical Society met recently to discuss this question and subsequently we had an opportunity to see the report on the "Health Aspects of the Economics of Aging" prepared by your advisory committee. Our list of needs and your list were amazingly similar, differing mainly in detail but also in a few basic concepts which cannot be accepted as valid without further documentation. Caution is urged in interpreting statistics in these complex medico-economic areas.

Rising costs of delivering medical care depend upon many factors. The most basic problems arise from increasing salaries and the growing complexity of science and medicine. No amount of hand wringing and chastising doctors will alter this basic condition.

We agree that the cost of drugs is too often prohibitive, even at times discouraging the physician from ordering that which he knows

would be best. Your brief states that in 1968 about 60 percent of the elderly had a drug bill of less than \$50 per year. We advocate an insurance plan to cover out-of-hospital drugs for those under Government programs of assistance. A contribution by the patient is necessary to avoid wastage and abuse; for example, payment of the first \$25 toward the annual drug bill. I am authoritatively told, in England where the pills are free, that if the color and taste is not proper, the pills go down the sink; and these drugs have a tremendous cost.

HOSPITALS "CLOGGED" WITH ELDERLY

Of greater magnitude is the problem of clogging hospitals with elderly patients. This is largely due to the fact that they take longer to get well, their illnesses are more serious and more complicated. The aging patient is more difficult to care for while convalescing from major illness and either he or his family tends to resist discharge from the hospital as long as Uncle Sam pays the bills. This roadblock must be eased by provision of additional nursing home, extended care, and custodial care facilities. We prefer to have these facilities under private management. We are not convinced of the advantages of connecting nursing homes with hospitals as a general rule although in some cases this might be desirable.

A family should be encouraged to assume obligations to provide for its elders by granting income tax deductions for payments for nursing home or extended care. The current system penalizes the son who pays his parent's way. Many who currently are ineligible for extended care would do just as well in a custodial environment. We would be well advised to examine carefully the facilities for the aging provided in Denmark.

Medicare coinsurance provisions are unduly burdensome in some cases and have failed to deter abuses. We favor an adjustment of these fees without complete abandonment of the concept that a token payment by the recipient applied at the correct time might shorten his hospital or nursing home stay. Funds used under medicare to pay for health care of the well-to-do would well be put to better use for the needy. A high price has been paid for avoiding a means test.

Thought should be given to provision of transportation of patients to physicians' offices and clinics. Too much of the doctor's time is spent in his automobile and many house call complaints would be satisfied by giving the patient taxi fare.

A program is needed to educate the aging as to the availability of health services, as well as in preventive health measures and nutrition. Research on the biology of aging as proposed in Senate Bill 870 of Senator Williams is most worthy of support.

Abuse of medicare and medicaid by physicians has been a source of concern for us and a boon to headline writers recently. A judicial mechanism is ready for use in our society to deal with valid complaints. Investigations of most charges of profiteering to date have shown no irregularities. A physician seeing 150 patients daily in the ghetto under medicare is scorned by the newspapers while an Albert Schweitzer doing the same thing in Africa is sanctified. In addition, a significant amount of money collected by physicians and surgeons is never claimed by them but is turned over to hospital or medical school research funds, as witness recent headlines where two surgeons turned over nearly \$400,000 last year.

OVERLAPPING CHARGES

There is a rare but growing tendency for overlapping charges by physicians which inflates the cost of care. The surgeon, cardiologist, and general practitioner do not all have to see every patient every day. This condition could be improved if the Government would define "medical necessity" and add a simple checkoff box to their insurance forms indicating treatment by more than one doctor.

We are concerned with the inability of medical schools to produce graduates at a rate corresponding to population growth. Our ratio of doctors to patients in Bergen is 1 to 1,000. This is basically sufficient but physician distribution in rural and depressed urban areas is less ideal. The problem of providing physicians for the ghetto will await solution until more basic ghetto problems are resolved. A doctor carrying his bag of drugs is too good a target for criminals.

New Jersey has until recently depended upon other States to train its doctors. We now have two young schools with serious financial growing pains. We need two more schools in the State and we are ready to staff them. We are distressed and frustrated by the popular allegation that there is a conspiracy to limit the number of medical students by organized medicine. We shall have a school in Bergen County as soon as Federal, State, and local funding can be found. The need for training facilities for nurses, aides, and technicians is no less acute.

Methods of delivering health care are currently being debated before this committee and elsewhere. We caution theoreticians not to alter the present system hastily. Our country is now a Mecca for training physicians from every corner of the earth. What better testimony is there as to its quality? Germany, France, Italy, Britain, and Austria once enjoyed reputations as postgraduate centers. Our fathers cherished the idea of going to these countries for study. Their sons now come to us for the latest and best in medicine. Critics have too readily accepted neonatal death statistics as a yardstick of American medicine. New operations and new drugs and diagnostic methods are almost an American monopoly today.

Your brief, Senator, makes a plea for group practice. Time does not permit a full discussion of this topic but suffice to say that the group will not always attract the best surgeon, nor the most sympathetic doctors, nor does it guarantee economy. We feel that capitation payments foster assembly-line medicine.

We agree, in conclusion, that medicare is working well, that it should be reassessed and refined periodically so that trends toward uneven distribution of benefits are corrected. In this light, you may count upon our devoted cooperation and assistance.

Thank you. [Applause.]

Senator WILLIAMS. Thank you very much. You give us a great deal to think about.

I will say that many of the ideas you introduced, Doctor, are not exclusively the jurisdiction of the Special Committee on Aging; other committees of Congress of course have part of the responsibility and all of them have legislative responsibility that we do not have.

The very thoughtful statement indicates that the children were appropriately suitably quiet so you could do some good thinking. Thank you.

Dr. BERLIN. Thank you.

(See appendix 1, item 6, p. 942, for additional material.)

Mr. HILSEN. Our last speaker will be Maurice Gold, co-chairman of the Englewood Citizens Committee on Aging and associate director of the Department of Social and Community Services, Maimonides Medical Center, Brooklyn. [Applause.]

STATEMENT OF MAURICE GOLD

Mr. GOLD. Being the last speaker of the day provides me with several choices.

Senator WILLIAMS. I will just have to correct you. You are going to be followed by Mrs. Eone Harger.

Mr. GOLD. I am sorry. I am the last of the panelists. I will qualify my statement and stand corrected.

Senator WILLIAMS. We have long ago learned that the lady always has the last word.

Mr. GOLD. And she does.

Being the last speaker on the panel gives me some choices. I can say ditto to everything that was stated throughout the entire day or I can select certain areas to highlight because there is disagreement.

I would like to start off by first of all complimenting the true experts of the time and that is the group of older adults who appeared to testify this morning in our first panel. I think they are the true experts of the day. I am very pleased to be here. [Applause.]

An elderly woman—as a matter of fact, she is 106 years of age—went to see her doctor for her annual checkup. Her regular physician was out and the young physician was taking his place. He examined her, found her in remarkable health and so stated to her. She thanked him very much and on her way out as she was saying goodbye she said, "I will see you next year." He looked at her rather peculiarly that next year she seemed quite confident to be back. She said, "I know I will be back; I looked up the statistics and there are no record of deaths at age 106."

Now statistics can mislead us and the term "affluent society" can mislead us. I think you and I, and many other people, will have to agree that perhaps we are using the wrong term. It is a misnomer, it is certainly misleading. When we talk about an affluent society, we make certain assumptions. We make certain assumptions based solely upon economics and that because of economics everything must exist—that services are abundant if we only had more money.

Well, as I look at our situation in Bergen County I think the number one problem that exists is not so much a lack of scientific knowledge or technical knowhow, but we have a lack of a system of organizing and delivering services of a comprehensive nature to our older adults. Our services are too fragmentalized, too specialized. You have to be pretty healthy to survive to get certain services.

Of course, you have to develop one method for solving our problems when it comes to the elderly and that is to export our problems. I recently visited some barren areas of Florida and I saw big signs, "3,000 residents of New Jersey," "2,000 residents of New Jersey will some day build houses here." When I inquired about some day, I

found out, well, 10 years from now, six years from now, 8 years from now.

If you go to our shore communities, you will find refugees from Bergen County, older adults who are living there. If you go to some of the homes for the aged out of Bergen County, you will find our older adults there. If you go to some of the institutions in New York City, you will find some of our older adults there. It is easy, let's send our problem elsewhere.

I talked to a number of people from Jersey that moved to Florida who had enough money to make one move figuring it will be cheaper to live there but taxes are too high and they regret it very much, particularly those who are the sole survivor. They want to come home—they are lonely, their friends are not with them. They look forward to coming home, but there is no home for them to go to. We have exported our problem.

AN "IMPORTED" SET OF PROBLEMS

Unwittingly we have also imported another set of problems. The young couples who leave the cities to go to the suburbs very often leave their elderly parents and grandparents behind, but then they start to feel guilty and are faced with certain problems. They hear about things happening in New York. Not a week goes by without my phone ringing and some young couple asks what to do about their parents in New York.

So we have both the export and the import approach to dealing with problems of the elderly.

Now, I was asked to focus attention on the area of social services. I can make my comments very, very brief—no comment. No social services, or at least they are at an absolute minimum. I think we have the arguments of social service. We have some pretty old ideas as to what social service is, but if we look at our eight hospitals in Bergen County there are only 17 social workers. Of those 17, only three are professional social workers.

Now the whole idea of the social worker was a snooper, an investigator, a busybody. We have some very good and new concepts of the social worker. Now they not only get involved in providing services but they are teachers, not only to impart their knowledge to older adults, or other people, but to other professional people. They can teach the doctor something about the social ways of life. If our Bergen County Medical Society has declared the health status of our older adults pretty good, then I think our physicians in this county ought to consult some well-qualified, trained social workers and learn some of the social aspects of living in addition to the biological aspects.

Aging is not a disease, it has many aspects to it. I am a little upset by Dr. Berlin's party line. I am using the word "party line" because he reflects the AMA approach, and it is a party as well as an organization. I am going to accept Dr. Berlin's challenge to bring evidence publicly to the gate, some of the conclusions that the Bergen County Medical Society has reached.

I cannot accept this idea of, be careful of new systems for the delivery of medical care. I say we as professionals have failed to develop sound systems, and that includes the physician when I talk of his pro-

feffion. I think it is time we involved the experts to a greater extent, and the experts are the older adults. I think if there is a lack of systems, if there is a lack of delivery of services, the only solution is to involve the older people more so than any in working out the answers to these problems. I have faith in our older adults.

In addition to that fact, our hospitals fall away short in social standards as well as numbers of personnel. Let's look at some of the other institutions that we regard as having social service components in their program. We have 86 social clubs serving about 10,000 older adults in Bergen County. Some meet once a month, some meet once a week, some meet more often. There are very few social workers involved in providing leadership, guidance, consultation with these groups.

Let's look at our welfare departments. Outside of the county I know of no professional person, professional social worker in any welfare department in the county. Now a social worker not only provides services, not only does he teach, but he gets involved into organizing the community, he gets involved in the social and political life of the community. There is nothing wrong in being socially and politically involved if we can solve our problems through that method, but it does not exist.

I did find one group, and this is probably the most outstanding social service organization in the county but it is not recognized, and that is the volunteer ambulance corps. Fifty percent of their calls, 50 percent of their service is devoted to older adults and they are called upon to do much more than just bring a person to a hospital for emergency treatment. There is just no one else to answer their call; they get it and they do their best, any time of the day or night.

A FOCUS ON YOUTH

We have mental health clinics but the focus is on children and youth. We have nursing homes but there are no social workers in our nursing homes. Rehabilitation is an important part of hospitalization and of the nursing homes. Rehabilitation through recreation, social, or therapeutic activities is essential but it does not exist. So those who pay a large sum of money to nursing homes for care are usually buying high rate hotel service but not much more.

I would like to state this about our nursing homes, and I do not want to condemn them, they fill the gap which the community has failed to provide. There are many elderly people in nursing homes today who should not be there, but whose children wanted to provide tender loving care. I visited our nursing homes in Bergen County and found many people in very good condition, who should have been out in the streets, confined in prison.

I just want to make a couple more observations and also recommendations. I would like to recommend that we have some form of compulsory education for older adults. We have compulsory education for children so that they can cope with life, become involved, self-determination. The laws, the rules and regulations for older people are so complex today that we cannot expect them on their own, by reading pamphlets, to know how to use all these benefits.

I would like to see some method, some concentrated effort—if not compulsory, perhaps our boards of education should also be charged with not only educating youth but our adults or older adults, not just through these informal adult education classes but in a much more meaningful way.

I feel that there is need for tax reforms when it comes to property tax. I am not in the category of older adults for I myself am fearful that I will not be able to live in Bergen County and pay the property tax with the limited income I am going to have when I retire.

Senator, I would like to actually submit my report to you in writing for use by your committee. At this point I know the hour is getting late and I would like to conclude my remarks.

Senator WILLIAMS. Thank you very much, Mr. Gold. [Applause.]

We all appreciate your statement. We certainly will welcome your written statement for our record. This record will not be closed for 30 days.

Dr. Berlin, do you have any follow-up observations? Your area was mentioned.

While you are coming to the podium I will say that one of your last questions, Mr. Gold, lead me to recall one of the great wastes, in my judgment, of a very, very valuable asset, and we have heard today possibly an expensive asset. The school buildings are locked tight with the last kid out in the afternoon. They are used partially for some night school but not as much as it could be—some athletics.

You know the school within our suburban communities and within the cities is available to older people. Transportation would not be a big problem. I would think educational opportunity for older people as you suggest is good. I don't know, you want to go on a compulsory basis, but an opportunity makes a lot of sense.

Dr. BERLIN. Thank you, Senator. I guess you saw me reach for my pencil as the AMA got its usual treatment.

Personally I resent very seriously the inference that I was trying to present a party line. I think this is hitting below the belt. My comments are in the Congressional Record. I challenge you, Mr. Gold, to find one statement which is not completely accurate, and not by promising to bring in evidence, but let's have it. You show me the evidence and I will retract any statement. I think there was no statement presented here today that had more positive suggestions in mind, and to call it a party line is unfair to say the least.

I also would like to correct a couple of mistakes that you made. I am from Teaneck. You said there is no welfare worker and no social worker in Bergen County. We have one in Teaneck, I don't know about the other 72 towns.

You said there are no nursing homes in Bergen County with social workers. My mother is in a nursing home in Teaneck that has a social worker. [Applause.]

Senator WILLIAMS. Thank you.

If any of you gentlemen want to amplify your remarks in any way, we will appreciate it.

All right, Mr. Chairman. Now what have you got in store for us?

Mr. HILSEN. I want to thank the members of the panel and you, Senator Williams, for giving us the opportunity to testify. I want to express my thanks especially to the senior citizens who were able to get here. [Applause.]

Senator WILLIAMS. Now as announced earlier, we are fortunate indeed that we have with us the most dynamic exponent of understanding, assistance, drive, in the world of aging, the executive director of the New Jersey Division on Aging, Mrs. Eone Harger. [Applause.]

As I came in I said we are looking forward to the summary Mrs. Harger will make. Mrs. Harger has made New Jersey outstanding in the whole area of approach to better lives in this country for older people.

Mrs. Harger.

STATEMENT OF EONE HARGER, EXECUTIVE DIRECTOR, NEW JERSEY DIVISION ON AGING

Mrs. HARGER. Senator Williams, staff of the Senate Committee on Aging, my Bergen County friends, I am sure you don't feel very dynamic after being here this long, and I know I don't. I shall try to stay in the limit they gave me, 5 minutes. I know that Senator Williams is behind schedule and that I am going to have to conclude this and send him on his way.

I first want to thank him for coming to New Jersey and to Bergen County. I think we may be 10 years late as the gentleman said this morning but it is not because we have not been trying for that long. It has taken a long time to get people to listen.

I want to thank the New Jersey Senators who came today and the mayors and the Freeholders because we are getting help from them throughout the State now.

I also want to thank the director of your office on aging here in Bergen County because she is helping get the message across that we do have older people in our society that are being left out, shunted aside and being given problems. I do not call older people problems. They have problems that we are forcing on them and that we have to solve all together.

I would like to pull together this meeting today by saying that I think there are two main things that have come across. The first one is the fact that we do have problems in the suburbs which are faced by older people although we hear mostly about our tremendous city problems.

We have problems in the suburbs, too, and they are the same kinds that we have in other places. They are the problems of housing including problems of taxes; they are the problems of paying for health care, they are the problems of transportation.

Most of these are tied to the problems of income and most of the problems encompassed are not of people's own making but because we are in a period of inflation. I heard somehow say that people perhaps didn't save; if they did, it has not done them any good.

We had some good solutions proposed by the economist and I am glad Senator Williams was here to hear them because hers are the kinds of suggestions that can be taken back to Washington and be put into the mainstream of thinking for the Nation.

In addition to having it brought out that we have problems in the suburbs, which must be solved to help the people, another point came through that was not emphasized much so I would like to restate it. That is the problem of the people who are going to be our older people

pretty soon. If we do not listen to the people who already know what it is to be older in our society, we are going to have more people with more problems.

If we don't find some solutions for the people who are facing acute problems now, as the Senator said to begin with, we are going to have greater trauma for those of us that will be joining their ranks before too many years. Problems exist right now for these adult children who do not neglect their parents as much as people think they do but who are trying to solve some multiple problems. Problems exist for some other adult children in other parts of the State because older people are moving out from here because we have not solved problems in the northern part of the State and are moving to the southern part of the State.

All of what you have heard today is a warning that we better get on with the job. The final thing we heard was that it is not going to be done by one group or one level of government by itself, we are going to have to do it together, from the Federal Government on down. The Federal Government is going to have to look at how it shares with the State, the State is going to have to look at what part of the problem at the municipal and county level it can help resolve.

I would like to conclude by saying that I do not like the film that was described, "Don't Count the Candles," because it gives a terribly pessimistic view of aging. Aging can develop problems and can be a pessimistic time if we let it be. The real challenge that came out today was a challenge to solve the problems so that we won't have that kind of picture of aging. Aging should not be a time where we are cut off and pushed down and shunted aside. The total message is, "Let's get on with the job so there is not a problem but there is promise for the people."

Thank you all for coming. [Applause.]

Senator WILLIAMS. Thank you all, ladies and gentlemen. I hope your clubhouses and club meetingplaces will have copies of all of this to show those who were not able to be with us here today.

I can just say in my part of the conclusion and speaking for the committee, I know that all of my colleagues on that committee who you did see on the letterhead, all the members we have that are truly representative of all of our Nation, will be grateful to all of you for your attendance here and participation by your presence with the most distinguished panels that we have had today.

I do not have anything further. Thank you again. [Applause.]

Mr. PETER ROMERO (Rochelle Park). Mr. Chairman, may I have 1 minute?

Senator WILLIAMS. 1 minute.

STATEMENT OF PETER ROMERO, ROCHELLE PARK

Mr. ROMERO. Being dedicated as I am, Mr. Chairman, I cannot let this meeting close without thanking Your Honor in God's name for your concern for His underprivileged people, and we can call you the Sunshine Senator from New Jersey.

Thank you, sir.

Senator WILLIAMS. Thank you.

(Whereupon, at 3:30 p.m., the Special Committee on Aging adjourned.)

APPENDIXES

Appendix 1

ADDITIONAL MATERIAL FROM WITNESSES

ITEM 1. GLADYS ELLENBOGEN,* PH. D., PROFESSOR OF ECONOMICS,
MONTCLAIR STATE COLLEGE

"THE ECONOMICS OF AGING IN BERGEN COUNTY"—A WORKING PAPER
(Prepared by Gladys Ellenbogen)

The deteriorating economic status of the elderly is a recognized nationwide problem. It is frequently necessary, however, to break down nationwide figures to sharpen understanding of specific problem areas. To accomplish such an objective this working paper is focused on New Jersey and primarily on Bergen County. Our emphasis is on the increasing economic pressures exerted on the elderly in Bergen County, which is a high income, rapidly growing, predominantly residential section of the United States.

The population of Bergen County has increased over 17 per cent in the period 1960 to 1968.¹ It now has a population of 913,520.² Of the 265,000 households, of all ages, in the County in 1965, 37.4 per cent had incomes over \$10,000.³ Slightly more than half of the County's 235 square miles is used for residential purposes.⁴ Most of the housing units in the County are owner-occupied.⁵

Increases in population, especially in periods of generally rising prices, exert upward pressures on local taxes, on real estate costs and on prices of goods and services.

The elderly resident fares poorly in two major ways: in his competition with high and rising income families for goods and services and in competition for a share of the tax dollar. The latter point is especially true when the school age population is increasing. In Bergen County the public school enrollments have been rising.

TABLE 1.—CENSUS OF POPULATION 1950, 1960 AND ESTIMATES 1968

	1950	1960	July 1, 1968	Percent change	
				1950-60	1960-68
United States.....	151,326,000	179,323,000	199,846,000	18.5	11.4
New Jersey.....	4,835,000	6,066,000	7,203,000	25.4	18.7
Bergen County.....	539,000	780,000	913,000	44.7	17.1

Sources:

United States: "Current Population Reports," Series P-25, No. 424, June 18, 1969, p. 2. Bureau of the Census.

New Jersey: 1950, "Historical Statistics of the United States," Bureau of the Census, p. 12; 1969 and 1968, "The New Jersey Economic Review," November-December 1968, Vol. X, No. 6, p. 11, N.J. Department of Conservation and Economic Development. These are Census Data.

Bergen County: 1950 and 1960, "Current Population Reports," Series P-23, No. 23, October 9, 1967, Bureau of the Census; 1968, "The New Jersey Economic Review," *ibid*.

Percent figures—my calculations except New Jersey and Bergen County 1960-68, "New Jersey Economic Review," *ibid*.

*See statement, p. S69.

¹ "Population of New Jersey," *New Jersey Economic Review*, November-December 1968, Vol. X, No. 6, p. 11, New Jersey Department of Conservation and Economic Development.

² *Ibid*.

³ *Bergen County, New Jersey*, fact sheet, Bureau of Commerce, Division of Economic Development, Department of Conservation and Economic Development, September 1966, p. 2.

⁴ *Ibid*, p. 1.

⁵ Research Department, Bergen County Chamber of Commerce.

Table 1 above shows that New Jersey's and Bergen County's rate of growth in population for the periods covered was greater than for the nation as a whole. In addition to having a faster rate of growth than the United States as a whole, it is projected that we will have a faster rate of growth of older people in New Jersey than will the nation.

TABLE 2.—PERCENT CHANGE PROJECTED 1965-85, ALL AGES AND 65 AND OVER

	1965-70	1965-75	1965-80	1965-85
United States:				
All ages.....	6.5	15.0	25.0	36.0
65 years and over.....	7.9	16.5	27.0	37.6
New Jersey:				
All ages.....	9.3	20.3	32.6	45.7
65 years and over.....	9.4	20.2	34.5	50.1

Source: Bureau of the Census.

In every one of the periods studied the rate of growth of the elderly population will be greater for New Jersey than for the United States. Problems of a fast rate of growth of an elderly population will be intensified in this State. It is therefore appropriate that planning for the provision of services for the elderly and for recognition of their economic problems proceed at a fast rate also.

INCOME

More elderly families percentagewise are poor in every geographical area of the nation which is characterized as a nonpoverty area than any other age group. A larger portion of all families headed by a person 65 or over live below the poverty level in nonpoverty metropolitan areas than families headed by persons younger than 65.⁶

Bergen County is one of these nonpoverty metropolitan areas. In 1965 the per capita buying income in the County was \$3,320.⁷ This is income after taxes: income available to the individual for expenditure. Per capita income in the County increased to \$3,320 from a 1960 level of \$2,732.⁸ This is a 22 per cent rise in spendable income per person in Bergen County from 1960 to 1965.

In the nonpoverty areas—the figures above surely show that Bergen County is a nonpoverty area—nearly one out of every three elderly families is below the poverty level, whereas when the family head is, for example, in the age group 55-64 the likelihood of falling into below poverty classification is only one out of ten.⁹

The major sources of income to the elderly are wages and salaries, payments under Social Security programs, private pensions and annuities and income from dividends and interest.

New Jersey law allows taxpayers over 65 to deduct \$80 from their property tax bill if the combined husband and wife income is \$5,000 or less. Social security payments are included in the computation of the \$5,000 figure. In Bergen County there are 15,984 homes on which the deduction is claimed. This is over 8 per cent of all non-multiple residential properties in the county.¹⁰

Some of these homes are occupied by a husband and wife; some by a single elderly person, perhaps a widow or widower. If we assume each of these homes is occupied by an elderly couple then close to 8,000 home owners in the County have incomes of less than \$5,000. Since some of these homes are owned by single individuals the figure, of course, for those with incomes of less than \$5,000 is significantly greater than 8,000.

Salaries and wages (gross) were the largest single income item on tax returns in 1966 filed by individuals over 65 or on joint returns where at least one taxpayer was 65 or over.¹¹

⁶ *Current Population Reports*, Series P-60, No. 61, June 30, 1969, p. 16, Bureau of the Census, U.S. Department of Commerce.

⁷ *Bergen County, New Jersey*, op. cit., p. 2.

⁸ *Ibid.*

⁹ *Current Population Reports*, Series P-60, No. 61, *ibid.*

¹⁰ Bergen County Office on Aging.

¹¹ *Statistics of Income, 1966, Individual Income Tax Returns*, U.S. Treasury Department, Publication No. 79 (7-68), p. 113.

It is likely that with increasing mandatory retirement in many businesses the ability to rely on wages and salaries as a major source of income will fall below the figure just given.

We know that the labor force participation rates for those persons 65 years and over is steadily decreasing. The participation rate for men 65 and over fell from 45.8 per cent in 1960 to 42.1 per cent in 1965 and is projected to fall to 33.8 per cent by 1975. For women it will fall from a 10.5 rate of participation in 1960 to 9.6 in 1970.¹²

It is also a fact of economic life that those in the older age groups have much longer periods of unemployment once they lose a job than any other age group. In May of 1969, for example, of all persons 45 years and over who were unemployed 26.7 per cent had been out of work for fifteen weeks and over.¹³

OASI

New Jersey ranks near the head of all the states in average monthly payments for old age and survivors insurance.¹⁴ This rank indicates that a level of wages and salaries high in terms of maximum wages subject to OASI was earned by New Jersey retired workers during the periods of their employment significant for social security computations.

In Bergen County the average payment was higher than for the State of New Jersey as a whole in, for example, the month of February 1968. The payments to Bergen County residents were higher whether the monthly payment is in terms of the retired worker, the retired worker's husband or wife, or if the benefit analyzed is the benefit of a widow or widower.

Using February 1968 as an example and assuming these payments had continued throughout the year, a retired worker in New Jersey in current payment status would have received for 1968 \$1,247.28. If the retired worker had a wife or husband, the dependent benefit would have totaled \$703.92. The combined family income would have been \$1,951.20. If the individual received benefits as a widow or widower the total benefit on an annual basis was \$1,110.12.

TABLE 3.—MONTHLY BENEFITS IN CURRENT-PAYMENT STATUS, END OF FEBRUARY 1968

	Retired worker	Wives and husbands	Widows and widowers
New Jersey.....	\$103.94	\$58.66	\$92.51
Bergen County.....	107.15	60.94	94.86

Source: My calculations from Social Security Administration unpublished data.

The retired worker and his wife in Bergen County would have received \$2,017.08 for the year of 1968 assuming his monthly benefit would have continued for the 12 month period. For a widow or widower in Bergen County the annual income from this source was \$1,138.82.

While these payments have been increased since 1968 they are still at a low level compared with living costs for the elderly in this part of the country. The annual cost of the retired couple's budget in the New York-Northeastern New Jersey area for homeowner families in the autumn of 1966 was \$4,341 and \$4,291 for renter families.¹⁵

If we add to these budget costs the nearly 12 percent rise in living costs in this area since fall 1966 the cost of the moderate family budget for the elderly approaches the \$5,000 level. Although this is a very first approximation statistically, it is likely that the costs of the elderly families has risen more than the indicated 12 percent because of the importance of medical costs in the budgets. Medical care costs have increased at a significantly higher rate than the overall 12 percent figure, and are an important part of the elderly family budget even with Medicare payments.

¹² *Current Population Reports*, Series P-25, No. 388, March 14, 1968, p. 64.

¹³ *Employment and Earnings*, Bureau of Labor Statistics, U.S. Department of Labor, June 1969, p. 26.

¹⁴ *Social Security Bulletin, Annual Statistical Supplement, 1967*, Social Security Administration, U.S. Department of Health, Education, and Welfare, p. 118.

¹⁵ *Retired Couple's Budget for a Moderate Living Standard, Autumn 1966*—Bulletin No. 1570-4, Bureau of Labor Statistics, Department of Labor, 1968, p. 3.

Old Age Assistance

Those elderly persons dependent on old age assistance receive small monthly payments. The New Jersey welfare structure was revised, effective March 1, 1969, so that an older person's basic allowance rose to \$82.10 from \$74.50.¹⁶ The payment per recipient in Bergen County in March 1969 was \$95.63 of which \$83.05 went directly to the elderly person and \$12.58 went to the medical vendor providing services for the recipient.¹⁷ Bergen County had 766 recipients under old age assistance programs which was only 5 percent of the total cases in the State of New Jersey, a disproportionately small number of persons for so populous a county.

Interest and Dividend Income

Interest on Savings accounts and dividends on investments are part of the total income of the elderly. However, of the 2.4 million income tax returns filed throughout the country by taxpayers 65 and over which showed dividends were received in 1966, one out of five had dividend exclusions greater than dividend income.¹⁸ This means in the case of a single individual over 65 less than \$100 in dividends were received during the year and on a joint return less than \$200 were received in the form of dividends.

Although three out of every four returns filed by older taxpayers showed interest income from savings and other investments, the average was \$1,127 per income tax return in 1966.¹⁹

Analysis of individual income tax returns for those 65 and over shows that 67 percent of the returns were for incomes under \$5,000.²⁰ While tax laws do provide certain advantages to the elderly taxpayer, nevertheless 44 percent of the returns filed, with at least one age exemption, were nontaxable as contrasted with only 19 percent for all returns.²⁰ This significant difference is due in very large part to the low income received by the elderly in our society.

Living Costs

The New York-Northeastern New Jersey area is a high cost area for all persons, regardless of age. The Department of Labor has prepared figures for a retired couple's budget. The couple is assumed to live on a moderate standard. The cost of the budget in the Bergen County area (New York-Northeastern New Jersey) was nearly 12 percent higher than for all of urban United States, and 8 percent higher if compared with all metropolitan areas in the nation.²¹

The budget prepared by the Department of Labor was based on prices in the fall of 1966. Using figures for September 1966 and June 1969 we find that housing costs, a large part of the budget expenditures of the elderly, have increased in the Bergen County area by 12 percent.²² Food has risen by 14 percent in this period.

Medical costs are a large segment of the cash outlay of the elderly. Income tax returns show that taxpayers 65 and over indicate medical expenses of one-third of total itemized deductions, while all other taxpayers claim only 14 percent of all itemized deductions for medical expenses.²³ Medical costs have increased more than any other item in the budget, of both the elderly and those under 65.

The increase in the cost of living in the New York-Northeastern New Jersey area over the last ten years was greater than for any other part of the United States. The Consumer Price Index shows that living costs here rose 31.6 percent over the period 1957-1959 through June 1969. For the country as a whole the rise was 26.8 percent over the same period.

The Outlook in Bergen County

Briefly, the outlook is dismal on at least three fronts: housing and medical costs will continue to rise and local taxes will rise. Any help for the elderly can only come from levels of government above the municipal level. With the exception of greater property tax deductions for the elderly, which is a matter for the New Jersey legislature, other help must come from the Federal government through raising social security and through greater income tax relief.

¹⁶ *Added Years*, Newsletter of the New Jersey State Division on Aging, April 1969, Vol. 10, No. 8, p. 2.

¹⁷ *Public Welfare Statistics for the Month of March 1969*, Division of Public Welfare, New Jersey Department of Institutions and Agencies, Table I.

¹⁸ *Statistics of Income 1966, Individual Income Tax Returns*, *ibid.*, p. 114.

¹⁹ *Ibid.*, p. 115.

²⁰ *Ibid.*, p. 113.

²¹ *Retired Couple's Budget*, *op. cit.*, p. 2.

²² *Consumer Price Index*, Bureau of Labor Statistics.

²³ *Statistics of Income*, *op. cit.*, p. 116.

Housing costs will continue to rise because of the intensified demand for housing in Bergen County and because of the slow rate of growth of housing units. For the first quarter of 1969 the total authorized dwelling units in Bergen County amounted to 469, a sharp decrease from the 1,447 in the first three months of 1968 or the 1,000 units of the first three months of 1967.²¹ This failure to keep up with past years cannot be attributed to tight money because many counties in the State sharply increased their authorized dwelling units in the first three months of 1969 over previous years.

Medical costs will continue to rise because of the inadequate supply relative to the demand for medical services. Even if an extensive health insurance program were to be enacted at the Federal government level there can be no instant increase in the number of trained professional personnel nor can there be an instant increase in the number of health care facilities such as hospitals and nursing homes.

Local taxes will continue to rise because of increasing school enrollments and because a rising population, regardless of age, requires more municipal services such as sewage disposal, police and fire protection and construction and maintenance of local streets. The cost of municipal government necessary to administer larger population densities have risen and will continue to rise.

Whatever economic problem the elderly faces he will face it for a longer period of time than ever before in our history because he will live another thirteen years if today he is 65 and she will live over sixteen more years, if today she is 65.²²

ITEM 2. EDWARD L. CARR,* LEGISLATIVE REPRESENTATIVE, STEERING COMMITTEE FOR SENIOR CITIZEN CLUBS, NEW MILFORD, N.J.

EXHIBIT 1

RESOLUTION, JULY 14, 1969

Whereas, 45,000 of the 100,000 citizens of the age of 65 and over, residing in the County of Bergen, State of New Jersey are finding it an extreme hardship and physical impossibility to live out their few remaining years in dignity, and liveable security on a fixed income of \$3,000.00 a year or less:

Whereas, on an overall average of the 70 municipalities comprising the County of Bergen, factual statistics reveal said citizens are taxed \$.65 out of every dollar of their meager income for school purposes, without any material benefit therefrom.

Therefore, be it resolved, we, Presidents of the Bergen County Senior Citizens Clubs, representing many of Bergen's senior citizens, (home owners and apartment dwellers), assembled here on this 14th day of July 1969, in the Freeholders' Chambers, Hackensack, New Jersey, County of Bergen, do hereby affix our signatures to the attached petition affirming and proclaiming that we, the Presidents, do herewith respectfully petition the State Legislature to immediately enact emergency legislation creating a commission and/or an investigative body to thoroughly and impartially investigate the entire elementary and secondary State school system—especially in regard to a more efficient and detailed accounting of expenditures.

EXHIBIT 2

STEERING COMMITTEE FOR SENIOR CITIZEN CLUBS RESOLUTION, JUNE 23, 1969

Whereas we, the Steering Committee, representing 86 Bergen County Senior Citizen Clubs officially, and 100,000 Senior Citizens theoretically—have met in full body on this 23rd day of June 1969, in the City of Hackensack, County of Bergen.

Whereas, at this meeting, statistics were presented showing approximately 45,000—of Bergen County's 100,000—in desperation trying to live out their few

²¹ *The State of New Jersey Residential Construction Authorized by Building Permits, April 1969*, New Jersey Department of Labor and Industry, Bureau of Statistics and Records, June 12, 1969, p. 3.

²² *Life Insurance Fact Book, 1969*, Institute of Life Insurance, p. 92.

*See statement, p. 879.

remaining years in dignity with a liveable security—on a fixed income of \$3,000 a year or less—are gradually being ground to dust by today's most potent killer—"Inflation."

Therefore, be it resolved, we the Steering Committee in unanimous agreement on this 23rd day of June 1969, do herewith respectfully submit the following recommendations for your most serious consideration—and approval to incorporate said recommendations in your 1969 Platform.

RECOMMENDATIONS FOR PLATFORM COMMITTEES

- I. Immediate property tax relief pertaining to school taxes.
- II. Freeze rent controls. Rent control of subsidized tenant housing.
- III. Reduce by 50% bus, rail, air transportation costs. (New York already has this).
- IV. Expand Senior Citizen low income housing units.
- V. Eliminate sales tax—Initiate State Income Tax.
- VI. Establish County multi-purpose Senior Centers to expand services to Senior Citizens.
 - A. Food Stamp Program.
 - B. Meals on Wheels Program.
 - C. Consumer Protection Program.
 - D. Adult Education Program.
 - E. Employment Opportunities Program.
 - F. Senior Citizen Recreation facilities.

Attested to: Steering Committee for Bergen County Senior Citizens.

EDWARD L. CARR,
Legislative Representative.

Copies to Republican and Democratic Platform Committee Chairmen; Republican and Democratic State and County Committee Chairmen; Governor Richard J. Hughes; and Bergen County Legislative Delegation.

EXHIBIT 3

BERGEN COUNTY SENIOR CITIZENS CLUBS STEERING COMMITTEE RESOLUTION

Whereas: About Sixty-Thousand of the One Hundred Ten Thousand citizens of the age of 65 years and over residing in Bergen County of the State of New Jersey find it an extreme hardship in trying to live out their few remaining years in dignity and a liveable security on a fixed income of Three Thousand Dollars yearly or less the poverty level fixed by our Government:

Be It Resolved: We, the Steering Committee, representing 84 Bergen County Senior Citizen Clubs, with an active membership of over Ten Thousand herewith petition the President, Senate and Congress of these United States to immediately enact legislation providing an increase in Social security benefits on a level with the ever increasing rise in miscellaneous Taxes and cost of living expense.

Mrs. MARTIN AUTHIER,
Executive Secretary.

Copies to President Richard M. Nixon; U.S. Senators Clifford P. Case, Harrison A. Williams; U.S. Representatives Henry Helstoski, William B. Widnall; Republican Minority Leader Everett Dirksen; and Democratic Majority Leader Mike Mansfield.

EXHIBIT 4

RESOLUTION, APRIL 25, 1969

Whereas: One Hundred Thousand Citizens of the age of 65 years and over residing in the County of Bergen, of the State of New Jersey—a proud and independent segment of society—and, until now, never asking nor openly seeking relief from the ever increasing rises in the many miscellaneous Taxes and Cost of Living expenses:

Whereas: Today, in Bergen County of the State of New Jersey, about Sixty Thousand of the One Hundred Thousand citizens of the age of 65 or over, are finding it an extreme hardship and physical impossibility—trying to live out their few remaining years in dignity and liveable security on a fixed income of Three Thousand Dollars or less yearly—the poverty level fixed by our Government:

Be it Resolved, therefore: We, the Steering Committee, representing Eighty-Four (84) Bergen County Senior Citizen Clubs, with membership of over Ten

Thousand—herewith respectfully petition the Legislators in the State Senate and General Assembly to promptly introduce an Emergency Resolution—calling for Immediate Tax Relief that will sufficiently meet and relieve the dire needs of this most oppressed group.

Be it further Resolved: The undersigned does certify that she is the Secretary of the Steering Committee, and that the foregoing resolution is a true and exact copy of the resolution adopted by the Steering Committee for Bergen County Citizens Clubs at a meeting of said Committee held on Monday, April 21, 1969.

- A. Food Stamp Programs.
- B. Meals on Wheels Programs.
- C. Consumer Protection Program.
- D. Adult Education Program.
- E. Employment Opportunities Program.
- F. Senior Citizen Recreation Facilities.

EDWARD L. CARR,
Legislative Representative.

ITEM 3. SAMUEL A. GOODSTEIN*, CHAIRMAN, TEANECK COORDINATING COMMITTEE, HOUSING AUTHORITY OF BERGEN COUNTY

(Subsequent to the hearing in a letter to Mr. Goodstein, Senator Williams asked for more information re the legislative authority for the housing program he serves, and a description of its financing. The following reply was received:)

DEAR SENATOR WILLIAMS: I am in receipt of your letter of August 26, 1969. Thank you for your kind remarks. God only knows I receive few of them—hence a kind word here and there is appreciated.

In answer to your inquiry in Paragraph 2 of your letter, I submit the following information:

To my knowledge, we are working under Public Law 89-117, 89th Congress, H.R. 7984—August 10, 1965; under Title I, Special Provisions for Disadvantaged Persons, Section 101A, and Page 5 of said Law, Section 103A wherein Paragraph 2 again becomes Section 23.

If this Act is researched thoroughly, you will find therein all requirements concerning Senior Citizens Rent Subsidy.

The funding for this program is administered and paid for through the Department of Housing and Urban Development, "HUD", under the administration of Secretary of Housing and Urban Development, the Honorable George Romney.

Once again, my most sincere thanks for the opportunity of appearing before you. I know through personal knowledge that the job of helping our Senior Citizens could not be entrusted to more capable and considerate hands. Should you need me for further testimony before your entire Committee, I would deem it a privilege to help in any way possible.

ITEM 4. HAROLD BAUMGARTEN**, FACULTY OF THE SCHOOL OF MEDICINE, COLUMBIA UNIVERSITY

(Subsequent to the hearing in a letter to Mr. Baumgarten, Senator Williams asked the following question:)

QUESTION

As I review your testimony, a question occurred to me. I am interested in your recommendation that we reverse the trend "toward the unrealistic concept of separate health insurance for only the highest risk segments of our population."

*See statement, p. 886.

**See statement, p. 910.

Does this mean that you advocate a universal health insurance program similar to that now being advanced by Walter Reuther? If so, what mechanisms would you establish to assure workable standards for quality and cost of services?

REPLY

The cost of health care for our older population is, was, and will be at least 300% more than the rest of the population. The reasons for this are well known to you.

It makes no difference whether the care is paid for by county welfare, medic-aid, medicare or through private donations, it will still cost about the same. It is a citizen's right to get medical care and service and they will receive it when needed.

The anguish and breast beating about the cost of this care is probably unrealistic. The only thing we know for sure is that the costs have exceeded the budgeted estimates. The sources of payment previously were so numerous and so difficult to identify it is quite understandable that the estimates are off. With this in mind, it is difficult to expect much progress when the programs are cut back. Actually what will happen will be that the costs will simply be paid for from other sources.

We have seen this in New York City. When medic-aid went into effect in New York State, the municipal hospitals in the city suddenly had empty beds and the voluntary private hospitals were filled to overflowing. When medic-aid was cut back the flow was reversed. What really happened was that in the first phase of the program the burden (tax burden) of the city was reduced and the State had to pay more. With the cut back, the city got hit with a lot more hospital care expense and the State got relief. To the tax payers—most of the citizens—the net effect was no charge in the total bill for care.

Medicare, faced with expenses which exceed anticipated costs has placed into effect what some consider unrealistic and in some cases dangerous restrictions in benefits and services for the purpose of reducing costs. What is happening? First there is evidence that they are keeping people in the hospital longer—which represents questionable economy, possibly the welfare rolls are being expanded more rapidly than anticipated, and surely relatives are being caused to pay more for care of their previously covered parents. The cost of care to us as a population has probably changed very slightly, there has simply been a change in the sources of funding.

When considering, the sources of payment we must look at the community. Within the community at any given moment there are five groups of medical care users.

They are:

Group I—Certified indigents: They make no payments for medical services and are totally dependent upon others.

Group II—Medical indigents: These people can be considered as part-payers but must depend upon others for much of their financing of medical care.

Group III—Pay for their own care *only*: These people are no burden to others and probably pay through a Blue Cross type coverage or insurance through their employers.

Group IV—Pay for their care *twice*—for example, once through insurance or Blue Cross and once through taxes.

Group V—Pay for their care *three* times—once through taxes, once through insurance or Blue Cross and once when they use the private room or luxury accommodations.

These groups can be considered relatively stable within the population, and no matter what system may be in use at the time, the same people will pay and in the same proportions. As always those who cannot pay will be paid for by those who can pay. If medicare cuts back payments to the hospitals it is obvious that insurance and Blue Cross reimbursement will have to go up or taxes will have to be raised to increase welfare payments, or patients will have to pay more directly to the hospital.

The cost of eight hours of nursing time, the cost of a pin hip, is not going to be much different regardless of the method of reimbursement (with the possible exception of the surgeon's fee). The cost of salaries, space, supplies and utilities to the hospital surely will not change through any governmental or non-governmental formulas.

This has been a very sketchy background for my answer to your question. I believe it is foolish to segment and chop-up the provision of medical care and services. We have many such segments today—in-patient and out-patient, old people and young people, indigents and self pay, as well as other similar unrealistic and probably dangerous categorizations. The fact remains that Groups III, IV and V will have to pay for all of the care and if the comparisons to Gross National Product are valid they will probably pay about the same proportional amounts, regardless of the scheme or program.

In effect, I am supporting the arguments used to support universal health insurance although I feel some strong modifications are indicated.

My concern is with the method of underwriting the costs of the high risk groups. Medicare and similar programs have taken on the task of insuring these groups separately and apart from the remainder of the population. What they are doing is with a method of direct funding based on an actuarial estimate. When this estimate is low we hear, with great emphasis, that there is "abuse", and the program must be adjusted to exercise more "control". I fear that the abuse is only a measurement against an estimate and may not be an actual misuse of the medical care resources (with a few spectacular examples of out and out fraud—a problem not unique to medical care). The exercise of controls—restricting of the program—makes the actuarial estimates come out correctly, the funding is appropriate and the program looks good; to everyone but the patients affected or those who must seek other sources of funding.

It is my hope that we can examine new methods of underwriting these programs so as to eliminate the problem of placing medical care controls in the hands of accountants working with budgets.

Why not reverse the process—find out what total care costs to produce and budget the sources, following the logical availability of money. Actually, to many large taxpayers—employers—it doesn't make much difference whether the cost is paid through Blue Cross premiums or through taxes—the bill is about the same. This is not as difficult as it may seem at first glance.

For example, in Australia they have a fine system which we might consider. The following are the main points:

1. Citizens voluntarily enroll in one of several approved Plans. The "approval" is based on the Plan (either private insurance or Blue Cross types) having, adequate coverage and an adequate rate of payment to providers so as to assure the purchasers the services found in the contract. You will note that this is voluntary, the citizens must take the initiative to enroll.

2. The premium he pays is based on his ability to pay. It is amazing to see how few are at the bottom end of the scale. The differences, if any, to full premium payments are made up through a governmental "subsidy". This I would call an underwriting or a reinsurance type of procedure. Hence, the Plan gets its full income through a combination, logically established, of private voluntary payments and governmental underwriting.

3. No one gets 100% free insurance—all must pay something if only a few cents a month, hence, no one is a ward of the government or a total welfare case.

4. There are no second class citizens, no welfare cases, and no private cases—all are first class "Blue Cross" card carrying patients, full pay and welcome at any door.

5. This has proven so effective that the plan now finances PREVENTIVE MEDICINE. In addition to the usual items of immunization, they have a program of whole milk for school children—as whole milk is costly and frequently left out of diets in Australia.

We have the mechanisms to do this in the United States today. We have the capacity of combining governmental funds and private funds for the purpose of producing health care, in fact this is the foundation of most hospital operational financing today.

I do not know if the Reuther group would accept this type of partnership of government, private carriers and individual initiative, but it seems worth a fling. Why? Primarily because it broadens the base of financing and doesn't expose the high risk groups to the type of working-over they are getting today. Finally, it seems to fit the pattern of a logical and orderly method of financing health care not wholly dependent upon governmental financing.

ITEM 5. LEONARD HILSEN*, DIRECTOR. BERGEN COUNTY HEALTH DEPARTMENT

EXHIBIT 1

NURSING HOME FACILITIES IN BERGEN COUNTY

In Bergen County there are between 800 and 900 welfare patients who are in nursing homes at any one time, and approximately 50% of these welfare nursing home patients must leave the county for placement. The reason for this is that there is a shortage of nursing home beds for the needy. (It is our experience that the same shortage of beds does not exist for the patient who is able to meet a higher rate than the Department of Welfare can pay).

According to a report of the Bergen County Welfare Department, there are a few nursing homes in the county who will accept welfare patients, and only two who will accept Medicare-insured patients who cannot afford the \$5.00 fee which the patient must pay for 80 of the 100 medicare covered days. In Bergen County, however, our situation is not as acute as in some other counties because Bergen Pines County Hospital has a long-term unit, and many of the county poor go into that facility.

For the remainder who must go out of the county because of this bed shortage: The largest number go to Passaic County (approximately 200+ of the 400-450 patients). About 20% of the remainder go to Essex County, and 20% of them to Monmouth. The rest go to nursing homes in Atlantic County, Hudson, Union, Camden and Morris Counties.

It is interesting to note that a family does have the right to turn down a placement far away. For those who are placed at a distance, there can be real problems with continued contact between the patient and family. A welfare family may own a car, provided that its value is under \$500, but not every welfare family can afford this. I'm sure you are well aware of the difficulties a family would have in finding public transportation from Bergen to Union County.

Payments made by the Bergen County Welfare Department range from \$310-\$418 and the state regulates the amount to be paid to each individual licensed nursing home. This is true throughout the State, except in Atlantic County, where the rate (\$295-\$403) is established by the Atlantic County Welfare Board. The shortage of beds for the needy is acute. Currently, there is a wait of about three months for placement.

The study conducted by a Community Action Program in a Bergen Community (Garfield) began in June 1967, and figures are available through June 1969.

Six aides and one volunteer conducted house-to-house interviews to determine needs, and attempted to assist those citizens who might not be reached through the usual channels.

Over 10,783 people were interviewed: numbers of senior citizens were not tallied separately and there was no breakdown of the data collected. Many of the elderly (almost four thousand) did not wish to be interviewed at all; some did not want to reveal income; others did not seem to have problems with which the Neighborhood Center felt it could assist.

Almost 1,500 senior citizens were interviewed, about 90% of whom needed service. About 50% were registered for a medical screening clinic; and about 60% filed for pharmacy cards (for medications on the basis of financial need). Many senior citizens also needed a particular specialized examination for disorders of the eye. In addition, about 150 of these people were referred to the Food Stamps Program (Bergen County Welfare Board) and about 125 people have received "Meals on Wheels" service.

The "Meals on Wheels" Program, by the way, serves shut-ins with one hot and two cold meals daily. In the two year period from June 1967 to June 1969 an average of 50 people have been served each day (25,000 for the two year period).

No detailed statistical study was ever done by this agency. Currently, our department is also studying a Bergen County Community (Edgewater) and we would be happy to share our findings with you.

EXHIBIT 2

LETTER TO ROSCOE P. KANDLE, M.D., COMMISSIONER OF HEALTH, NEW JERSEY DEPARTMENT OF HEALTH

DEAR COMMISSIONER KANDEE: I was called to testify at the United States Senate Special Committee on Aging hearings at the Bergen Mall Auditorium in Paramus,

*See statement, p. 914.

New Jersey, on August 14, 1969. The following two paragraphs were included as part of my testimony:

"To those of us who have a special concern and responsibility for the health of senior citizens in New Jersey, it is apparent from a study of their needs that we must develop better personal health services. One way that this may be achieved is by strengthening outpatient services in local hospitals and by adjusting the clinic hours to better accommodate the needs of those whom the clinics serve. Another trend in personal health services currently being explored by the State Department of Health, is the development of satellite health centers where senior citizens would receive the necessary, direct health services in a readily accessible location. In recommending this, Dr. Kandle, State Commissioner of Health, says '* * * many of our more traditional services need to be increased and rearranged to make sure that those who need them most get them in the right place and the right time.'

"Special attention has recently been directed towards all the environmental problems of the senior citizen: housing, transportation, air pollution. In other words, assistance to the senior citizen must be based on a realistic and comprehensive study of senior citizen ecology."

Senator Harrison A. Williams, Jr., who is Chairman of the Special Committee on Aging, has asked for additional information about your recommendation for direct health services for the elderly. In response to this request we are sending him a copy of your paper entitled "New Responsibilities in Health in New Jersey" from the *Public Health News*, January, 1969.

Perhaps in addition to this information you would like to respond to Senator Williams' request personally. His address is as follows: The Honorable Senator Harrison A. Williams, Jr., Special Committee on Aging, United States Senate, Washington, D. C. 20510.

Sincerely,

LEONARD S. HILSEN, H.O.,
Public Health Coordinator.

EXHIBIT 3

[From the *Public Health News*, January 1969]

NEW RESPONSIBILITIES IN HEALTH IN NEW JERSEY

Health of people is clearly our responsibility now, not just public health or any other adjective which narrows this responsibility. This is good. The separation of preventive measures, public health, private health, etc., is now largely erased. Your job and mine have been greatly enlarged. On the other hand, the public health concepts remain basic and must be solidly maintained, and this is our special responsibility and we must do it. We are the ones specially trained and concerned. Among these solid rocks are prevention and epidemiology. Prevention must be maximized and this is our particular job. Epidemiology remains a key tool. The services to the poor must be geared to strong epidemiological studies, facts, procedures, and principles. You are the epidemiologists. You must think and act epidemiologically. The principles we learned regarding communicable disease, tuberculosis control, venereal disease control and maternal and child health can and must be applied to more generalized health problems. This point of view also means that many of our more traditional services need to be increased and rearranged to make sure that those who need them most get them in the right place and the right time. Child health conferences ought to be increasing and there should be more prenatal clinics, for example.

I remind you, too, that the ways of looking at health are changing: the newer classifications have a familiar ring to public health people, but they are greatly enlarged. At the American Public Health Association meeting last week, the main categories of health were stated as (1) personal health services, (2) health of the environment, and (3) health education directed at changing the behavior of people. This is not the place to go into these somewhat more philosophical aspects, but I note for your attention a few examples of our broadening responsibilities, e. g.:

- (1) In all probability a rat program will be funded in New Jersey.
- (2) The Public Health Service, the State Department of Health, and the Department of Transportation have now clear responsibilities for emergency health services, including, and emphasizing in fact, the ambulance and transportation aspects.

(3) There will shortly be a new edition of the APHA healthful housing procedures, standards and model laws.

(4) We must be clearly in the medical care business, especially in community services for people at home.

From a priority point of view, the health of the poor, and the urban problems, to lump a lot together, must receive major emphasis. Moreover, almost every municipality has these same problems, although obviously the caseload varies greatly. The poor are sicker. The crowded areas have the most tuberculosis, venereal disease, and communicable disease and the greatest percent of unvaccinated. They have the most diabetes, heart disease, and even schizophrenia and more than that, these diseases do the most harm among this group because they are (1) not being found, (2) not being well treated, and (3) the effects are not being prevented.

Admittedly, there are frustrations in this rapid expansion of responsibilities. There are a great many agencies, people, systems legitimately and by law in the health business and the community health efforts. This is a fact and will stay that way for quite a while, I believe. Nobody is "in charge" or "the boss" or legally or in any way the designated single authority. We as public health officials must be in the midstream, in the system, and must work at being there. We shall be catalysts. We can be powerful agents of change and administration if we mesh ourselves with the new and complex systems. However, this respect and any administrative assignment must be earned. It will not come just because we are health officers. Moreover in the new systems, we will often be pushed aside, not listened to and in fact rejected, but we have got to stay in there and keep worming our way in, not just step out or give up.

Maybe one controversial aspect is useful as an example. This is the health center concept, or a mechanism to provide generalized health care, hopefully on family basis, to groups of people at highest risk, for care of ambulant people. The greatest stimulus and perhaps money, currently is from Office of Economic Opportunity sources, although this is by no means necessarily so nor apt to remain so. Health officers ought to be a major force in development, organization and operation, but to achieve this you will have to be able to take the abuse and keep working at the job. If you are not in, and it is easier not to be in than to be in, it will nevertheless represent a partial failure and excuses won't solve one's conscience. In this respect, I want to emphasize another approach and one in which you can possibly be even more useful. This is the approach of strengthening, changing, and using hospital based out-patient services instead of separate or free standing health centers. In this, I do not mean to de-emphasize separate outposts nearer the people and more convenient, but still hospital connected. In the hospitals are already the facilities, some staff and it is generally easier to recruit in the hospital related atmosphere. I am suggesting that out-patient and ambulant services can be provided by hospital facilities. Obviously, there must be changes in administration and maybe the new services would have to be operated through a joint community-hospital organization. However if, for example, present out-patient department facilities were operated after 3 p.m. and through the evening, in an atmosphere of family orientation scheduled and adjusted to the needs of the poor, it could make a great difference. One special point: transportation of patients to such a facility may be necessary if it is really to serve the poor. This is a particular aspect where health officers ought to be especially useful.

STATE HEALTH DEPARTMENT

Let me move on to report to you about the State Health Department. There is and has been a deliberate shift of emphasis providing priority for services to the poor and urban health problems. For example, we have assigned 10 people of the top staff to each of the 10 Model Cities for the very purpose of worming our way in, etc., as suggested above, as well as helping to develop health projects in the Model Cities system. We have a unit in urban health in the Division of Local Health Services which will be further developed.

Parenthetically, I re-emphasize, that the project system will increasingly be part of our lives.

An example is the Maternal and Infant Care project in Newark. It has a half million of federal monies. It is directed specifically at 1,000 pregnant women at highest risk. Among them are very young mothers, often unmarried, some weigh less than 100 pounds, mothers who have not had prenatal care—which is a failure of our public health system—grossly overweight, the worn out mothers, etc.,

and their infants, since one year follow-up is provided. It gets at the heart of a problem and a field of failure of our present system.

On the other hand, there are real problems about keeping up our basic programs such as tuberculosis and venereal disease control. A considerable part of this, besides manpower, is cuts in federal funds. We used to have grants for tuberculosis and venereal disease control etc., and now it looks as if they will be mostly through specific projects and these will compete with many other more generalized programs, especially those concerned with the poor. This is a critical issue. Incidentally, the State Health Aid is thus increasingly a bulwark for our solid public health foundation.

Among other developments is the assignment to the State Health Department to serve as the Comprehensive Health Planning Agency. Legally this is far broader than the State Health Department, or any department of state government, and conceptually deals with health very broadly. The relationship with environment is not so clear although it is in the law. The basic categories of effort are health facilities, manpower, and services. This process will be evolutionary. I assure you. Funds for this job are small indeed. How much authority there is, is problematical to say the least. However, I call to your attention the Council for Comprehensive Health Planning appointed by the Governor. By law, 51 percent of the members are consumers defined as those who do not make a living in the health industry and who represent people directly. This is an active group and restless and it will be demanding. J. Robert Lackey * is a member, I am glad to say. Other new councils are the Advisory Councils for Clean Water and Clean Air.

Let me speak about the State Health Districts as a part of the Division of Local Health Services system.

The State Health Department is changing.

This department is, however, in my opinion, built on rocks, not sand.

Many fundamental concepts and building blocks have stood the test of experience, while still being flexible enough to change and adapt to new responsibilities.

In this regard, we shall continue to have districts. The four districts will remain with the same areas as now. I do not say that this aspect will not change. I remind you that the districts were created and designed to serve the administration of the department. The pattern has been copied by other agencies for their purposes. The functions and roles of the districts as well as the programs are always changing. This will continue and in fact be accelerated somewhat.

Doctor Dougherty, I, and most of us, I believe, feel now that the principal role of the districts is to evaluate local health services in the municipalities as well as in the counties and other larger units. A major goal is to speed up the improvement of local health services and one method is to consolidate further the 293 municipalities which are not now using State Health Aid, so they can benefit from State Health Aid and do a better job.

None of this is new. We have always had this job. The intensity was increased by the promulgation of Certified Health Services and further increased by State Aid.

The other side of the coin is that we will diminish our doing through this department and the districts the jobs and responsibilities which are clearly those of local health units. This will be gradual, but not slow. It will be a matter of steady pressure to build up better local health services everywhere in the state.

Inherent in this approach are the two foci of special emphasis, namely:

(1) Solving the problems of the older major cities.

(2) Having strong enough local health units in developing areas and tourist trade areas to cope with their problems.

It may be that staff will be shared among or between districts, but the basic structure will be there.

I want to clarify, if necessary, and to repeat my position about county and other types of local health units. New Jersey needs and will use several types of local health departments. Municipal local health departments have been our backbone and the large ones will continue to be, in my opinion, and I clearly support this. We do have 11 county health units and they have, in my opinion, greatly strengthened local health services in this state. I hope there will be some more and that the present ones will be strengthened. Regional and larger area health services will

*Health Officer, East Orange.

be provided increasingly in many types of health services, including public health. I want to make clear that my staunch support of the New Jersey system has not basically changed. I am only cognizant of changes taking place all about us. I do favor a county health bill and essentially one like that which the Health Officers' Association supported. How many additional counties will use it I do not know. I do not expect many. We have had some county legislation for years. I hope and anticipate that some of the present counties where there are now county units would utilize the bill. This could be its greatest benefit. The present system, although highly useful, does have inherent weaknesses as is well known. May I repeat that neither I nor the State Health Department is promoting one system over another except to have throughout New Jersey units which can get the job done which we have in front of us. I would hope that all areas would become eligible for State Health Aid. I have reminded the Governor of three problem areas: the older cities, the resort areas, and the areas in which most of the growth will take place in the immediate future. This is most of the state!

STATE HEALTH AID

The evidence convinces me that State Health Aid is the greatest single thing which has happened to public health in New Jersey in recent years. It is a tremendous booster dose. It brings sustained basic support. It is expanding public health services.

It is also still new. It has its faults. There will be, I hope, slow changes. With respect to these changes we need the constructive, clear, sustained help of the Health Officers' Association and each of you.

Here is the arithmetic of State Health Aid. Beginning in 1967, 239 municipalities participated, this year 272. This leaves 295 municipalities not participating! Eleven counties and three regions are participating.

Here are the amounts provided in State Aid:

In 1966-67:	
In basic support.....	\$182,000
In equalization monies.....	1,035,000
Total	<u>1,217,000</u>
In 1967-68:	
In basic (the total appropriated).....	500,000
In equalization.....	2,049,000
Total	<u>2,549,000</u>

In this 68-69 fiscal period it is expected that about \$2,800,000 will be provided in aid.

According to basic plan for State Aid, there are about \$1,000,000 available to the 295 municipalities not participating and to those who are not yet using all their State Aid.

There is, in addition, the Special Projects and Development Fund of \$300,000. All requests for expenditures from this fund must be in the form of well developed projects and be approved by the Public Health Council. Both the department and the council have been deliberately most circumspect about this fund. It should be used for innovative, new endeavors, particularly for those which need a single stimulus to get something started for which there are no other sources. It is not for sustained support and should not be. In 1966-67, \$67,000 of this fund was spent and in 1968-69 it will be over \$200,000.

An important aspect of State Health Aid, through the Special Projects and Development Fund, is the effect on manpower, specifically the recruitment and training of sanitarians. Here is a brief review of this.

In 1966, the requirements for Sanitary Inspector stated that an individual had to be a high school graduate; the Basic Environmental Sanitation Course was available at Rutgers University, two days a week; followed by a field training course available only at the East Orange Health Department. In 1967, the requirements were changed. An individual had to have two years of college or 60 college credits (with at least six credits in the basic sciences), successfully complete a newly revised eight-week full-time Basis Environmental Sanitation Course and a six-week full-time Field Training Course. The requirements and courses were changed because it was felt that in order to do a better job, we

must start with a better student who receives intensive training in general environmental sanitation.

With the change of the requirements, an initial program was started where persons who qualified, with college training, were granted traineeships available through State Health Aid. These traineeships would pay their salary for a fixed period of time in order for them to complete the Basic Environmental Sanitation Course, the Field Training Course, and the licensing examination for "Sanitary Inspector, First Grade." The traineeships are awarded to local health departments who hire qualified sanitary inspector trainees, who are then trained.

In 1967, \$55,000 was made available through the local health departments, eight students were supported by \$5,000 State Aid Traineeship Grants. In 1968, \$82,500 was made available; 24 students were granted \$3,000 State Aid Traineeship Grants.

Four of these trainees were from disadvantaged groups. I hope this will increase.

The Basic Environmental Sanitation Course, which is run by Doctor Blackwell of Rutgers University, consists of eight weeks training, five days a week and six weeks assignment to a field training center, five days a week; total of 70 days.

These field training centers are set up right in county and municipal health departments. In 1967, eight health departments participated in six field training centers. (Each of two centers was a combination of two health departments.) In 1968, 19 health departments participated as 14 training centers.

I must remind you, however, that the Special Projects and Development Funds is not designed by law, nor by the Public Health Council, to be used for sustaining programs and activities. It will be necessary to build this into the regular State Aid process or find other means to support it in the future.

The remaining funds have gone to stimulate community nursing, prenatal clinics, and planning of facilities and resources.

I should share with you comments from legislators who met with the Public Health Council recently at their mutual requests. The legislators inquired about State Health Aid in detail. They themselves, and spontaneously, suggested consideration of two points: (1) raising the 25,000 population criterion for participation and, (2) the possibility of a weighting system for urban and other special problems. I merely report that as the views of these men. My special point is that State Health Aid should have your close and continuous attention. You may want a standing committee or some such device.

FUTURE OF STATE HEALTH AID

This is still a new program and we do need additional experiences. The machinery isn't perfect, but the mechanics can be further worked out among you, us, and the fiscal people.

You will recall that the capitation aspect of State Health Aid started at \$1.50 per person. On January 1, 1969 it goes to \$1.60.

The State Health Department's budget request, which has been transmitted to the treasurer and the Division of Budget and Accounting under Mr. Vermeulen, includes a request to raise the capitation formula to \$1.80. Administratively, this becomes an action of the legislature through inclusion in the appropriations bill.

When State Health Aid was established, the long range plan was to have a five cent per capita increase annually and this has occurred.

The basic justification for the increase to \$1.80 to begin January 1, 1970 are:

(1) The rising costs of operations of local health services are greater than five percent. In other words, due to rising costs of salaries and operation, etc., in your establishments a five percent increase does not cover increased costs, looking at the state as a whole and, therefore, does not (a) mean a real increase in services and (b) may in fact be a loss in some instances.

(2) Clearly, a major need is in the larger cities. The \$1.80 would substantially help the cities, but still in the same formula, so that all participating agencies would get their share. It would, however, directly speed-up services to the poor.

(3) The areas of the state which have the special problems of greatly fluctuating loads such as the resort areas would be benefited.

(4) Those parts of the state where the most growth will occur in the next few years, where there is now great pressure to meet environmental needs and the areas often least well equipped now to meet them, are the townships and other municipalities which once were considered rural. The increase would help this process.

(5) The present amounts of monies are sufficient to be attractive to a number of municipalities now eligible. This would at least be helped.

These are strong arguments for at least the increase to \$1.80 per capital. I hope there will be strong support for this through you and the League of Municipalities.

ITEM 6. RICHARD B. BERLIN,* M.D., PRESIDENT, BERGEN COUNTY
MEDICAL SOCIETY

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GROUP PRACTICE MORE EFFICIENT? NOT SO!

(By Richard M. Bailey,¹ D.B.A.)

(That sums up the findings of a health economist who's studied internists in various-sized, fee-for-service practices. Group internists, he avers, have more economic leverage than soloists by the nature of their practices—but solo men put in more hours and are more productive.)

A great many health planners, especially those in government, have assumed that the best way to improve the delivery of health-care services in the U.S. is to encourage group practice. This is an attractive proposition. It seems almost self-evident that several physicians who have complementary specialties, an integrated organization, laboratory and X-ray facilities, and plenty of employes can achieve economies. It's logical, too, that some of the savings should be passed on to patients.

Economic theory may or may not support this view of group practice.

Economists usually agree that economies of scale exist in all industries: Each industry tends to develop firms of a size that get maximum return from minimum investment. Firms are generally small in some businesses (TV repair), moderate-sized in others (department stores), and large in still others (auto manufacturing). Businessmen measure economies of scale in terms of net profits. Even many economists, especially those who are lazy or don't have the best information, use net profits to measure efficiency, that is, production of the greatest quantity of goods and services from the smallest investment of resources. So these economists have often erred in drawing conclusions about group efficiency.

It's popular these days to talk about the economies-of-scale concept as it applies to outpatient medical-office practice. Is there one size of practice that favors high productivity (large number of patients seen or quantity of care given) in relation to the medical skills, time, and materials employed? That's the question to which I've addressed my research. I appreciate that physicians may recoil from being observed and examined by an economist. But consumers, social activists, and government officials—aroused by skyrocketing medical and hospital costs—don't hesitate to make their own diagnoses. Most of these people, naturally, hope that group practice will bring about lower costs through greater efficiency.

The hypothesis that a medical practice becomes more efficient as the number of its practitioners increases is certainly an appealing one. In fact, I supported this concept when I wrote my doctoral thesis. Only later did I suspect that this was too glib an explanation. So I designed a study to test the concept. I persuaded 90 internists from various-sized practices in the San Francisco Bay Area to give me access to their office records and keep diaries of how they spent their professional time and how much they charged for their services.²

*See statement, p. 918.

¹ The author is an associate professor of health economics in the School of Public Health, University of California, Berkeley.

² The 90 subjects of the study, a selected sample, represent nearly 10 percent of all privately practicing, fee-for-service internists in the six-county Bay Area. These M.D.s are board-certified or board-eligible, graduated from medical school between 1946 and 1957, and represent solo, small-partnership, and single-specialty and multispecialty group practices. (The percentages by group size are these: soloists, 15 percent; 2-man practices, 14 percent; 3-man practices, 20 percent; 4-man practices, 20 percent; 5-man practices, 6 percent; and 6- to 15-man practices, 25 percent.) The basis of the study was several years' historical data from office records, and diaries kept by the internists for the month of April, 1967.

When I analyzed the data from my study, I came up with rather startling findings leading to unorthodox conclusions. These findings and conclusions, I might add, are not the familiar ones indicating that multispecialty group practice—six doctors or more—is economically superior to solo and two- to five-man single-specialty practice. My findings conflict with survey analyses made by MEDICAL ECONOMICS and studies done by the U.S. Department of Health, Education and Welfare. But despite such conflicts, and despite the restricted nature of my sample, I believe that my study clearly indicates that we must collect a lot of information and do a lot of hard thinking before we can prescribe group practice as a remedy for the ailments of our health-care delivery system. So let's look at some of my specific findings, one at a time:

Fee-for-service internists in large groups appear to be no more efficient than those in solo or small-group practices. All the internists in the study turned out to be pretty much on a par with regard to efficiency, averaging 3.5 visits per hour for groups of five or more doctors and 3.6 visits per hour for soloists. I measured efficiency by dividing patient visits by physician hours.³ Of course, I weighted the visits according to kind. A routine office visit counted as one unit, an annual examination as three, and a comprehensive history and physical examination as four. The weights were determined by the amounts of time internists personally devote to these services.

I'm well aware of the objections to this technique. Physicians invariably contend that no one can reduce a physician-patient contact to a time value, because that doesn't take into account how well the doctor treats the patient's complaint. Well, it's true that my study didn't measure quality of treatment. That's such an elusive matter that no one has yet succeeded in defining it, much less measuring it. Besides, like any economist, I have to deal with measurable quantities. And in striving to eliminate bias due to differences in quality, I compared my physician-subjects the same way physicians compare each other, by similarities in age, training and experience, and specialty.

This finding supports my belief that efficiency in seeing patients is not a function of the number of doctors in a practice, but rather of how hard each doctor is willing to work. Medical practice is "labor-intensive," that is, the profits a physician can earn depend mostly on his efforts and skills, rather than "capital-intensive," another economic term meaning dependent on the amount of money invested.

Large-group, fee-for-service internists apparently aren't unusually productive. If productivity is gauged by the total number of patient visits recorded by each doctor for a month, then solo internists—while averaging about the same amount of time with each patient as the others—were far and away the most productive of all the doctors participating in the study. The solo men had an average 457 weighted patient visits for the month, while the next highest score was 427 for those in three-man partnerships. In the category of hospital visits, soloists saw half again as many patients as those in two-man practices, their nearest competitors.

This phenomenon of high solo production can be explained: The solo internists average 30 more working hours per month than the doctors in 5- to 15-man multispecialty groups. The internists in single-specialty groups also put in more hours than the multispecialty men. Naturally, because all the doctors in the study averaged approximately the same number of patient visits per hour, those men putting in longer hours saw a greater volume of patients. As for the high number of hospital visits for solo men, there could be several explanations, but my data aren't adequate for a conclusion.

It's worth noting here, for later comment, that solo men working longer hours earned less money than their colleagues in the larger groups.

Large-group, fee-for-service internists don't seem to make better use of paramedical personnel. The data from the study indicate almost no differences in the way that the various internists use paramedical personnel, whether the physicians are in solo or group practice. Practically all the internists delegate

³ To clarify the difference between productivity and efficiency, as I'm using the terms, let's consider a doctor who sees four patients per hour in his office. (For simplicity's sake, we'll ignore differences in the kind of patient visits.) His productivity, if he spends six hours in the office daily, is 24 patient visits. He can increase it by spending more time in the office, say, seven hours, and thus seeing 28 patients. Or he can increase his efficiency—seeing five patients each hour, say—for a total of 30 in his usual six-hour day. In both cases he's more productive, but only in the latter is he more efficient.

injections, ECGs, weighing patients, and drawing specimens, while some of them let aids take histories. But no distinct correlation of personnel use and practice size was apparent.

So, in spite of the usual assumption that a larger organization provides the physician with a better environment for efficient work, my information suggests that it's not so. If he doesn't make greater use of paramedical personnel as physician-substitutes, the only way that the multispecialty group internist can be more productive—that is, see more patients—is to work longer hours, like his small-group or solo counterpart.

Large-group, fee-for-service internists apparently don't give the patient more for his money. There's a notion dear to some medical critics that the economies achieved by group practice will result in lower costs to the consumers of health services. Within its limitations, my study burst that balloon. The Bay Area large-group internists in my survey actually earned more per hour on the average and charged higher average fees than their brethren in smaller practices who were seeing about the same number of patients per hour. For example, internists in five-doctor and larger groups were charging \$37.82 an hour in fees—not including lab or X-ray charges—in contrast to \$26.66 an hour charged by solo men.

Moreover, the large practices derive more of their income from lab tests and X-rays than do smaller practices. In 11- to 15-man multispecialty groups, 39 per cent of internists' charges were for these services. At the same time, these services accounted for only 5 per cent of solo internists' charges. In economic terms, the large groups are similar to integrated corporations in that they offer the public a package of goods and services. The small internal medicine practices are limited mainly to the sale of the physicians' *personal* services. So the chief reason for the greater earnings of larger practices is the sale of ancillary services.

It's possible, of course, that greater use of ancillary services may improve the quality of care, reduce the number of visits a patient makes for each illness, or eliminate the hospitalization of patients for diagnostic testing, though it would be difficult to measure these good effects. Nonetheless, I suspect that the presence of testing facilities is a temptation to overuse them.

In brief, large-group internists live in the best of all possible medical worlds. They earn more money because they can sell a wide variety of ancillary services and charge higher personal-service fees. They work shorter hours—a strong inducement to enter large-group practice. And men joining groups step into ready-made practices and enjoy many fringe benefits. I think it's reasonable to argue that group practice benefits the group physician as much as, if not more than, his patients or the public. Somebody has to pay for the benefits enjoyed by group physicians—and that person can only be the patient, even if he has health insurance.

The patient, or consumer, isn't going to benefit by a proliferation of fee-for-service multispecialty groups, in my opinion. I conclude that the prospects for increasing physician productivity through group practice aren't bright. In fact, if physicians moved from solo and small-group practice to large-group practice, we might see a *decrease* in the total volume of services to patients.

Unfortunately, I don't have a single, clear-cut, final solution for making medical practice more efficient, conserving medical resources, and providing an adequate supply of quality care at reasonable cost. Neither do other students of the problem, though further delegation to paramedical personnel, improvements in technology, and involvement of consumers in setting health-care charges are obvious possibilities.

However, my research points to one aspect of the health-care delivery problem that's well worth deeper investigation: linking services (input) to results (output). Perhaps we'll have to consider some version of the Chinese system of paying the physician to *keep* the patient well. In fact, I'm trying now to develop some practical methods for applying incentives to medical practice, to control costs without downgrading the quality of care. Adopting any such plan without careful consideration and in-depth research would be no wiser than accepting today's conventional wisdom that multispecialty group practice is a panacea for our ailing system.

Appendix 2

LETTERS AND STATEMENTS FROM INDIVIDUALS AND ORGANIZATIONS

ITEM 1. LEAGUE OF WOMEN VOTERS AND JAYCEES, FAIR LAWN, N.J.

The results of the Senior Citizen Housing Survey, co-sponsored by the League of Women Voters and the Fair Lawn Jaycees, have been tabulated. Following the guidance of our professional consultant, Mr. Charles Chotiner, Director of Market Research of a New York firm and instructor at Fairleigh Dickinson, this survey was conducted by 60 volunteers from the above organizations as well as from the College Club and P.T.A. Council. For our survey we defined a Senior Citizen as a person at least 60 years of age.

A geographical cross section of the town was covered. 622 families, representing over 5% of the 11,200 Fair Lawn families, were contacted by telephone 82% responded.

The following profile of the community emerged: approximately $\frac{1}{3}$ of the households have a Senior Citizen in residence. Of this third, 91% are headed by a Senior Citizen. 9% have a Senior Citizen living with them. Of the 3,000 Senior Citizens who head households, 85% are home owners and the remainder rent.

Fair Lawn is a very stable community. Over 85% of the families have lived here for over 5 years. Senior Citizens are our most stable element, 2 out of 3 have resided here for over 20 years. Only 1 out of 20 have lived here less than 5 years.

While the median income is \$13,400 for the entire community, the median income for the Senior Citizen is only \$4,500. (Senior Citizen income includes earnings, social security, income from assets and pensions). A further breakdown reveals that the annual income of 39% of Senior Citizens is under \$4,200. The income of an additional 18% is under \$5,200. Therefore, 57% of the Senior Citizens receive less than \$5,200 a year.

It was learned that 29% of the Senior Citizens who head households are employed full time; 9% part-time; the remaining 62% are either retired or unemployed.

Our survey revealed that 46% of the Senior Citizens are paying \$75 or less in rent or carrying charges on their homes. The majority of this group are home owners who have retired their mortgages and are paying taxes only. 14% of the Senior Citizen households are paying between \$76-\$100; 10% are paying between \$101-\$125; the balance are paying more. In an additional study we determined that rental units for new tenants are not available in Fair Lawn for under \$125 a month.

It is the conclusion of the League of Women Voters and the Jaycees that there is no doubt that special consideration in housing for Fair Lawn Senior Citizens in the low and moderate income groups is vital, income level as defined by state and federal authorities. "Special consideration" could include federal, state or local programs which provide a variety of solutions such as rent supplements or subsidies (in new or existing buildings), low-cost housing, tax relief, etc. We do not favor any special housing for people above these income groups.

90 percent of the Senior Citizens expressed a strong preference for housing in buildings not exceeding two stories. The League and the Jaycees support this position. It is the intention of the League to investigate the federal, state and local programs to determine which best meet the needs of Fair Lawn.

We have also checked with the Borough on the number of Senior Citizens

taking advantage of the \$80 tax deduction available to those Senior Citizens who meet the following qualifications.

- (1) A minimum of 65 years of age.
- (2) 3 years residency in the state.
- (3) An overall income not exceeding \$5,000.
- (4) The name of applicant must appear on property deed.
- (5) Application for the following year must be made by November 1 of the preceding year.

At the present time, only 612 families are taking advantage of this provision and we urge qualified residents to look into this matter.

**ITEM 2. PREPARED STATEMENT OF CARL AND ELSIE ANDERSON,
LEONIA, N.J.**

DEAR SENATOR WILLIAMS: You are visiting today to hear the various gripes us Senior Citizens have in this glorious age of prosperity in Bergen County and the United States.

My Husband is 69 years of age and I am 67. He retired at age 65 thinking we would be able to live on our Social Security check and a few part time jobs. But instead illness struck, he developed diabetes, severe high blood pressure, hardening of the arteries, and suffered several strokes. His health is steadily declining. His medicine bills run us over thirty dollars a month. I suffer from Auricular Fibrillation of the heart and can not do too much either. Our Social Security check is severely reduced by these high medicine bills.

We have a Son 44 years of age who lives with us, and is about to be married in another 6 weeks. He now pays the rent on our \$125 apartment. When he leaves us we will be in a terrible situation as we will have to pay the rent also. He does not make enough money to help us and support a wife. He is also a handicapped person, born without ears and very hard of hearing.

We applied for Medical assistance in April but have gotten nothing but the run around from the Welfare in Hackensack. They tell us they will help when our Son moves out, not until then.

Our Rent of \$125 is about to go up in January when our lease expires. It will then be \$165. What in heaven will we do then? We have applied for rent subsidy in our town, we are supposed to be one of the first on the list. But then the Landlord may not want to participate, then what good is rent subsidy to us?

We hope that you will look into reduced medical supplies for the elderly and for proper housing also. I think this is the most serious things facing us today. Thank you for reading anyway.

**ITEM 3. LETTER FROM JOSEPH CIMINO, DIRECTOR, GARFIELD
NEIGHBORHOOD CENTER**

BERGEN COUNTY COMMUNITY ACTION PROGRAM, INC.,
Garfield, N.J., September 3, 1969.

DEAR SENATOR WILLIAMS: Thank you for your letter of August 8, 1969, in which you requested information regarding our reduced price drug program.

Our program became a reality in the spring of 1968, with the cooperation of the Bergen County Pharmaceutical Society, the local druggists in Garfield, and Bergen County Community Action Program, Inc. Under this program senior citizens whose income is within the established guideline can purchase life-saving maintenance drugs used in chronic illnesses at cost plus a small professional fee. Each druggist participating in this program sets his own fee.

This program may not be 100% effective, but from our observations, we can sincerely say that it has helped the senior citizens of Garfield who are in need of assistance in purchasing drugs. At the present time, our city is the sole participant in this program, but we would heartily recommend expanding this program.

**ITEM 4. LETTER FROM HEDE MATTKE, VINELAND, N.J., TO
SENATOR WILLIAMS, DATED JULY 1, 1969**

SIR: Enclosed please find photostatic copies of correspondence with Assemblyman James E. Hurley of New Jersey State Government concerning Property Tax Allowances for Senior Citizens. The newspaper clipping of May 10th, 1969, is the result of my correspondence with him.*

While we appreciate Assemblyman Hurley's efforts to help the Senior Citizen, this proposal is really no help at all. The Senior Citizen with a \$3,000 or under yearly gross income should definitely not have to pay the School Tax portion of the Property Tax. They have paid steadily increasing Property Tax (including School Tax) for at least 20 to 40 years or more.

The Senior Citizen having a Social Security Income of between \$56 and \$113 per month pays Property Tax amounting to from \$180 to over \$500, of which nearly 50% is for School Tax.

Actually, how many property owners and wage earners with a yearly income over \$10,000 pay almost 10% of their income for Property Tax, as do so many Senior Citizens.

Apartment dwellers and other people living in rent and having school-age children do not pay any School Tax at all. Could not a program such as the one I am suggesting below be put into effect?

The names and addresses of the parents of school children are listed when the children are registered for school. These parents cannot feel overtaxed if they would have to pay \$5 or \$10 per month for School Tax and All Purpose Tax. This is very little to pay for getting almost everything free; such as, education, books, transportation, etc. It is, after all, they who make use of the Schools, Recreation Places, Parks, etc., and maybe being included in the cost of creating all these places will give them, as well as the pupils, a better respect and appreciation for what they have. Why should the small property owner, and especially the Senior Citizen, pay for all this? This tax could be taken once a month from each persons paycheck; the same way Income Tax is deducted and, therefore, would not involve a lot of officials.

We do not believe that you are aware of these facts; that is why we think it should be brought to your attention. The plight of the decent Senior Citizen should be brought to light so that he may expect a fairer and more justified deal.

As an example, I have received my final Property Tax bill for 1969 and find to my horror that it increased over \$68.00 for this year; that is, an increase of over 18%, and this on a Social Security income that is frozen. Please note as follows:

Statement of property tax:

County tax.....	\$162. 26
District school tax.....	258. 03
Local purpose tax.....	84. 18
Vets & S.C. deduction.....	13. 42
Total 1969.....	517. 89
Less tax exemption for senior citizens.....	80. 00
Total	437. 89

From a gross income of less than \$2,000, this is nearly 22%, and from my frozen Social Security income, it represents 4 months income. Is this "justified"? Don't you think the decent Senior Citizen should have more consideration shown for him? The Senior Citizen does not ask for welfare or an increase in payments, but we do expect a fairer deal.

The Senior Citizen should be completely exempt from School Tax. A 10% Property Tax from his frozen income or from a gross income of \$3,000 and under should be enough. Don't forget that the Senior Citizen still has to pay steadily increasing prices for necessities, the same price as the wage earner, etc., who has a much higher pay.

In many States there is a true consideration for the Senior Citizen and we are sure that something really helpful can be done in the State of New Jersey for the Senior Citizen (speaking especially for Vineland, New Jersey).

*Retained in committee files.

ITEM 5. PREPARED STATEMENT OF MAYOR ROBERT I. MILLER,
ENGLEWOOD, N.J.

If Your efforts toward alleviating the situation of the Aging are as successful as have been your efforts to bring relief to the Migrant worker then millions of elderly Americans will rise up to call you Blessed.

You have brought to our attention the fact that 3 out of 10 of those 65 years or over are living in poverty, compared to 1 out of 9 of the younger population. You know the problems and you are on the track of solutions.

The attached statement speaks of two of my concerns namely, transportation and Housing.

We all recognize that our society, with its continued emphasis on youth, poses special problems for those people whose adolescence is but a fond and distant memory. Some of these problems fall into the various categories of employment, recreation, housing, health and transportation. The particular emphasis of this Special committee of the United States Senate, fiscal problems of aging, cuts across these divisions, and I would like to testify here this morning on some of the ways that we in Englewood are trying to ease the financial burden on our senior citizens.

Take the field of transportation, for example. Earlier this year, the various officials in Bergen County, taking note of the obvious tie-in between transportation, recreation and money, instituted a program of reduced-fares for senior citizens on special buses to and from County parks.

But recreation is not the only reason that people travel. There are visits to stores and shopping centers, trips to see friends and relatives, to attend religious services and, especially for the senior citizens, visits to the doctor's office or clinic. With this in mind, the Englewood City Council passed at my suggestion a resolution calling for reduced fares for the elderly when traveling on buses during non rush hours. This resolution was sent to the New Jersey Public Utilities Commission, the agency charged with supervising the many mass-transit companies in the State.

I would like to take a few moments of your time, Mr. Chairman, to read a portion of the letter we received in response to this resolution—not, by the way, from the Commission, but from the Public Service Coordinated Transport Company, which had been forwarded a copy of our resolution.

"Our position, briefly, is that the Company is a privately owned transportation system and if it is to continue to furnish proper transportation service, it should earn a fair rate of return on its investment. In that situation a difference between full fare rates and reduced fare rates for senior citizens has to be subsidized by someone. In the absence of a subsidy in another form, other fare paying passengers would have to be charged a higher rate of fare than otherwise would be necessary to compensate for reduced rates for senior citizens. The full fare paying passenger would then be providing the subsidy. We are convinced that requiring other fare paying passengers to subsidize senior citizens is not desirable and that the burden, if senior citizens are to be given preferential treatment, should be placed upon society as a whole."

My own personal position is that the Senate of the United States take a leading role in establishing just such a subsidy.

Moving from transportation, I would like to touch on another of the areas I mentioned earlier that has a strong economic aspect to it: housing.

Many elderly couples, as well as widows and widowers, who live in Englewood are people whose children have come of age, married and established their own household, leaving their parents to maintain and pay taxes on a home that is too large and expensive for their current needs and incomes. Yet, they are reluctant to leave familiar neighborhoods where friends, neighbors and merchants are well known to them.

There are two groups in Englewood attempting to meet and solve this housing problem for the elderly. One is the Mt. Carmel Guild, a social-service unit of the Roman Catholic Archdiocese of Newark; the other is the Greater Englewood Housing Corporation, a non-profit sponsor made up of various civic, commercial and church groups in the community.

Already, the Mt. Carmel Guild has put up eight of its projected 90 units. Some 46 of these will be efficiency and one-bedroom apartments especially designed for senior citizens. The Greater Englewood Housing Corporation is nearing the final stages prior to construction of 250 units, to be located on two sites which

have been leased from the City of Engelwood. Using a unique formula of State and Federal programs, some 120 of these apartments will be for the elderly. The governmental programs that I mentioned will involve interest subsidies and rent supplements so that people of various incomes will be able to live in new and modern apartments without the continued strain of rising taxes and spiraling rents that are found on the private housing market.

I would urge you, gentlemen, to make such programs more widely available so that all Americans, regardless of their age, can live in decent housing without regard to the limited income posed by retirement and old age.

These, then, are two areas, transportation and housing, that we in Englewood are trying to solve the economic problems of the elderly. In addition, we are in the process of establishing a municipal committee on senior citizens. Already, two Englewood residents have been named as co-chairmen of this group. One is Mr. Morton Steinberg, of 407 Eton Street; the other is Mr. Maurice Gold, of 251 Knickerbocker Road.

Mr. Steinberg retired in 1963 from the U.S. Department of Justice, where he was a special assistant to the Attorney General. Earlier he was a State Department counsel and served on the War Production Board. Mr. Gold, from whom you (have heard already), is a social worker specializing in the problems of the aged. He serves as Associate Director of the Department of Social and Community Services at New York's Maimonides Medical Center. With these two men as its leaders, we expect Englewood's municipal committee on senior citizens to further explore the many ways that local government can help those people to whom it owes so much.

I would also have spoken about the crushing property tax burden in New Jersey. I am grateful for the bills you have introduced on tax reform, but help is also needed from the New Jersey State Legislature. I will urge them to study the programs of Wisconsin, Minnesota, and Oregon. As I have asked Englewoods Tax Association to do. Many Senior Citizens are asking for rent control but enabling legislation is needed from the State.

Mr. Chairman, thank you for your kind attention.

Appendix 3

STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing a form was made available by the chairman to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read: "Dear Senator Williams: If there had been time for everyone to speak at the Committee hearing in Paramus, N.J. on the subject of Economics of Aging: Toward a Full Share in Abundance, I would have said:"

(The Committee received the following response:)

MRS. ETHEL D. ACKER, RIDGEFIELD, N.J.

I would like to recommend "Rent Control" or "Freezing rents for Senior Citizens."

I am a retired widow, paying 38% of my income for rent and would like very much to support myself independently, and can't find a cheaper rental.

Many thanks for your interest in our welfare. Respectfully.

WALTER J. BARTLETT, PASSAIC, N.J.

DEAR SENATOR: You are a real phony from the start. You are going to tell us—the retirees what is good for us and what you will promise us—(promise) but try and get it.

You people have voted a 41% increase for yourself and a pittance is promised to us, the retirees.

My House taxes have risen \$100 over the last year, so what will a 7% increase in my Social Security do for me?

You should hear some of our Senior Citizens first and then speak on their requests, or (demands). We are not hogs asking for a 41% increase in our Social Security but a 25% raise would not be too far fetched. I say—if we the Senior Citizens don't get their 25%, not promised, but voted and passed before November 1. That should be the Congress's first order of business, and if we don't get it by November 1st, there should be a whole new Congress and Senate in our Country.

Please get cracking on our welfare. Respectfully.

JOSEPH DISPOTO, LODI, N.J.

The following resolution which is attached. We can not wait, while the economy inflates at a rapid pace.

And if we do receive any benefits, we gain nothing as the cost of living, going up would absorb more than the increase which we would receive.

Thank you. Respectfully yours.

"A PETITION TO THE PRESIDENT OF THE UNITED STATES

"Whereas, leaping living costs are causing a situation of high anxiety for many retired people living on a fixed income and

"Whereas, the senior citizens are feeling the pinch of the super markets and at the doctors' offices and

"Whereas, the cost of living has increased many times over the scheduled increases paid in Social Security benefits and

"Whereas, as a result of inflation, retired people now have proportionately less income compared to people who work and resolve increases through their labor-management contracts.

"Be it resolved that the President of the United States by powers invested in him by the constitution invoke and proclaim that a National Emergency exists and

"Be it further resolved that the President freeze all wages and incomes that are above three dollars (\$3.00) per hour: freeze all food prices and all other commodities, finding a medium level before our country becomes bankrupt.

"JOSEPH DISPOTO."

JOSEPH R. ELLICOTT, ALPINE, N.J.

There are two proposals which I would like to advance for the Committee's evaluation. It is possible that these plans would not be applicable to all fifty states owing to the taxing and legal structures of a particular state.

The first proposal is identical to that mentioned by State Senator Joseph Woodcock. This would require state legislative enactment to relieve persons over 65 of the school portion of the local property tax. To compensate for this loss of revenue, certain measures should be taken at the state level to provide the exact reimbursement through State aid to the local school district as verified by the local tax collectors. According to the statistics stated in your Committee's report, this exemption from the payment of the school portion of the local property tax would benefit a large majority of the over 65 age group.

Even with the financial relief provided in the above proposal there will still be a number of aged persons whose income would be inadequate to meet the everyday common necessities of living. My second proposal would require a special law to permit private financial institutions to enter into a contract with an aged person or couple to acquire his or her home upon the individual's or survivor's death in return for payment of all local property taxes and insurance premiums during the life time of the individual or the survivor.

Upon the death of the individual or his survivor, the financial institution would be obliged to sell the home and premises with the stipulation that fifty percent of the net proceeds would be retained by the financial institution and the other fifty percent assigned to the estate of the deceased owner. A further provision should be included to permit the financial institution to deduct from the estate's share the amount of the taxes and insurance premiums the institution had incurred on behalf of the elderly person or couple.

A program such as this would preserve for the elderly couple or individual their most important and valuable asset and in so doing, would enrich their remaining years by maintaining their presence in the community.

Thank you for the invitation to offer these suggestions. Respectfully.

M. I. HIGBIE, DUMONT, N.J.

DEAR SIR: Respectfully, I must call attention to the fact that this hearing is noticeably too late, at least ten years late. To many of us it appears that the attitude of the politician is one of cynicism, and formalism. Thank you.

Note.—Man who spoke from audience.

MRS. A. M. HOFFMAN, ORADELL, N.J.

DEAR SIR: For years I have been praying for the United States Senate to remember the seniors whose folks paid into Social Security from the beginning but whose folks died before the 18 months were up. These people are up in years and they are the folks who need the security due to the fact, that they are up in years and cannot work. When the bill was passed for the 72 year old people who received Social Security without paying into Social Security some of us were a year or so too young. I always read of them raising social security. This is fine but how about helping us folks. I keep going to the office hoping they

will remember and allow us a small amount. No matter how small it would help. Please Senator Williams try and help the folks in this category. I don't believe and I cannot understand that people want welfare. Thanking you for your thoughtfulness, I am yours truly.

W. T. KORITE, BERGENFIELD, N.J.

My wife and I own a modest 6 room house on a 50 x 100 plot. Taxes in 1968 were a shade less than \$700 which was an increase of 12.8% over 1967. In 1969 they are up \$85, an increase of 12.2%.

At this rate, our taxes in 5 years would be up to \$1400; in 10 years to \$2540; in fifteen years to \$4570 and in 20 years to \$8240 which is more than we paid in 1931 for the house.

This is just one item. Food, clothing medical costs, etc. are rising in similar fashion. I believe the main cause is wage increases, the latest being the settlement of the Pan American strikes by an increase in average hourly wages from \$3.30 to \$4.52 per hour. This is an increase of 37% over a three year period and is typical of most recent settlements.

I have worked for one company for 47 years and have a reasonably good pension plus Social Security and some savings. While we're reasonably comfortable now, what do we do if the inflation continues at this rate, or more probably, at an accelerated rate. If we are unfortunate enough to live another 15-20 years will we be forced to sell our home and wind up on relief? This is something I have worked and sacrificed all my life to prevent.

While some of the measures mentioned in the meeting will be helpful they are at best stop-gap measures which will become impossibly burdensome on government as more and more people like ourselves who are not now at the poverty level are forced down to it. The real cause of the problem is inflation and stopping it is the only real cure. President Nixon and the Federal Reserve Authorities appear to be trying to do it. The labor unions on the other hand appear to be doing their best to foster inflation by exorbitant wage demand which the employers under present day conditions are powerless to resist.

I mention wages rather than prices because labor unions have virtually a monopoly whereas in most cases prices are held down by competition. There are of course exceptions where the supply is inadequate such as doctors whose fees have risen unduly.

JOHN J. LAMB, HILLSDALE, N.J.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: My name is John J. Lamb. I have been a life-long resident of New Jersey and until four years ago, I resided in Paterson, New Jersey. My wife and I reside in a home owned by our daughter and son-in-law in Hillsdale, New Jersey. I am a retired U.S. Postal Inspector, having retired December 30, 1966. I am not employed, but I am an unpaid Field Representative, District 1, New Jersey Federation of Chapters, National Association of Retired Civil Employees. That organization, generally called NARCE, was established in 1921 and limits its membership to retired Federal Civil Employees, their survivors and active employees who are eligible for retirement. Its purpose is to serve annuitants, and potential annuitants, and their survivors under the retirement laws. In addition to sponsoring and supporting beneficial legislation, promoting the general welfare of civil service annuitants and their families, the organization is sincerely interested in the broad field of problems of the aged and aging.

Mr. Chairman, we in New Jersey appreciate the work of the Senate Special Committee on Aging and I am sure the residents of Bergen County, in particular, are grateful for the opportunity afforded them during your committee hearings to advise you of the problems relating the aging in this County.

Your Sub-Committee has heard from various sources of the very difficult problems facing the aging in so-called "affluent Bergen County." You have heard repeated and specific instances of real estate taxes having been increased one-thousand (1,000) percent during the last 20 years, making it virtually impossible for aging, who purchased homes for security, to retain their homes because of inability to pay taxes due to rising cost of living; that retirees lead a precarious

existence due to being unable to live on a fixed income under today's financial requirements; that a great number, who because they hold title to a home, are denied benefits available to non-home owners; that to sell their homes and move to rented quarters, would cause the funds derived from the sale of their home to be exhausted in a very short time; that with aging comes increased medical costs; need for services of podiatrists, opticians and dentists are not covered by Medicare except in cases of accidents requiring surgery; that need for prescription drugs, eye glasses and dental work increases with age, but those items are not included under Medicare; that the rising cost of hospital care and the premiums of hospital and medical insurance, makes it almost necessary for the aging to look for medical attention through County or State institutions.

I would like to take this opportunity to present some information regarding problems besetting and peculiar to Federal Civil Service retirees of Bergen County. However, their problems are national in scope. I realize that needed legislation to alleviate unsatisfactory conditions and adjust inequities, should be considered by other Senate and House Committees, but in view of the known interest and accomplishments of your Special Committee on Aging, I would like to enlist the aid of your Committee in that regard.

There are 15,000 Federal Civil Service annuitants and in excess of 8,200 survivors receiving annuities in the State of New Jersey. There are over 600,000 annuitants and in excess of 215,000 survivors checks issued monthly by the U.S. Civil Service Commission, to residents of all States and Territories. As of July 1, 1968, the average annuitant received \$236.00 per month, while the average survivor's check amounted to \$116.00 per month. Cost-of-living increases raised the amount of their checks by an average of approximately \$10.00 and \$5.00 monthly, respectively. However, that was offset by increased Health Payment premium charges, an average of \$3.00 and \$1.50 respectively, resulting in annuities of \$241.00 and \$120.00 monthly. The average annual annuity is but \$2892., while that of survivors is \$1440., greatly under the \$3,000. "Poverty" figure.

On April 29 and 30, 1969, Mr. Othie G. Burk, National Vice President of NARCE, testified before your Committee in Washington, D.C., relative to the subject. His testimony will not be repeated here, but it is respectfully requested that it be reviewed by the Committee. In closing his remarks Mr. Burk aptly stated, "We (retired civil employees) are not seeking favored treatment, but would like to have equal rights under the law".

The Federal Civil Service retiree is unique in that during his Federal Service, he was dependent upon the Congress to establish adequate and equitable salary schedules, sick leave pay, paid vacations and other benefits, including partial payment of hospitalization premiums, for which all employees are appreciative. However, it is sad to note that subsequent to the enactment of the Civil Service Retirement Law in 1920, the retiree has been condemned to the limbo of the "Forgotten Man". That condemnation was on the part of all active employees, the general public and Congress. It is only upon retirement that an employee realizes that the retirees have been subject to major inequities over the years.

Changes in the retirement laws over the years resulted in liberalization of a number of conditions, but inequities still exist because of the failure of Congress to write into the bills a retroactive clause. As an example, deductions from annuities are made to pay for "Widows Pensions". Amendments to basis and manner of computation result in recent retirees paying approximately 7½ percent of their annuity for "Widows Pensions", whereas those who retired prior to 1956 are continuing to pay from 10 to 25 percent of their annuity, a higher dollar cost for a lesser annuity for their survivor.

Most of the major inequities in the retirement law were embodied in Omnibus Bills H.R. 3378 and S. 844 of the 9th Congress for remedy. The bills failed of passage.

On July 23, 1969, the House passed H.R. 9825, providing refinancing of the retirement fund, and two other items affecting retirees, namely: providing for an additional one percent to the cost-of-living formula when the cost of living brings that increase about, and permitting surviving spouses sixty years of age to remarry at any time after July 18, 1966 without loss of annuity.

On July 10, 1969, Mr. Thomas G. Walters, President of NARCE testified before the Sub-Committee on Retirement of the Senate Post Office and Civil Service Committee in support of S-2326, the Senate Retirement Fund Refinancing bill.

which is identical to H.R. 9825. Since that date, S. 2326 has been superseded with the reporting out of a clean bill by the full Senate Post Office and Civil Service Committee number S. 2754.

The policy of NARCE insofar as legislation is concerned was again stated by President Walters in his testimony on S. 2326, when he said, "Although S. 2326 will not eliminate all of the inequities in the retirement law, as President of NARCE I desire to be realistic, and therefore enthusiastically endorse the enactment of S. 2326, without amendments".

Without the enactment of legislation as contained in H.R. 9825 and S. 2326/S. 2754, the Congress will not be in a position to pass legislation to eliminate the numerous inequities in the retirement laws.

It is not expected that H.R. 13270, the Tax Reform Act of 1969, will eliminate the discrimination against Federal retirees. Under the Internal Revenue Act of 1964, as amended, Civil Service retirement annuities are exempt from Federal Income Tax, only until the employee's retirement deductions are expended. Thereafter, the entire annuity is subject to tax. Neither Social Security nor Railroad Retirement funds are taxable. That portion of the law relating to Retirement Income Credit, is so complex that only a very few retirees and a limited number of Internal Revenue employees are able to properly compute the tax credit. It is therefore generally not claimed by retirees.

Under existing law, Federal Civil Service annuitants with no Social Security credits are not eligible for Medicare Part "A". The pay premiums averaging \$15.00 per month for similar coverage, coverage which is extended gratis to Social Security and Railroad Retirement beneficiaries. The legislative goal of NARCE is to secure payment of all Health Benefit premiums by the Government, but at this time we are appreciative of the fact that consideration is being given to greater participation by the Government. This is a reiteration of the stand taken by NARCE as stated by NARCE President, Walters, in testifying before the Senate Sub-Committee on Health Benefits and Life Insurance of the Senate Post Office and Civil Service Committee on April 29 and 30, 1969 relative to S. 1772. Under that bill the Government would pay an amount equal to 50 percent of the least expensive government-wide high-option plan. At this time the Treasury Department is paying 27 percent of the premiums against 38 percent of the premium when the plan was put into operation in July 1960.

There is little that the Federal Civil Service retiree can do personally to better his lot as he is dependent upon Congressional action for any and all adjustments in his living conditions until Congress:

- (a) Discontinues the practice of specifying that the bill would apply only to annuitants who retire after a certain date rather than all annuitants.
- (b) Establish and adjusted computation of annuities for low-scale annuitants.
- (c) Eliminates the inequities in Income Tax Law.
- (d) Establishes a more realistic ceiling on incomes of beneficiaries of Veterans' pensions.
- (e) Provides for home-owners assistance, similar to that of rental assistance.
- (f) Eliminates discrimination between Federal Civil Service retirees and those on the Social Security and Railroad Retirement rolls.

I again want to thank you for the opportunity to present this statement and reiterate that all retired, aged and aging are appreciative of the work already done and under consideration by the Senate Special Committee on Aging.

MRS. I. MOMBAT, RIDGEFIELD, N.J.

Please put Rent Controls back on—I live in Ridgefield where there is low taxes and our landlord keeps raising the rents. I hear we are going to get another one—Please. I thank you.

MRS. DOROTHY O'NEILL, HACKENSACK, N.J.

MR. SENATOR: I am a Licensed practical nurse, working part time in a local hospital.

I am 67 years old and have been on Social Security for 2 years getting \$113.30 per month.

My problem is—I can only earn \$1,680 each year, but because of a "Nurse shortage" I have already earned $\frac{3}{4}$ of the yearly amount and can only work 20 more days till the amount of \$1,680 is earned.

My health is good and I certainly would be glad to earn more money, and work more at the hospital but if I earn more, I will have to return fifty cents on every dollar I earn over the above amount, to Social Security.

If only we, who can work, be allowed to keep our salary, we would gladly do so. Thank you.

MRS. H. A. OSMER, DUMONT, N.J.

Would ask that the program open to the community on housing for the elderly be encouraged. As long as the landlords receiving the market value of apartments, and the tenant pays approximately 20 or 25 percent of his or her income, with Federal Government etc.

I am a senior of 77 years age, paying a high rent—I would appreciate this help. I have been a taxpayer for over 40 years, now widowed and only income is Social Security and small interest on savings.

Thank you for interest in the aging. Sincerely.

P.S.—I have spoken with Mrs. Krasnow.

MARGUERITE G. RAFTER, STATE SECRETARY, NARCE, PERTH AMBOY, N.J.

The effort on your part to bring the problems of the elderly out in the open is a step in the right direction. Although the group of which I am a member, The National Association of Retired Civil Employees have the same problems expressed at this meeting, we also have other pressing issues.

One is the refinancing of our retirement fund. The passage of the current bill now pending in the Senate, S2754, is the first step.

We would appreciate your assistance to insure the passage of this bill.

