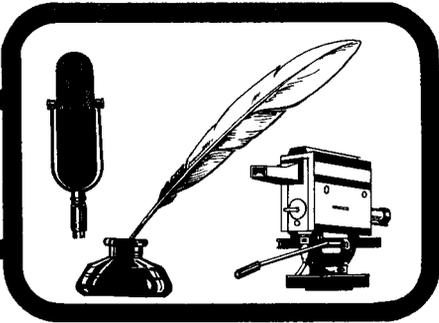


The original documents are located in Box D9, folder “Ford Press Releases - Social Security, 1966-1971” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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**CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER**

**NEWS
RELEASE**

FOR RELEASE UPON RECEIPT

JULY 21, 1966

STATEMENT BY GERALD R. FORD, R-MICHIGAN

It now is clear that increases in the cost of living will gobble up half or more of the 1965 Social Security increase by the end of this year.

With the fresh jump in the cost of living in June, revealed today by the latest government consumer price index figures, it has become imperative that Congress go to the rescue of Social Security recipients.

For that reason I have today introduced a bill tying Social Security benefit payments to the cost of living. My bill, like that of Rep. John W. Byrnes, R-Wis., provides for a Social Security increase whenever quarterly readings of the consumer price index show a cost-of-living increase of at least 3 per cent. The increase in benefits would correspond to the increase in the cost of living. It would not be limited to 3 per cent.

Under the Byrnes and Ford bills, there is the prospect of a Social Security benefits increase of more than 3 per cent early next year.

The Social Security increase of 7 per cent approved by Congress in July of last year and made retroactive to January 1, 1965, was the first benefit boost beneficiaries had received since 1958.

President Johnson has promised Social Security recipients he will ask Congress next year for an increase. I say the time to act is now--during this session of Congress. Congress should make increases in Social Security benefits automatic, in line with cost-of-living increases, so as to eliminate the use of Social Security as a political football and to reassure our aged.

(OVER)

The cost of living went up 2 per cent in 1965. This year it is moving up 3 to 4 per cent on an annual basis, as indicated by the consumer price index figures for the first half of the year.

If the monthly increases recorded over the first half of 1966 are annualized, we come up with a cost-of-living rise of 3.4 per cent for the year. Indications are the overall increase will be closer to 4 per cent.

The cost-of-living base period to which Social Security increases would be tied in my bill is the July-September 1965 period. Any time that a quarterly reading shows at least a 3 per cent rise above average for that base period the benefits of Social Security beneficiaries would be adjusted accordingly. On a percentage basis, the increase over that base period now is slightly over 2.3 per cent.

There has been a relentless climb in living costs this year because of the inflationary policies of the Johnson-Humphrey Administration. The cost-of-living rise has hurt pensioners--those on fixed incomes--more than anyone else. They are struggling to live on small incomes while the cost of living keeps spiraling.

President Johnson recently declared that wage increases are staying ahead of price increases. I doubt if this is so. But in any case it does not help the 38.9 million Americans living on fixed pensions. Johnson-Humphrey inflation is imposing a cruel hardship on them, and they cannot live on promises.

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EXTRACT FROM REPUBLICAN COORDINATING COMMITTEE REPORT

"A Republican Approach to the Needs of the Aging."

COST OF LIVING INCREASES IN SOCIAL SECURITY AND RAILROAD RETIREMENT

The Republican Coordinating Committee recommends that the Social Security Act and the Railroad Retirement Act be amended to provide an automatic cost of living increase in the insurance benefits payable thereunder.

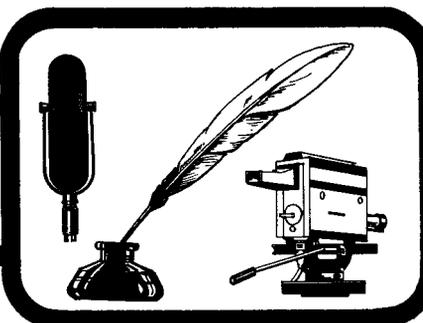
Congress has not been entirely unmindful of the impact of cost of living increases on Social Security pensions and has periodically increased them. Provisions of the Railroad Retirement Act raise benefits under that program to correspond with Social Security increases. But between these sporadic increases there has usually been a time lag of several years during which the pensioners have suffered from a drop in their purchasing power. For example, from 1958 through 1964, just before the 7% increase in pensions was legislated, inflation cost Social Security pensioners approximately \$1.4 billion in loss of purchasing power.

There is a precedent for such a provision as here recommended. Congress, in the Federal Employees Salary Act of 1962, Sec. 1102, provides for an automatic increase in Civil Service retirement pension when there has been an increase of 3% or more in the consumer retail price index.

An automatic increase in Social Security and Railroad Retirement benefits correlated to increases in the consumer price index involve no increase in costs as a level percentage of payroll. Wage increases usually precede increases in the other components comprising the consumer price index. Increases in the wage level bring more covered workers nearer the maximum Social Security wage base and thus result in increased tax revenues. Additionally, the benefits paid represent a smaller proportion of an individual's wages as his wages approach the maximum wage limit (\$60,000). Because of these factors, there is no increase in the level cost of payroll (although there is an increase flow of dollars) involved in enacting an automatic benefit increase provision.

There is an urgent need for such a change in the law. Why should aged pensioners continue to suffer while run-away inflation further destroys the purchasing power of the pension dollar? Congress should provide for an automatic offset against the hardship inflation and its resulting rise in prices visit upon our senior citizens.





CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

FOR RELEASE ON RECEIPT
WEDNESDAY, OCT. 12, 1966

STATEMENT BY REP. GERALD R. FORD, R-MICHIGAN, RE SOCIAL SECURITY BENEFITS.

House Republicans have been urging for months that Social Security benefits be increased to ease the blow inflation has dealt to older Americans. Mr. Johnson's proposal for an increase in benefits is a belated admission that Republicans have been right. But Mr. Johnson is still behind the times.

President Johnson is holding out to the nation's aged the hope that they will receive an average increase of 10 per cent in benefits as of January 1, 1968. Our old folks desperately need help now--not in 1968.

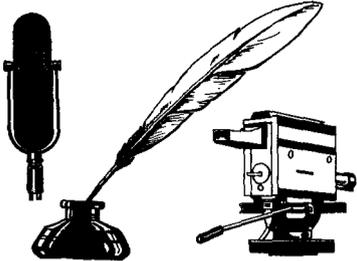
Republicans have proposed action in this session of Congress on an automatic increase in Social Security benefits tied to the cost of living. This plan does not involve a tax increase. The time to increase Social Security benefits is now--not in 1968. Unfortunately, Democrats in the House Ways and Means Committee have refused to take up the Republican Social Security cost-of-living plan.

Action now on Social Security is made imperative by Johnson inflation. The President's Social Security proposal is an admission that the President and Democrats in Congress have been unable to stop inflation. Further, it underscores the fact that the President and Democrats in Congress have been feeding the fires of inflation through excessive and unnecessary government spending.

The Social Security benefit increase of 7 per cent enacted by Congress in 1965 failed to bring the aged abreast of living costs at the time. The cost of living had risen 8 per cent between 1958--the date of the previous Social Security increase--and 1964, when Congress began working on the benefit boost legislation. This means the increased benefits already were lagging 3 per cent behind the cost of living pace in 1965. Johnson inflation this year is shoving them another 5 points behind. When you crank in continuing Johnson inflation, the President's Social Security proposal likely will be inadequate by 1968.

The President is vague about how his Social Security plan will be financed. But he admits some increase in payroll tax will be necessary. This is the most regressive of all taxes. Mr. Johnson is going to finance this latest political promise right out of the hides of America's wage-earners. This will come on top of already scheduled payroll tax increases for Medicare. It also will be piled on top of the personal income tax increase we can expect the President to ask for after the election.

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CONGRESSMAN
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16 August 1967

U. S. HOUSE
OF REPRESENTATIVES

REPUBLICAN POLICY COMMITTEE

REP. JOHN I. RHODES, (R.-ARIZ.) CHAIRMAN • 140 CANNON HOUSE OFFICE BUILDING • TELEPHONE 225-6168

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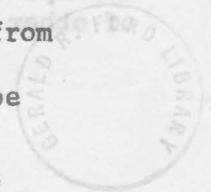
HOUSE REPUBLICAN POLICY COMMITTEE STATEMENT ON THE SOCIAL SECURITY AMENDMENTS OF 1967 - H.R. 12080

The House Republican Policy Committee supports H.R. 12080. This bill provides an across-the-board increase of 12 1/2 percent, increases the amount an individual may earn and still get full benefits, strengthens the benefit formula, improves the health insurance benefits, and requires the development of programs under Aid to Families with Dependent Children (AFDC) that would insure that individuals receiving aid would be trained to enter the labor force as soon as possible.

During the 89th Congress and again in the January Republican State of the Union Message, the Republican leadership in the House of Representatives called for an immediate increase in social security benefits. Due to the Great Society inflation, many of our elderly citizens have been faced with a serious situation. Last year alone, the cost of living rose 3.3 percent. Cash benefits had fallen 7 percentage points behind the consumer price index. Under the circumstances, it is unfortunate that the Administration delayed action on this bill for so long. The 12 1/2 percent increase in Social Security benefits is needed now to help many of our senior citizens cope with the inflation that has resulted from the fiscal policies of the Johnson-Humphrey Administration.

We believe that the present earnings ceiling is inadequate. The increase that is contemplated by this bill would, in some measure, reflect the financial realities of the present inflationary period. Under the provisions of this bill, the amount that a person may earn and still get his benefits would be increased from \$1,500 to \$1,680 and the amount to which the \$1 for \$2 reduction would apply, would range from \$1,680 to \$2,880 a year. Also, the amount a person may earn in one month would be increased from \$125 to \$140.

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Experience has proven that a number of major changes in the present health insurance provisions are required. As a result, under H.R. 12080, the number of days of hospitalization would be increased from 90 to 120 days. A patient would be permitted to submit his itemized bill directly to the insurance carrier for payment. And a physician no longer would be required to certify that a patient requires hospitalization at the time he enters or that a patient requires hospital out-patient services.

One of the most perplexing problems in the welfare area is centered in the program that provides Aid to Families with Dependent Children (AFDC). In the last 10 years, this program has grown from 646,000 families that included 2.4 million recipients to 1.2 million families and nearly 5 million recipients. It is estimated that the amount of Federal funds allocated to this program will increase from \$1.46 billion to \$1.84 billion over the next five years unless constructive and concerted action is taken. In order to reduce the AFDC rolls by restoring more families to employment and self reliance, H.R. 12080 would make a number of changes in the present program. For example, States would be required to:

- (1) Establish a program for each AFDC adult or older child not attending school which would equip them for work and place them in a job. Those who refuse such training without good cause would be cut from the rolls.
- (2) Establish community work and training programs throughout the State by July 1, 1969.
- (3) Provide that protective payments and vendor payments be made where appropriate to protect the welfare of children.
- (4) Furnish day-care services and other services to make it possible for adult members of the family to take training and employment.
- (5) Have an earnings exemption to provide incentives for work by AFDC recipients.

There is no provision in the present Social Security Act under which States may permit an employed parent or other relative to retain some of his earnings. This has proven to be a serious defect. The number of assistance recipients who take work or enter into a training program can be increased if the proper incentive exists. We support the adoption of a work incentive provision.

At the present time, there are a number of other federal programs that make provision for work incentives to welfare recipients. This proliferation of work incentive provisions has proven confusing to welfare personnel and recipients. In an effort to end this confusion, the proposed provision in H.R. 12080 would, in effect, supersede the provisions relating to earnings exemptions now contained in the Economic Opportunity Act and The Elementary and Secondary Education Act. We support this attempt to establish a uniform rule. We urge prompt action to bring the provisions of other legislation into conformity with this provision.



19 September 1967



U. S. HOUSE
OF REPRESENTATIVES

REPUBLICAN POLICY COMMITTEE

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HOUSE REPUBLICAN POLICY COMMITTEE STATEMENT ON THE PARTNERSHIP FOR HEALTH AMENDMENTS OF 1967 - H.R. 6418

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Late in the 89th Congress, a one year Comprehensive Health Act was enacted into law with Republican support. This Act rejected the standard Great Society formula of categorical grants. It consolidated 16 separately administered public health programs and permitted States to develop plans, establish priorities, and coordinate local activities. Under this approach, the priority health problems in each State and community whether they stem from communicable disease, narcotics or rat infestation, can be identified and programs designed to combat the problems established and properly funded.

At the time the Comprehensive Health Act was introduced, President Johnson stated:

"At present, the Federal Government offers the States formula grants for categorical programs dealing with specific diseases. This leads to an unnecessarily rigid and compartmentalized approach to health problems.

Our purpose must be to help redirect and reform fragmented programs which encourage inefficiency and confusion and fail to meet the total health needs of our citizens."

We believe this statement is as true today as it was a year ago. We continue to support a comprehensive health program that encourages maximum coordination and permits the States and localities to establish priorities. We believe this concept should be expanded and employed in additional fields.

In one important instance, despite the earlier overwhelming bipartisan support for the Comprehensive Health Act, the Administration has abandoned this forward looking concept of block grants and has retreated to the old philosophy of categorical grants that impedes the development of an overall program and binds the hands of State and city officials. It has proposed a Rat Extermination Act under a

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new federal administrator that would compete with the provisions of the Comprehensive Health Act and make even more difficult a coordinated attack on this very serious problem. Moreover, in proposing this new Act, the Administration ignored the fact that in addition to the Comprehensive Health Act, the Community Action portion of the Poverty Law provides substantial funds which can be used at the option of the State and local governments for rat eradication. Chicago alone has received \$2.9 million of Federal Poverty money for rat eradication in the past three years.

Representative Henry Reuss (D-Wis.), who serves on the subcommittee that handled the Rat Extermination bill, made the following observation in support of the block grant approach in the Comprehensive Health Act as opposed to the restrictive provisions of the Rat Extermination bill.

"I am all for exterminating rats, but just last year the Congress was at great pains to take some 10 or a dozen public health programs, including programs in the environmental field, and to put them together into one program so as to move toward greater flexibility in Federal-State-local relations. It was a remarkable piece of legislation in the Public Health Service. The President signed it last October. Under the Act, which gives localities freedom to choose the things they want to concentrate on, at least seven states are now coming in with excellent vector rat control programs. But here, having done all that, what do we do but come in with another tiny specific program, very costly to administer. It gets HUD into the health business, it confuses the local health departments who have been dealing uniformly with the Public Health Service of HEW, it is going to result in shopping around, whether you get rat-control money from HEW or whether you get it from HUD."

The House Republican Policy Committee supports the extension and expansion of the Comprehensive Health Act as provided in H.R. 6418. Under this bill, \$892 million in comprehensive health grants will be made to the States during the next three years. With these funds, each State and locality will be able to zero in on its most serious public health problem whether it is due to rat infestation or some other cause. For example, Governor Rockefeller of New York and Governor Volpe of Massachusetts have announced the formulation of state rat-control plans that can be assisted by these funds.

We urge the elimination of section 12 of this bill. This provision was not the subject of hearings and is in no way related to the stated purposes of this act. Section 12 completely short circuits the formula system that has been successfully employed for 20 years under the Hill-Burton Act to grant money to the various States for hospital construction. It would authorize the Secretary of HEW to select and then make direct grants to a few hospitals. The money required for this hastily conceived program did not receive Bureau of the Budget approval nor was it provided for in the Administration Budget. A provision of this type demands, at the very minimum, full hearings and careful committee consideration before it is brought to the House Floor for final action.



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92nd Congress
First Session

June 22, 1971
Statement Number 4

HOUSE REPUBLICAN POLICY COMMITTEE STATEMENT ON H.R. 1,
THE SOCIAL SECURITY AMENDMENTS OF 1971.

"We will strengthen the Social Security system and provide automatic cost-of-living adjustments.....

Welfare and poverty programs will be drastically revised to liberate the poor from the debilitating dependence which erodes self-respect and discourages family unity and responsibility."

Republican Platform, 1968

The House Republican Policy Committee supports the passage of H.R. 1, the Social Security Amendments of 1971.

President Nixon has described H.R. 1 as "an important landmark in the history of both social security and public welfare reform", and "the single most significant piece of social legislation to be considered by the Congress in decades."

H.R. 1 contains significant improvements in the Old Age, Survivors and Disability Insurance Programs and in the Medicare, Medicaid, and Maternal and Child Health Programs. Major provisions include: 1) automatic increases of future Social Security benefits commensurate with increases in the cost-of-living, 2) a liberalized retirement work-income standard, 3) greatly improved benefits for widows and widowers, 4) increased benefits for those working after age 65,

(over)

and 5) extended Medicare, Medicaid and Maternal and Child Health programs, more efficient, more effective and more equitable.

The "core" of the bill, however, is fundamental reform of our present public welfare system, and provides requirements and incentives to individuals to work and earn.

The present welfare system has failed tragically; it does not provide adequately for those truly in need; it encourages family disintegration; it discourages self-sufficiency, capturing the poor in an unbreakable cycle of dependency -- and all at a skyrocketing cost to the taxpayer.

The principle goal of H.R. 1 is to provide the vehicle by which every family in which there is an employable adult may become economically self-sufficient. The Opportunities for Families Program would, 1) require every employable adult to accept employment or training leading thereto, 2) expand federal support for training, placement, public service employment, child day care and other supportive programs, 3) encourage family unity by removing the incentives for parental desertion, and 4) provide financial incentives for recipients enrolled in work training. H.R. 1 will further provide basic assistance to families headed by unemployable or incapacitated adults under a Family Assistance Program, and a new and improved assistance program for needy, aged, blind and disabled persons.

Passage of H.R. 1 has been given the highest of priorities by the Republican Administration. The House Republican Policy Committee urges support of this "momentous step" in social security improvement and welfare reform.



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