

The original documents are located in Box 24, folder “Taxes - Ford Statements On” of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.

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I RECEIVED TODAY FROM THE CONGRESS AN EXTENSION OF PRESENT TAX CUTS. THE CONGRESS HAS AGAIN, AS THEY DID IN DECEMBER, WAITED UNTIL THE LAST MINUTE TO ACT ON LEGISLATION AFFECTING YOUR INCOME TAXES. I ASKED THE CONGRESS IN OCTOBER OF LAST YEAR TO DECREASE TAXES A TOTAL OF TEN BILLION DOLLARS. THIS WOULD MEAN A TAX SAVING OF ABOUT \$227 FOR A FAMILY OF FOUR EARNING \$15,000 PER YEAR. I ALSO ASKED THE CONGRESS TO CUT FEDERAL SPENDING TO ACHIEVE A BALANCED BUDGET WITHIN THREE YEARS.

NOW NINE MONTHS LATER, THE DEMOCRATIC CONGRESS HAS DONE NOTHING ABOUT ACTING ON THE MATTER. THE ONLY ACTION THEY ARE NOW PROPOSING IS A SIXTY-DAY CONTINUANCE OF CURRENT WITHHOLDING RATES. THEY HAVE NOT ACTED ON MY REQUEST FOR EXPANDED TAX CUTS, AND THEY HAVE BROKEN THEIR AGREEMENT TO LINK TAX CUT EXTENSIONS TO CORRESPONDING CUTS IN FEDERAL SPENDING.

FURTHERMORE, THEY HAVE ADOPTED A SPENDING CEILING TARGET FOR NEXT YEAR WHICH IS 17 BILLION DOLLARS ABOVE THE LEVEL I RECOMMENDED. THIS EXCESSIVE SPENDING WILL BE INFLATIONARY. IT WILL THREATEN THE JOBS OF THOSE WHO ARE NOW EMPLOYED INCLUDING THE THREE AND A HALF MILLION PEOPLE WHO HAVE RETURNED TO WORK SINCE ORDER HAS BEEN RESTORED TO THE ECONOMY.



WHILE I WILL SIGN LEGISLATION EXTENDING PRESENT TAX CUTS,
I AGAIN URGE THE CONGRESS TO GIVE THE AMERICAN PEOPLE
GREATER TAX CUTS, AND TO REDUCE FEDERAL SPENDING.

I SAY TO ALL AMERICANS: DON'T LET THIS DEMOCRATIC CONGRESS
PLAY POLITICS WITH YOUR POCKETBOOK. I URGE SUPPORT FOR
DEEPER TAX CUTS AND REDUCED FEDERAL SPENDING. I WANT TO
GIVE THE AMERICAN PEOPLE MORE CONTROL OF THEIR OWN LIVES
BY REDUCING WHAT THE FEDERAL GOVERNMENT TAXES AWAY. I
WANT TO GIVE THE AMERICAN PEOPLE AN INFLATION-FREE ECONOMY.
WE CAN DO THIS ONLY BY INSISTING THAT THE CONGRESS PUT AN
END TO GOVERNMENT-PRODUCED INFLATION.



Greenberg (Gergen) Duval

October 25, 1976

STATEMENT ON TAXES

Throughout this campaign, we have been told by the experts that there are no real issues this year, but as I have traveled in the West over the past weekend, I have discovered that one issue does weigh very heavily upon the minds of our people.

It is the issue of taxation.

For many, many Americans, the burdens of taxation far overshadow the benefits at every level of government. Taxes have become the fastest growing item in the family budget -- growing even more rapidly than inflation. And too much of the money paid into government coffers seems to be siphoned off not by those who are supposed to receive the benefits of government but by those who work for the government.



The American people deserve relief from the crushing burden of taxation.

This Administration has been in the forefront of the fight to hold down government spending and lower the tax burden. In the past two years, under prodding from the White House, we have enacted the biggest tax cuts in our history.

But more action is clearly needed.

I propose today that the first order of business in Washington in January should be an additional tax cut of \$10 billion. As soon as the new Congress is organized, I intend to meet with its leadership so that we can put taxes at the top of the agenda for 1977

In the meantime, I believe that every candidate for high office in Washington in 1977 has an obligation in the closing days of this campaign to say precisely where he stands on tax cuts.

I will sign ^{such} a tax cut legislation if it comes to my desk but Congress must first pass it — which was for it has failed to do.

(for the Congress)

Specially, I call upon all candidates to tell

tell their prospective constituents -- before the

election, not after the election -- whether they will

support ^(the additional) tax cuts I have proposed, ~~as the priority~~ ~~in the new year~~ ~~business for next year.~~

I pledge to the American people that I will seek

tax cuts as the first order of business, and I ask for

the help of the voters in electing a Congress that will

work with me toward that end.

~~I have directed my campaign~~
~~organization to publicize these~~
~~Congressional~~

THE WHITE HOUSE

WASHINGTON

October 25, 1976

MEMORANDUM FOR JIM CAVANAUGH
FROM JIM REICHLEY
SUBJECT TAX STATEMENT

The Gergen tax statement seems to be a good one, and I would include it as part of a speech, probably on Wednesday in Chicago.

I would, however, use it as a one-shot, and not make it the single focus of the campaign for the rest of the week. I think it would be most unwise to try to turn the campaign at this point into a referendum on taxes, Yugoslavia, or any other single issue. First, because any issue cuts both ways, and the exact fallout is simply too difficult to calculate at this stage. Second, leaning on a single issue tends to become strident, which puts many voters off. Third, leaning exclusively on a single issue is not credible -- particularly an issue like lowering taxes, on which most voters are extremely skeptical. Nothing could be worse than for the voters to get the impression at this point that the President is simply one more deceiving politician. Our strategy has been to present the choice to the voters as a decision between the President and his opponent on the basis of a general impression of strength, honor, credibility, common sense and compassion. There are risks to this strategy, but the risks in switching to making the election a choice on a particular issue seem to me much more grave. Foreign policy, taxes, jobs, and inflation should now be given emphasis -- but as means to promoting the overall impression that we are convinced the voters in the end will prefer in the voting booth.

cc:

Dave Gergen
Foster Chanock
Jim Connor
~~Mike Duval~~
Jerry Jones
Jim Lynn
Paul O'Neill



EMBARCOED FOR RELEASE
UNTIL 6:00 a.m., (EDT)
MONDAY, OCTOBER 25, 1976

OCTOBER 24, 1976

Office of the White House Press Secretary
(San Diego, California)

File

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
PREPARED FOR BROADCAST
OVER THE MUTUAL RADIO NETWORK

MONDAY, OCTOBER 25, 1976

Today I'd like to talk a little common sense on inflation.

Inflation should really be seen as a tax. It cuts into your paycheck or your savings just as surely as writing out your income tax check. And make no mistake about it, inflation is caused by government.

Two years ago when I became President, the inflation rate was 12% -- the cost of everything was going up 12 cents on the dollar each year. Today the rate of inflation is down to less than 6% -- that's a lot better. But obviously we must keep right on working at it.

What's important in this election is to understand what we've been doing right to bring inflation down -- and what we must avoid if we are to continue making progress.

In the past two years, our policies have worked to bring inflation down for three reasons:

- First, excess Government spending had to be brought under control. So I have vetoed Congressional bills 66 times. An argument could have been made for signing every one of those bills. But if inflation was going to be licked, we had to have the courage to draw the line on spending. I did it. And I'm going to keep on doing it, because I don't believe the American people should be taxed anymore -- and inflation is just another high tax.
- Second, while fighting inflation we had to do everything we could to reduce unemployment. So, while inflation has been cut in half, we've also helped create 4 million new jobs in America in 17 months -- and that's a peacetime record. And we've maintained essential Government services in our cities, and for our schools -- and, most important, for our national defense. We've even had some tax cuts, and we can have more if we stick to the course we're on.
- Finally, we've recognized the reality that inflation cannot be ended overnight. For a decade in America we've had a series of sudden changes in our economic policy. And every time there was not immediate success, we've rushed to a new approach. Well, we've been on a steady and stable course for two years now -- and it's working. I think it would be a serious mistake to change that course.

(MORE)

America will lose the battle if spending goes up too fast or if inexperienced hands take over our economic policy and send us charging off in a whole new direction.

America is back at peace again. There's honor in your White House again. Four million new jobs in 17 months. And inflation cut in half.

Things are getting better. That's why we're feeling good about America. We know we still have a lot of work in front of us. But we remember where we've been and we know how far we've come.

We've all fought the battle against inflation. We know that the enemies are government spending and drastic changes in policy. Let's stay on our steady course.

With it we can welcome America's third century with a new generation of freedom in which government controls its excesses, its taxes, its spending to let you enjoy the fruits of your own hard work. I think that is what freedom is all about.

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