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THE PRESIDENT HAS SEEN....

~~4,000,000 new jobs in 17 months.~~

3,700,000 " " " 18 "



That's more new jobs than in ^{almost any} ~~any~~ peacetime 18 months ^{period} in the history of the United States.

Not one of those ^{3,700,000} ~~4,000,000~~ new jobs is a wartime combat job. Not one of those new jobs was created by the military draft.

That's more new jobs in the last 18 months than there are people in ~~34~~ ³⁰ separate States of this country.

That's more new jobs in the last 18 months than there are people in ~~8~~ ²⁷ States of this country, combined.

Two years ago hundreds of thousands of Americans were being laid off their jobs. And millions more worried that they were about to lose their jobs too. We've turned that around. And every American worker, when he thinks about it, knows that his job is more secure today than it was 2 years ago.

Then why has the unemployment rate gone up ^{in the past few months} ~~up~~?

-- Because in those ^{4 1/2} ~~17~~ months ^(since May) the number of people entering the work force mushroomed even faster than the new jobs did.

~~More people entered the work force in those 17 months than in any peacetime period in the United States.~~

-- These new people in the work force aren't people who had been laid off. ^{Some} They are looking for jobs for the first time. ~~one reason they are looking is that they can see that the economy is moving again.~~

Others have entered the labor force to look for jobs again because

From May to September
civilian labor force
increased by 646,000

9-20-73
9-21-73
15046
203
391

INFLATION/EMPLOYMENT/UNEMPLOYMENT

- INFLATION CUT IN HALF (12% TO 6%)
- LEAD TO RESTORATION OF CONSUMER CONFIDENCE, AND BUYING --
increases WHICH HELPED CREATE ^{3.7} ~~1~~ MILLION JOBS IN ¹⁸ ~~17~~ MONTHS (*one of the sharpest* MORE THAN IN ANY OTHER SIMILAR PERIOD IN OUR PEACETIME HISTORY)
~~(500,000 IN LAST 3 MONTHS)~~
- EMPLOYMENT AT RECORD HIGH -- ^{almost} 88 MILLION, ~~IN AUGUST.~~ *87.8 in September*
- MUST FURTHER REDUCE INFLATION, SINCE INFLATION DESTROYS JOBS.



TEENAGE UNEMPLOYMENT

78256

~~78256~~
NAB
not all the

per one.

1) PERSPECTIVE

- IN THE FIRST ~~EIGHT~~ ^{NINE ✓} MONTHS OF THIS YEAR, 7.3 MILLION YOUTHS WERE EMPLOYED. ~~THIS IS AN ALL-TIME HIGH IN TEENAGE EMPLOYMENT.~~
 - a total larger than that of all past years except ^{1974 when total employment was 7.40 million}
- DESPITE THIS TREMENDOUS PROGRESS, SERIOUS PROBLEMS REMAIN.
 ^{In September, 1.6} IN AUGUST, 1.8 MILLION YOUTHS WERE COUNTED AS UNEMPLOYED.
 NOT A MATTER SIMPLY OF LOST INCOME. WITH YOUTH UNEMPLOYMENT COMES A HOST OF OTHER PROBLEMS INCLUDING CRIME, DRUG ADDICTION, AND EXCESSIVE DEPENDENCY.

2) My ACTIONS

2

- MY ADMINISTRATION HAS CURRENTLY IN PLACE A LARGE ARRAY OF PROGRAMS: THE SUMMER JOBS PROGRAM, JOB PLACEMENT ASSISTANCE THROUGH THE EMPLOYMENT SERVICE, WORK INCENTIVE PROGRAM, THE JOB CORPS, AND THE YOUTH SUB-MINIMUM APPRENTICESHIP CERTIFICATE PROGRAM, THAT ALLOWS EMPLOYERS TO HIRE YOUTHS AT BELOW THE MINIMUM WAGE, JUST TO NAME A FEW.
- THE 1977 BUDGET ALLOCATED OVER \$7 BILLION OVERALL FOR TRAINING AND EMPLOYMENT PROGRAMS; ~~ABOUT 30%~~ OF THIS SUM WAS DIRECTED TOWARDS YOUTH.

Construction Corps 2,500

More than 20% ✓

(MORE)

check up

100
77
50
1.5 billion

3) OTHER STEPS TO DEAL WITH LONG-RANGE PROBLEM

- I HAVE INITIATED, IN COOPERATION WITH PRIVATE CITIZENS AND BUSINESSES, A NEW \$140 MILLION PROGRAM TO DEVELOP 500,000 JOBS WITHIN THE NEXT TWELVE MONTHS FOR DISADVANTAGED YOUTHS AND WELFARE ENROLLEES.
- AT THE UNIVERSITY OF MICHIGAN, I STATED THAT THE PRESENT PRINCIPLE OF ASSURING FINANCIAL ASSISTANCE TO EVERY HIGH SCHOOL GRADUATE WILLING TO GO TO COLLEGE SHOULD BE EXTENDED TO THOSE WHO WANT A JOB IN WHICH THEY CAN LEARN A TRADE, A CRAFT OR A PRACTICAL BUSINESS SKILL.
- I HAVE SIGNED (WILL SIGN) INTO LAW AN IMPROVED WORK INCENTIVE TAX CREDIT THAT ENABLES EMPLOYERS TO DEFRAID SOME OF THE COSTS INVOLVED IN HIRING DISADVANTAGED YOUTHS AND WELFARE RECIPIENTS.



REBUTTAL ON NATIONAL ECONOMIC PLANNING

BY SUPPORTING NATIONAL ECONOMIC PLANNING, HE IGNORES THE FACT THAT WE HAVE THE BEST PLANNING SYSTEM IN THE WORLD. IT'S CALLED FREEDOM.

HE ALSO IGNORES THE VERY CONSIDERABLE COORDINATION AND FORETHOUGHT ALREADY OCCURRING IN THE EPB, FIVE-YEAR PROJECTIONS ON ECONOMY AND BUDGET.

MOST FUNDAMENTAL DISAGREEMENT--AND KEY ISSUE OF 1976--IS QUESTION OF WHO SHOULD CONTROL THE FUTURE OF THE AMERICAN PEOPLE. I WANT THEM TO CONTROL IT; HE WANTS WASHINGTON--AND THE WHITE HOUSE--TO CONTROL IT. ECONOMIC REGIMENTATION DOESN'T WORK IN EASTERN EUROPE AND IT DOESN'T BELONG IN AMERICA.



REBUTTAL ON UNEMPLOYMENT/INFLATION

MR. CARTER SAYS THAT THE WAY TO CUT INFLATION IS TO CREATE MORE JOBS, AND HE WANTS TO SPEND BILLIONS OF TAX DOLLARS TOWARD THAT END.

I DISAGREE. HE HAS THE WRONG DIAGNOSIS AND THE WRONG CURE.

INFLATION IS THE BIGGEST DESTROYER OF JOBS IN AMERICA TODAY. ASK ANY PLUMBER OR CONSTRUCTION WORKER WHO HAS BEEN PRICED OUT OF THE MARKET.

THE WAY TO CURE UNEMPLOYMENT IS TO ATTACK BOTH INFLATION AND UNEMPLOYMENT AT THE SAME TIME. THAT'S WHAT WE'VE DONE, AND I'M PROUD OF OUR RECORD.

THIS COUNTRY HAS HAD ENOUGH OF THE PHILOSOPHY OF SPEND AND SPEND, ELECT AND ELECT; WE WANT STEADY JOBS AND STEADY PRICES.

GOVERNMENT VS. PRIVATE ENTERPRISE

THE AMERICAN PEOPLE MUST REALIZE THAT GOVERNMENT CAN ONLY GROW STRONGER BY MAKING PRIVATE ENTERPRISE WEAKER. EVERY DOLLAR SPENT BY THE GOVERNMENT COMES FROM THE POCKET OF A WORKING AMERICAN. IF THE GOVERNMENT WANTS TO SPEND MORE, THEN YOU AND I WILL SPEND LESS. IF THE GOVERNMENT WANTS TO EMPLOY MORE PEOPLE, THEN PRIVATE ENTERPRISE MUST EMPLOY FEWER PEOPLE. AND SUCH AN EMPHASIS ON BUREAUCRATIC GROWTH INEVITABLY LEADS TO A DECLINE IN THE PRODUCTION OF GOODS AND SERVICES, A DECLINE IN THE VALUE OF PEOPLE'S INCOME, AND AN INCREASE IN THE RATE OF INFLATION, WHICH IN TURN PAVES THE WAY FOR A NEW RECESSION AND EVEN HIGHER UNEMPLOYMENT.

FORUM

1156 15th Street, N.W. Washington D.C. 20005
(202) 296-4726

Jim Karayn, Executive Director

'76 PRESIDENTIAL FORUM

THE SOUTHERN FORUM

Monday, 1 March 1976
8:30 - 10:00 p.m. EST
Sheraton Four Ambassadors Hotel
Miami, Florida

Candidates Appearing:

Jimmy Carter
Henry Jackson
Milton Shapp

Moderator:

Elie Abel

Resource Panel:

Winifred Bell
Kenneth Clarkson
Jon Mills

Jim Karayn
Project Director

Nancy W. Greene
National Co-ordinator for the Southern Forum

NOTE: Please credit any excerpts to the '76 Presidential Forum or the League of Women Voters Education Fund. This is the second of five Forums.



DIANE RADELL: This is for Governor Carter. How are you going to insure that there will be Social Security funds available when we are, or I am, eligible, 30 to 40 years from now?

GOVERNOR CARTER: Well, you're lucky to have 30 or 40 years to go. I'm getting a lot closer, myself.

One of the dangerous things about a political campaign is that quite often, in the heat of the debates, people are overly frightened. Almost invariably, when I meet with a group of elderly people, the first question I get is: "I understand Social Security's about to go under. Governor, what's going to happen to us when it does?"

Social Security is not going to go under. Even if we have a horrible catastrophe happen this year and a Republican goes back in the White House...

[Laughter and applause]

GOVERNOR CARTER: ...the Social Security System is going to be sound, the payments are going to be made, there will be no defaulting on the payment of retirement benefits from Social Security in the years to come. But we have a real problem in that when the inflation rate and the unemployment rate get as high as they are now, you have more money coming out of the reserve fund than you have going in, and this creates a problem.

Obviously, the long-range approach to that is to get the inflation rate down below 4%, the unemployment rate down below 4%, and the Social Security reserve fund will build up again. We still have, though about \$40 billion or more in the Social Security reserve fund. This year we're going to deflate it about \$4 billion. There's no extreme urgency at this point.

But there are some things that we can do in addition to getting the unemployment and inflation rates down. The first step that I would take -- if that first step doesn't work, the next step I would take would be to tax income at a higher level. We are now at about 15 1/2 thousand dollars, and I would tax higher and higher incomes to make sure that Social Security does have enough money going into the reserve fund to meet obligations.

The second thing that I would do would be to consider two other alternatives. One is to make the payments out of the general fund, or to have higher rates of payment to go into the reserve fund.

But I think that we can, for the foreseeable future, handle the problem with Social Security by increasing the level of income on which Social Security payments are made. The Social Security fund is not going to go under; Social Security payments

mean solve it, and that is, to do something you suggested, get inflation under 4% -- and I'm going to come into a program to do that in just a second -- and the other is to increase the employment in this nation; and by increasing employment, increasing productivity, and curb inflation. And anything else we do is just going to be palliative, short-range; and within 25 years, this country is going to find itself in a position where half of the people are working to sustain the other half, and I can't imagine anything that is less stable for a society.

What I propose -- and I'll come back to it again -- is an investment program in this nation, in the public sector, to rebuild our cities, modernize our railroads, to educate and train our people. If we don't educate the people on welfare today, forget it. We educated them, Senator, during World War II, took people who couldn't read or write, educated them, and made educated people out of them. We can do it again.

If we will have a program of this sort, we can stimulate the economy, increase productivity, and curb inflation in this country. It's the only long-term solution, and anything else we discuss is palliative.

SENATOR JACKSON: Governor, I could stipulate an agreement on that on full employment. But what I was referring to is how do you handle this actuarial table...

ABEL: We're having specific questions here about Social Security. Could we stick to that for just a moment? And there's a question on the floor, I believe -- the questioner ready -- Marjorie L. Medors (?) has a question on the Social Security System.

MARJORIE MEDORS: My question is for Mr. Carter in particular. Would you support allowing retirees to earn an unlimited amount of wages while drawing Social Security benefits, instead of the current restrictions?

GOVERNOR CARTER: No, ma'am. I would not favor retirees earning an unlimited amount, but I -- I think that would cost entirely too much and it would mean that you'd have to increase the percentage of payments for those who are working substantially, or [unintelligible] the reserve fund, than otherwise.

I think to increase the income that would be permitted by, say, another thousand dollars, to about \$3600, would be the best first step.

MEDORS: It wouldn't be an assest to the reserve fund for more money to be going back into the fund from the retirees' additional earnings?

GOVERNOR CARTER: Well, as you know, that the Social

Security payments, they're not taxed. And I think that to just completely eliminate any limit on how much a person can earn and draw Social Security would be too costly. But I would like to increase it, say to \$3600.

ABEL: I've seen a suggestion, gentlemen, that the cost of liberalizing those rules would run into billions of dollars, which raises a question about how does one replace that money. I'm not saying it shouldn't be done. But does anyone care to address that aspect of the problem?

GOVERNOR SHAPP: I'd be very glad to. What difference does it make to the fund how much a senior citizen is making outside of the fund? There's no relationship.

SENATOR JACKSON: Oh, that's not...

GOVERNOR SHAPP: It certainly is.

SENATOR JACKSON: Well, there are more people drawing on the fund; they draw earlier. That's the reason for it.

GOVERNOR SHAPP: They'll be drawing on the fund, but still working. Why have a means test in any way for senior citizens? Let them live out their lives in dignity and be productive.

SENATOR JACKSON: Governor, a man earning a...

[Applause]

SENATOR JACKSON: A man earning a million dollars a year should draw his Social Security out of the fund? Is that what we're saying?

[Shouts of "yes" and "no"]

SENATOR JACKSON: Is that what you're saying here.

GOVERNOR SHAPP: So he gets \$3000 a year.

SENATOR JACKSON: Well, I think that's \$3000 that ought to go to some people who need it.

GOVERNOR SHAPP: He's paid his money into the fund...

[Shouts from audience]

SENATOR JACKSON: No, no, no. I think that all of the statistics are very clear on it. I would strongly support something within reason, and that is up to age 72 -- and that's the law now -- we allow, I think, \$2400 a year. I'd raise it to 4800.

in a Jackson Administration are going to get first priority in the lower-income bracket areas, because anyone knows there's only so much money to go around. And if you give it to someone making 50 and 100 thousand dollars a year, you're not going to have it for the one who is trying to get by at five or six thousand dollars a year. There's just so much.

[Applause]

ABEL: Kenneth Clarkson.

KENNETH CLARKSON: One of the major aspects of the Social Security program is its separability from other welfare programs. And I wonder, if we transfer it to the general funding, that we might not increase the total amount of uncertainty associated with private individuals as they attempt to plan for their retirement years.

I'd like to address that to all the candidates.

ABEL: Governor Carter.

GOVERNOR CARTER: I think I'm the only one here who doesn't want to shift Social Security payments to the reserve -- to the general fund. The Social Security System was set up on a basis that people that worked paid money into it; when they retired, they considered themselves to be getting a payment out of what they put into it. They didn't consider themselves, and don't consider themselves, to be welfare cases. And I think if we start taking money out of the general fund, which I understand that both Senator Jackson and Governor Shapp advocate, you're putting the Social Security, welfare, Medicaid, and other social programs in the same boat.

I would like to keep the Social Security System separate and let it be a retirement payment for those who've worked and earned a place in it. That, to me, is a very important psychological difference. And I would much prefer to tax higher levels of income, up to, say, 20-22 thousand dollars, than to start taking money out of the general fund, which would create the insecurity you're talking about, but it would also put Social Security recipients under the feeling that they are in the same boat as those who haven't worked for a living who are drawing welfare.

Now, I'm not knocking welfare recipients, because most of them, 90%, can't work. But I think there ought to be some separation kept between the two programs.

[Smattering of applause]

ABEL: Senator Jackson.

PANAMA CANAL

If the issue comes up and Carter talks tough:

This kind of demagoguery will not give us ^{greater} ~~greatest~~ access to the Canal, but could lead us to war with an ally. I do not care how politically popular it is to mislead the American people about the Panama Canal, I would not change my position to win the nomination and I will not change my position to win the election.

My opponent wants to talk tough and carry a twig, but as we learned in Vietnam you cannot talk tough without backing up your words. Talking tough, whether about Eastern Europe or Panama, will lead to a military confrontation ^{over} ~~to~~ problems that might be solved diplomatically.

I know what it is to share responsibility for the lives of others. I know that the bills of war are not paid by politicians, they are paid with caskets, wrecked bodies and ruined lives.

We will fight for real principle, we'll fight to preserve and protect our freedom and our national interest, but I will not create false issues to win an election.



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Washington Post

9-20-76



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THE WASHINGTON POST

Monday, Sept. 20, 1976

ne Taxes

Rejects GOP Charges

By Helen Dewar

Washington Post Staff Writer

KANSAS CITY, Sept. 19 — Demo-

The GOP Protects the Rich, Carter Says

CARTER, From A1

ilies with incomes below that figure as there were above it.

As he has before, Carter proposed the shift as part of a comprehensive

lief to the so-called middle-income taxpayers—those in the earning brackets of \$8,000 to \$30,000 a year."

Carter, in a companion interview with the same magazine, said he favored "a truly progressive tax rate

into it. I don't know how to write the tax code now in specific terms. It is just not possible to do that on a campaign trail. But I am committed to do it and I have already talked to congressional leaders in the House and

cles unfavorably with those of President Truman.

Bending down and pulling four large volumes from under the lectern, he asked the audience if they had seen the U.S. Tax Code and

'A few things can be done' about the rich

Carter sharpens tax revision stand

By William J. Eaton Of Our Washington Bureau

Tax Reform



WASHINGTON —Under the pressure of the first televised debate, Democratic presidential nominee Jimmy Carter suddenly has sharpened his position on tax reform proposals.

Carter has been saying for months that it would take him a year or more after his election to decide what changes to recommend to

corporations allow firms to shield part of

"I would not do away with all business deductions," he added. "I think that would be a very serious mistake. But if you could just do away with the ones that are unfair, you could lower taxes for everyone.

"I would never do anything that would increase the taxes for those who work for a living or who are presently required to list

During the debate, he described his philosophy on taxation as follows:

"Make sure that everybody pays taxes on the income they earn and make sure that you take whatever savings (additional revenue) from the higher income levels and give it to the lower- and middle-income families."

Although he mentioned the \$50,000 figure,

1 David S. Broder

The Controversy About Tax Reform

What Jimmy Carter didn't need before the first debate was what he got—a rip-roaring controversy stemming from his own sloppy discussion of the sensitive subject of taxes.

The whole strategy of the past two weeks in the Carter campaign had been

income family up to the \$25,000 level. Whatever a median means to other people, Eizenstat said, for Jimmy Carter it means the bottom, the middle and all but the top 10 per cent.

Not to be outdone, Ford in an interview with Reader's Digest said he

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crease the taxes for 50 percent of the taxpayers," citing a Carter interview with the Associated Press that Carter later said was inaccurate.

Neither man raised his voice during

enjoyed a cosmetic advantage, unlike the first Kennedy-Nixon debate in 1960, when drops of sweat covered Nixon's 5 o'clock shadow.

On black and white TV, each man's features were defined more crisply,

in San Francisco Oct. 6 — will be devoted to foreign policy.

Moderator Edwin Newman of NBC News estimated that 100 million Amer-

DEBATE, Page 13

Comparison of what they said

The following is a thumbnail comparison of the stands Jimmy Carter and Gerald Ford took last night on the major issues raised during their 90-minute debate.

TAXES

CARTER said one-fourth of tax breaks go to richest one percent of people. He would end tax deferral on business profits abroad and on export

\$8000-30,000. Also proposed tax incentives for corporate investment in high-unemployment inner cities.

CARTER said unemployment increased 500,000 in three months, and 2.5 million since President took office. Proposed public jobs for central cities, subsidized hiring by business of unemployed, more Federal research and development for industries with high potential for creating jobs. Also urged

too few white-collar criminals and too many poor people now go to jail.

ENERGY

CARTER said policy was not really established, advocated shift in emphasis to coal and solar production, with only last-resort to a more safety-conscious nuclear industry. Also urged more mandatory conservation measures.

FORD said he proposed last year

PITFALLS OF SPECIFICITY

Carter Files Tax View Early, Gets Loud Audit

BY PAUL E. STEIGER and JOHN F. LAWRENCE

Times Staff Writers

One of the first axioms of American electoral politics is that: always promise to cut taxes, but don't get too specific.

Jimmy Carter briefly forgot that rule in recent days—and ever since President Ford and his agents have been making certain the lapse is remembered by the voters.

Carter's momentary stumble points up just how difficult carrying out any promise of tax reform is likely to be. And the clash the stumble engendered—one that may well continue in tonight's televised debate between the candidates—underscores the political pitfalls of making tax reform a campaign issue.

Put simply, Carter's proposal was to toughen the tax laws for the well-to-do and use this savings to cut taxes for others. The main problem with the proposal is that too little revenue could be collected from those at the top, who account for a relatively small portion of total income in the nation, to provide much tax relief for anyone else.

Hence, to many tax experts, reform is not designed to raise revenue much as it is to ensure fairness in the nation's tax system.

Which brings up another complexity.

Through the years, Congress has chosen to use the vehicle of tax incentives as the best means of encouraging various expenditures and investments by business and by the public. It has chosen this vehicle because it leaves the final decisions to do such things as buy a house or new manufacturing equipment in the hands of the private market rather than the government. The alternative would be direct government decision-making.

Thus, if all loopholes were closed, the results might be a mixed blessing. Direct government subsidy might have to replace what private individuals now do, further increasing the pressure on the federal budget and thus boosting income taxes for all.

Many experts believe, however, that the tax laws have grown too complex, have provided too many loopholes and have created some inefficient incentives.

Carter has yet to deal in detail with such complexities. He has said repeatedly that he would not have a complete tax reform proposal until he has been in office a year. (He has also said he would seek incentives for business to expand and provide more jobs—a promise that might ultimately complicate any tax reform proposal.)

But the candidate has said enough to draw criticism from a member of his own party. Sen. Russell B. Long (D-La.), chairman of the Senate Finance Committee,

suggested to an interviewer Wednesday that Carter was getting his tax advice from the wrong people.

Carter's bobble last week stemmed from pressure to be more specific. Asked by an interviewer who would pay more taxes and who would pay less under his reforms, Carter said: "I don't know. I would take the mean or median level of income and anything above that would be higher and anything below that would be lower."

As Ford's backers were quick to remind Carter, the median level is only \$12,000 to \$14,000. Did Carter want to raise taxes for people making, say, \$15,000 to \$25,000?

No, no he did not, not at all, the Democratic candidate's aides quickly declared. Stuart Eizenstat, Carter's adviser in charge of issues, said, "Only those in the upper incomes will be paying more. Those in the middle and lower will be paying less. The middle-income families are obviously those people who will be making \$12,000, \$15,000, \$18,000, \$20,000, \$25,000."

That put Carter on safer ground. Only 10% of the nation's households make more than \$25,000. They do pay 40% of the total income taxes collected. But even at that, Carter would have to raise their taxes 15% just to get a 10% cut for the rest of the taxpayers.

Raise the cutoff point to \$30,000 and Carter would have to collect 18% more from the top group to produce 10% a cut for the rest. If the heavier tax burden were aimed at those making \$50,000 or more (about 1.3 million American households are in that category), the increase would have to be 30%.

From a strictly political standpoint, one problem Carter may face is that uncertainty over the specifics of his reform idea might hurt him among independent voters. While there is no good measure of the income of the average independent voter, the group is thought to be higher on the scale than the populace as a whole.

President Ford has taken a safer position on taxes. Basically, he wants to cut federal spending to provide funds for tax relief for those making less than \$30,000. In other words, no one would pay more and some would pay less.

But Ford is vulnerable on the tax issue as well. He has called for an increase in Social Security taxes to shore up the fragile finances of the Social Security system. Yet it is increases in the Social Security tax over the last decade that have done more to reduce the progressivity of the income tax system than any other tax changes.

This is because the tax is levied only

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Handwritten notes: Hearst, 2 pages, Los Angeles Times

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