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MARCH 7, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have received today the final report of the Advisory Council on Social Security. I concur strongly in the Council's unanimous endorsement of the basic principles of the Social Security System.

In my view, the most important recommendation of the Council calls for the stabilization of the benefit structure so that future benefits will maintain a consistent relationship to earnings and will not be so vulnerable to changes in the economy.

Consequently, I have directed the Secretary of Health, Education and Welfare to present to me a series of proposals for stabilizing the benefit structure. This will enable me to make recommendations to the Congress as early as possible.

Stabilization of the benefit structure, however, will not provide all the additional revenues that will eventually be required by Social Security. While existing reserves are adequate to maintain the fund's financial integrity for the next several years, I want to ensure the integrity of the system into the 21st century. Therefore, I have asked the Vice President to have the Domestic Council explore alternative approaches to financing and to make appropriate recommendations to me.

I strongly support the "earned right" principle that has been a basic feature of Social Security since its inception 40 years ago. Therefore, I am opposed to the Advisory Council's specific recommendation calling for the transfer of Medicare financing from the Social Security trust funds to general funds of the Treasury.

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