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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT  
ROSSMOOR LEISURE WORLD

7:30 P.M. PDT

Ernie Billman, Congressman Chuck Wiggins, Evelle Younger, ladies and gentlemen:

It was my great privilege four years ago to speak at Leisure World when I was a Congressman and, at that time, the Minority Leader of the House of Representatives. I was tremendously impressed in 1972, just like I am tremendously impressed here in 1976 by the energy and by the vitality and by the wonderfully warm and friendly reception I am getting here, and I thank you very, very much.

Before coming to this part of the visit to Leisure World, I stopped and saw some of the people shooting pool, I stopped off and saw some of the people dancing and listening to music, I stopped by and saw that famous band of expert musicians, and it is just wonderful to see some friendly faces that I have met and to see some that I have seen over the years.

It is obvious to me that Leisure World must be the busiest place in Orange County. (Laughter)

I think what you have proven really is that retirement need not be a retreat from life but a fresh opportunity to do all the things that you have always wanted to do, and it is good to see each and every one of you taking full advantage of that great opportunity.

My message here today can be summed up in a very few words. As much as I believe in a strong and prosperous American automobile industry, I have come here to say that this year there is absolutely no reason whatsoever to trade in your reliable Ford for a flashier model. (Laughter)

But let me tell you seriously why I am asking you, my fellow Americans--not only from California but from all over the country--why I am here to ask for your support. I am doing it because I think I have done a good job under very difficult circumstances, because we have maintained the peace, we have moved America on the road to prosperity, and we have restored confidence and trust in the Presidency itself.

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I am coming to California, I am going to work hard going the length and the breadth of this great State to see as many people as I can and to give the message I hope to give here, as well as elsewhere, because I want a mandate from California and a mandate from the American people and all other 49 States to finish the job that I started August 9, 1974.

I want to continue the assurance of dignity, the security and the quality of life experienced by our older Americans. For more than 40 years, America has made a very firm commitment of support for our older citizens in our society, not only for those who need help but those who have earned a retirement income during their working years.

As you all know, there are serious problems facing our Social Security system. These problems have been building up over the years and conveniently passed by and not attacked or not solved by either one Administration or another, or one Congress or another. Unless my reforms that I recommended to the Congress in January of this year are adopted, the Social Security Trust Fund will run a deficit in this 12 months of \$3 billion 500 million, and the next year the deficit will be \$4 billion, and the next year the deficit will be larger and larger.

It is unconscionable that the Congress has failed to face up to the hard facts of life and, believe me, let me assure you of one thing, very emphatically: My Administration intends to preserve the integrity, the solvency of the Social Security system for your benefit and for that of all working Americans now as well as in the future.

Let me assure you, it would have been very easy in January for the Ford Administration to duck the problem as others have. But, I decided to prevent a decline in Social Security Trust Funds, which now pays out far more benefits than it receives in taxes. I proposed a small payroll tax increase -- three-tenths of one percent -- applying both to employers as well as employees. Under this plan, the largest increase for any person paying or any employer paying would be less than \$1 per week.

It seems to me that this proposed tax increase, which will help to stabilize the trust fund would give us the feeling of good conscience, doing the right thing regardless of any political consequences so that current and future recipients will be fully assured of the benefits that they have earned and that they are entitled to. And I believe that the American people, knowing that 33 million people have now earned and are receiving retirement benefits and literally millions will come into the same circumstances, this country made a commitment, this country must carry out that commitment, and the Ford Administration isn't going to play politics with this problem.

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And I add, as many of you I am sure know, I recommended in my budget for the next fiscal year the full cost of living increase in Social Security benefits. I think this is the proper thing, the move that is required if we are to keep faith with those in our society who have earned and retired.

And let me say, I have also proposed major improvements in the Medicare program to make it serve you better. One of the most important improvements would provide for the full payment of all but a very small fraction of the cost of catastrophic illness and extended care.

There is no reason whatsoever that older Americans should have to go broke just to get well or to stay well in the United States of America.

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Under my proposals the individual contribution to Medicare would go up slightly. But consider what the increase would provide. Nobody eligible for Medicare would have to pay more than \$500 a year for hospital or nursing home care or more than \$250 a year for physician service. Medicare would pay the rest.

Whether it was \$1,000, \$10,000 or \$50,000, I think it is a good program, and I would appreciate your support.

Our problem is the Congress. The ruinous economic burden of catastrophic illness is one thing, if this passes, you will never have to worry about again. You deserve it, and the country ought to enact it, and it ought to be on the statute books.

Now, let me ask you or say to you, there are several other programs that I have requested that the Congress authorizes which should be of some special interest to older Americans. One would ease the burden of estate taxes. While the value of the dollar has eroded, our system of estate tax law has changed very little since the 1930s. To restore fairness and equity, I have proposed increasing the present \$60,000 estate tax exemption to \$150,000. I have also proposed that if there is any tax yet remaining after the increase to \$150,000, that the payments be extended over a period of 25 years with a very minimum amount of interest paid on an annual increment that you pay to the Federal Treasury.

But, the third and probably the most important ingredient is how it affects married couples. At present, as many of you know, I am sure transfers of assets between husbands and wives are often subject to substantial taxation. I have proposed legislation which would make those transactions or transfers totally tax free.

This common sense equitable treatment of assets of a husband and wife is far too long overdue, and I hope and trust that the Congress of the United States will respond this year before they end their session sometime before the next election.

Now, if I had to sum up the record of my Administration in just a few words, it would be peace, which we have achieved and we are maintaining; prosperity, which we are accomplishing; and trust and confidence of the American people.

Today, America is at peace. Less than a year ago we were still at war. Today, we are at peace, and there are no American boys fighting anywhere on the face of the globe, and I intend to keep it that way.

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I will maintain that peace, secure that peace through strength and perseverance and leave that legacy of peace for our children and our grandchildren. We will accomplish it and pursue it because we have the military capability to carry out any mission that is required for the deterrence of aggression or to under, any circumstance, protect our national security.

Let me say the continuance of my policies of cutting your taxes, expanding the private economy, reducing bureaucracy and useless regulation and restraining spending -- these are the hallmarks of the Ford Administration.

If you look back at the record of the last 22 months, my policies have brought us from the depths of the recession to a sustained recovery, and will insure that runaway inflation never again robs us or our loved ones of the rewards of honest work and lifetime savings.

Let me ask you, do you recall in August of 1974 the cost of living was at a rate of 12 percent or higher, and it is good to report to you that for the first four months of 1976 the cost of living is rising at a rate of 3 percent or less. That is a 75 percent reduction in the cost of living. I think that is a darned good record that we should be proud of.

You will recall that shortly after I took office there were those prophets of gloom and doom who were saying that we were about to have a depression, that unemployment would go over 10 percent, that we had to do something with a quick fix action, that the Congress had to spend more and more money with bigger and bigger deficits.

I decided that wasn't the right course of action. I felt there was a better answer, to put a great deal of more faith and trust in the great economic system that has taken this country from 13 poor, struggling colonies to the greatest nation in the history of mankind. So, we fought the Congress day in and day out.

Incidentally, I vetoed 49 spending bills. Forty-two of them have been sustained, saving the American taxpayer \$13 billion. That is a pretty good record. Let me add as a postscript if the Congress sends down some more budget busting bills, I will veto them again and again and again.

But finally I want to finish my most important job -- restoration of trust in the Presidency itself. As your President, I will promise no more than I can deliver and I will deliver everything that I promise.

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In the months ahead, I need your support to insure peace, prosperity and trust for the future, the future that we owe to our children and to our grandchildren. Americans have always wanted life to be better for our children than it was for each and every one of us, because life for us has been better than it was for our parents.

What do I see ahead in this great country of ours? I see a strong and confident America, secure in a strength that cannot be counted in megatons and a nation rejoicing in riches that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the Government serves and the people rule.

Thank you very, very much.

END (AT 7:47 P.M. PDT)