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OLDER AMERICANS

--Overview--

In a recent special message to Congress, President Ford reaffirmed his commitment to meeting the needs of older Americans, and to draw on their strengths in resolving the problems of America. He asked Congress to:

"...help our nation demonstrate by its deeds a deep concern for the dignity and worth of our older persons. By doing so, our nation will continue to benefit from the contributions that older persons can make to the strengthening of their nation."

President Ford noted that the single greatest threat to the quality of life of older Americans is inflation. His first economic priority has been to fight inflation -- and his programs have cut nearly in half the double digit inflation experienced in 1974. But, he said,

"...the retired, living on fixed incomes, have been particularly hard hit, and the progress we have made... has not benefitted them enough."

To meet this problem, the President included in his budget request for fiscal year 1977, a full cost of living increase in Social Security benefits, that will help bolster the purchasing power of 32 million older Americans. Because the President is determined that the Social Security system must remain fiscally sound, he has also requested legislation to increase payroll taxes by three-tenths of one percent for employees and employers so that payments will not exceed revenues.

In a major new program to alleviate the burden of catastrophic illness, President Ford has proposed:

- * Extending Medicare benefits by providing coverage for unlimited days of hospital and skilled nursing facility care for beneficiaries, and
- * Limiting the out-of-pocket expenses of beneficiaries for covered services, to \$500 per year for hospital and skilled nursing services, and \$250 per year for physical and other non-institutional medical services.



Millions of older persons, he said, live in fear of being stricken by an illness that will call for expensive hospital and medical care over a long period of time.

"Most often they do not have the resources to pay the bills... We have been talking about this problem for many years. We have it within our power to act now so that today's older persons will not be forced to live under this kind of a shadow."

These actions are only the most recent of many taken by the Ford Administration to help older Americans. Over the last year and a half -- from the first days of his Administration, President Ford:

- * Signed a \$22.8 billion anti-recession tax-cut bill that included payment of \$50 each to some 34 million individuals receiving Social Security, Railroad Retirement, and Supplemental Security Income benefits -- many older persons were also benefited by extension of unemployment compensation benefits, tax rebates, and 1975 tax reductions. Families caring for elderly persons were benefitted by a liberalization of the tax deduction rules.
- * Signed into law the Employee Retirement Income Security Act, providing new protections and guarantees to 35 million persons covered by private employee benefit plans, including provision for greater equity in tax treatment of private retirement savings, and insuring that participants do not lose benefits because of restrictive eligibility provisions or because the plan did not accumulate sufficient funds to meet its obligations.
- * Signed the Housing and Community Development Act of 1974, which, among other things, provides for subsidized housing for low-income renters and authorizes direct, low-interest loans for housing for the elderly.



* Signed into law Title XX of the Social Security Act which provides 2.5 billion dollars to the states for social services.

Under Title XX older persons will receive increased services, planned and implemented by state and local governments -- needs and services determined not in Washington but at the local level, with the participation of the older Americans who will receive the services. And lastly, under President Ford's new Title XX proposal, states would no longer be required to give the federal government money in order to obtain federal monies in return.

President Ford has supported the concept of the Older Americans Act since its inception in 1965. This past November the President strengthened the Act when he signed into law amendments creating new services and goals. Under President Ford's Administration -- \$272 million -- almost seven times the amount available three years earlier-- went to this program. Through the Administration on Aging, created by this Act, a national network on aging composed of state, area and nutrition agencies has been established. As an example of what the Act does, nutrition agencies serve older persons over 300,000 hot meals a day, five days a week at 5,000 locations. This network helps older people to:

- * Know what resources are available
- * Secure services enabling them to live in their own homes.
- * Meet their needs for transportation
- * Provide for the weatherization of their homes.
- * Obtain legal services
- * Continue to be involved by serving in full-time, part-time and volunteer positions serving the community.
- * Cope with housing problems
- * Have a meaningful voice in setting priorities for meeting their needs at the local level.



And, in developing health care for elderly Americans, the President has directed his Administration to develop programs that will lead to better use of present and potential resources for delivery of services to the elderly with the goal of improving health and quality of life. Actions in this area include:

- * Research at the National Institute on Aging into the physical effects of aging and into the effects of the physical and social environment on the aging process.
- * Collection of information on nursing homes nationally to recommend sound policies to improve and rate quality of long-term care for the elderly.
- * Development of a national rating system for nursing homes receiving Medicaid and Medicare funds.

President Ford's commitment both to resolving the problems of older Americans -- and in using their talents -- is great. A statement from his February 9, 1976 message to Congress reflects his beliefs:

"Today's older persons have made invaluable contributions to the strengthening of our nation. They have provided the nation with a vision and strength that has resulted in unprecedented advancements in all of the areas of our life. Our national moral strength is due in no small part to the significance of their contributions."



Medicare
Medicaid

MEDICARE

Those who don't qualify won't be taking money that you should have. In the field of health care, the Federal Medicare program in 1976 will provide more than \$17 billion for the health care of 24 million older and disabled Americans, about 1 million 400 thousand right here in the great State of Florida.

I have proposed major improvements in the Medicare program to make it serve you better. One of the most important improvements is the creation of a system of health insurance that would pay all but a very small fraction of the catastrophic cost of complex or extended care and treatment.

Let me put it this way. There is no reason that older Americans should have to go broke just to get well or stay well in the United States of America. Under my proposal the individuals' contribution 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, and this does not mean that you pay the first \$500 of your total cost. You would pay only 10 percent of the total cost, or \$500, whichever is less, and the maximum annual cost to you for covered doctor's services would be \$250, or 20 percent, whichever is less.

Medicare would pay the rest, whether it costs \$1,000 or \$10,000 or \$50,000. It is a good program, and we are going to make it.

PRESIDENT FORD
FEBRUARY 14, 1976
WILLIAMS PARK
ST. PETERSBURG, FLORIDA



MEDICARE

Being in poor health for a long time is bad enough without having to worry about the ruinous economic effect of long-term illness. I have suggested a plan to insure that older Americans will receive medical and hospital care they need without going broke in the process.

Under this suggestion, Medicare patients in hospitals or nursing homes would never have to pay more than \$500 a year for medical care or ten percent of their total hospital bills, whichever is less, for covered doctors services. The maximum would be \$250 or 20 percent of the total, whichever is less. Medicare would pay the rest, whether it costs \$1,000 or \$10,000.

I want to see America's older citizens live their lives in dignity and in security and in the very best possible care. So to the Sisters of Mercy, who have given more than a century of service to the sick and to the disabled in America. They have shown countless times that the quality of mercy blesses both those who receive it and those who give it.

PRESIDENT FORD
MAY 7, 1976
BERGAN-MERCY HOSPITAL
OMAHA, NEBRASKA



MEDICARE

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PRESIDENT FORD
MAY 7, 1976
BERGAN-MERCY HOSPITAL
OMAHA, NEBRASKA



Specie Manager

OLDER AMERICANS

SPECIAL MESSAGE

QUESTION: Mr. President, I am retired from the U.S. Air Force, a Pearl Harbor survivor. What I would like to know, sir, is do you have any program with relation to pay for the retired service people of the United States?

THE PRESIDENT: Well, I recognize the problem that all people who are retired have with inflationary difficulties that we have had in the country for the last 18 -- well, the last three years, really. We are making headway on that, but with the escalator clauses that we have in military retirement, Social Security, railroad retirement and so forth, I think we can honestly say that those who are retired are considered to get an adequate amount for the benefit of their future and I intend to see that those escalator clauses are maintained.

I believe that as we attack effectively inflation that those who are retired, whether it is military retirement or Social Security, railroad retirement or Government retirement, can feel a security and a sufficiency in their older years, and I will fight to maintain those.

President Ford
March 13, 1976
West Wilkes High School Gym.
Wilkesboro, North Carolina



Social Security

Social Security

SOCIAL SECURITY

QUESTION: Mr. President, prior to the 1974 elections you indicated a need for special 5 percent increase in income taxes. The only response you got from the Democratic majority was that they used it against you at the election time.

Just a few weeks ago you announced the necessity for an increase of Social Security taxes and the cost of Medicare. Now, no doubt the only response you will get from the Democrats is that they will use it against you again in November elections.

Now, while I agree with you that these increases are a necessity, my question from the standpoint of practical politics, how do you justify the timing of the tax announcements?

THE PRESIDENT: I think that is an excellent question, and it is one that ought to be answered. If we make decisions about the integrity and certainty of the Social Security Trust Fund on the basis of politics, a person does not deserve to be elected President.

The truth is that everybody knows that in this current fiscal year the receipts for taxes for the Social Security Trust Fund are \$3 billion less than the expenditures, and everybody knows that next year there will be \$3.5 billion more going out of the Trust Fund than comes in in new taxes, and it is going to get progressively worse under the present set-up.

Eventually, if we don't do something, there won't be any Trust Fund for the people who are already retired and the people who are going to retire.

Now, I don't think we ought to play politics with that kind of situation, and I don't intend to.

Preasident Gerald R. Ford
Fort Meyers Exhibition Hall
Fort Meyers, Florida
February 14, 1976



SOCIAL SECURITY

Our Federal Social Security system for people who have worked hard and contributed to it all their lives is a vital part of our economic system. Its value is no longer debatable. In my budget for fiscal year 1977 I am recommending that the full cost of living increase in Social Security benefits be paid during the coming year.

But I am concerned about the integrity of our Social Security Trust Fund that enables people -- those retired and those still working who will retire -- to count on this source of retirement income. Younger workers watch their deductions rise and wonder if they will be adequately protected in the future.

We must meet this challenge head-on.

Simple arithmetic warns all of us that the Social Security Trust Fund is headed for trouble. Unless we act soon to make sure the fund takes in as much as it pays out, there will be no security for old or young.

I must therefore recommend a 3/10 of one percent increase in both employer and employee Social Security taxes effective January 1, 1977. This will cost each covered employee less than one extra dollar a week and will ensure the integrity of the trust fund.

President Gerald R. Ford
State of the Union Address
January 19, 1976



OLDER AMERICANS

SOCIAL SECURITY

"In the budget I have recommended for fiscal 1977, there is no cap on the cost of living increases on Social Security. Whatever the formula provides, there will be an increase under the law for all beneficiaries of Social Security. I recommend it, and I strongly favor it."

President Gerald R. Ford
The Bahia Mar Hotel
Fort Lauderdale, Florida
February 13, 1976



SOCIAL SECURITY

As President, I intend to do everything in my power to help our Nation demonstrate its deep concern for the dignity and the well being of our older generations. For those who need our help we have already a number of Federal programs providing assistance in a variety of ways.

Now, let me assure you of one thing very emphatically. My Administration fully intends to preserve the integrity and the solvency of the Social Security system for your benefit and that of all working Americans, men and women, now as well as in the future.

PRESIDENT FORD
FEBRUARY 14, 1976
WILLIAMS PARK
ST. PETERSBURG, FLORIDA



SOCIAL SECURITY

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PRESIDENT FORD
FEBRUARY 14, 1976
FT. MYERS EXHIBITION HALL
FORT MYERS, FLORIDA



OLDER AMERICANS

SOCIAL SECURITY

THE PRESIDENT: I think the assumption is that when a widow marries a second time that her husband is in a position to either support her with his Social Security or other resources and on that basis the law from the very beginning has precluded a widow from getting what she got from her first husband.

That is the way the law is, and I can see where you are suggesting it is inequitable. We have got a lot of things of that kind. One of the grossest examples, which is in the same area, a woman who works for five years and then marries and actually if she continues to work, when they retire she can't draw her Social Security.

Now, that certainly is an inequity in my judgment, but that is unfortunately the way the law is. We have a commission or a committee that is studying the whole thing, including the financing of Social Security, and things of this sort undoubtedly will come before me and before the Congress in 1977.

PRESIDENT FORD
APRIL 9, 1976
FAIRMONT HOTEL
DALLAS, TEXAS



OLDER AMERICANS

SOCIAL SECURITY

Page 1

THE PRESIDENT: I am a firm believer in the Social Security program. I believe that it has not only helped immensely those who retire at 62 or 65, but I think it has also been of great help and benefit when the husband, for example, dies at 40 and there are survivorship benefits.

I think there are other great advantages such as the disability portion of Social Security. I think we must be certain and positive that the retirement benefits and the other benefits that come from the Social Security program are made certain, and this is where the problem arises.

President Gerald R. Ford
West Bend High School
April 2, 1976



SOCIAL SECURITY

Page 2

At the present time in this 12-month period there will be \$3.5 billion more money going out of the Social Security Trust Fund than comes in. Next year it will be \$4 billion more out than comes in.

At the present time we have roughly \$40 billion in the Social Security Trust Fund. By the early 1980s there won't be any money in the Social Security Trust Fund unless we do something to protect its economic stability.

I took a hard bite at the bullet and came up with a proposal that I think will protect the integrity of the financial security of the Social Security Trust Fund. Unfortunately, the Congress wants to postpone it a little while longer. The longer they postpone it, the harder it will get to solve the problem.

But as far as this President is concerned, he is going to face up to that issue as he has faced up to every other issue, and I am not going to kid you one bit. We are going to protect the financial integrity and security of that trust fund for the benefit of our older citizens.

Presient Gerald R. Ford
West Bend High School
April 2, 1976



OLDER AMERICANS

SOCIAL SECURITY

QUESTION: Mr. President, I would like to ask you what you foresee is happening to the Social Security program in both the near and the far future. More specifically in the far future, do you ever foresee it becoming a voluntary program?

THE PRESIDENT: I don't see it coming as a voluntary program. I don't think it is the way to handle our Social Security program.

On the other hand, I think we have to be cognizant of the annual deficits that have developed between income on the one hand and outgo on the other. This calendar year, maybe it is the fiscal year, the deficit is about \$3 billion. Next year it will be \$3.5 billion, the following year close to \$4 billion or more than \$4 billion.

The net result is that if we don't do something about it, the current \$43 billion reserve fund will be depleted because if you take \$3 billion one year, \$3.5 billion the next year, \$4 billion the next year, eventually that \$43 billion reserve fund is gone.

So there are three or four alternatives. You can start tapping the general fund, which I oppose. You can raise the wage ceiling which some propose. I don't think that is the best answer. I recommended in January that to make the Social Security Trust Fund secure, that we add six-tenths of one percent to the employer and to the employee cost which would at the maximum wage ceiling amount to less than a dollar a week.

Now the Congress in an election year has rejected that proposal, but that is only putting off the inevitable. They have got to find an answer under our current beneficiary formula. It is inevitable, something has to be done.

I thought we ought to face up to it this year even though it is an election year, and I regret that the Congress is not facing up to it. That is the honest and realistic thing to do.

President Ford
March 12, 1976
Northern Illinois Newspaper Assoc.
Chicago, Illinois



SOCIAL SECURITY

QUESTION: Mr. President, I would like to ask you a question on the economy. Aside from calling the Social Security tax an insurance, what remedy do you see for reducing the regressiveness of this tax which hurts primarily the low and middle-income-groups?

THE PRESIDENT: The problem of the solvency of the Social Security Trust Fund is one we have to face up to. I think it is wise to take a look at what has been happening this year and what will happen in the next several years unless something is done.

This year the deficit between income and outgo in the Social Security Trust Fund is about \$3 billion. Next year it is estimated that the deficit will be \$3.5 billion. It will go up in about that range each year, and eventually if we don't do something, the \$43 billion we now have in the Trust Fund will be emptied.

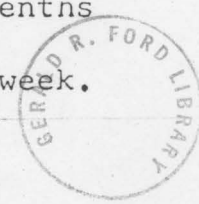
Now what are the remedies? You can go to the general fund which will, in effect, destroy the concept that people who get benefits have earned them, or you can do nothing, which I think would be probably the worst alternative because it would bring into jeopardy the benefits that people now have and those who are working to get them.

There are several other alternatives. You can do what the subcommittee of the House Committee on Ways and Means did, and then they were reversed by the full committee on Ways and Means. They proposed that we increase the wage ceiling, which is now, I think, \$15,100, and they recommended that it go to \$17,000 something. That would be a way, but even though the subcommittee approved, the full committee just last week turned it down.

Now, what I have suggested, and I think it faces up to the issue very squarely, is that we have to start now to replenish the fund, and I have recommended that we increase the tax paid by the employees as well as the employer by six-tenths of one percent, which would mean that the maximum paid in addition by any taxpayer would be less than a dollar a week.

MORE

Wheaton College



OLDER AMERICANS

Social Security cont.
Wheaton CollegeSOCIAL SECURITY

I think it comes out to \$49 a year. That is the maximum. Now, the argument is often made that that is a very regressive tax, and it can be argued that, but that is only half of the argument. Because when the benefits are paid after the person retires, that regressiveness is reversed. The beneficiaries in the lower income spectrum get more than the people who are in the higher income area. So although they pay more, they in return on retirement get more. So I think it is the best solution. It is the most open, it is the frankest, and I think it is the honest way to approach it. Unfortunately, I see in a political year the Congress apparently does not want to bite the bullet, but it will have to be faced, and we might as well face it, and the sooner the better.

President Gerald R. Ford
Wheaton College
Wheaton, Illinois
March 12, 1976



SOCIAL SECURITY

SOCIAL PROGRAMS

QUESTION: My question relates to Social Security. In 1975, the maximum amount of Social Security paid on behalf of any one person was a maximum of \$348. Now in 1976 someone earning \$15,300 pays a combined employee-employer total of \$1790, so in just over ten years we had a 414 percent increase in the cost to middle income American taxpayers. And there is no end in sight, apparently, because a deficit occurred this year for the first time so more and more money is going to have to be raised, so your solution is to increase regressiveness of that tax by increasing another three-tenths of one percent and further burdening the low and middle income taxpayers in this country.

But let me answer the other question, and I am glad you brought it up. It is a very serious problem we are facing. The Social Security Trust Fund this year will have a deficit between income and outgo of \$3 billion. Next year it will have a deficit of \$3.5 to \$4 billion, the next year it will be closer to \$5 billion. At the present time we have a Trust Fund of about \$40 billion, so if we do nothing, you are bound to have, in a relatively short period of time, some time early in the 1980's, a deficit. There won't be any Trust Fund.

So you really have about three different answers. You can either do as I recommended, which I think is the honest and straightforward approach, to say that we have got to increase the taxes three-tenths of one percent on or one-sixth of one percent on the employer and the employee.



President Gerald Ford
Mary E. Sawyer Auditorium
LaCrosse, Wisconsin
March 27, 1976

SOCIAL SECURITY

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The Social Security program, the largest of its kind in the world, will pay almost \$83 billion to more than 32 million Americans in this next fiscal year. This is more -- and I emphasize more -- than a \$10 billion increase over the current year. And, of course, I suspect many of you know -- but I want to reemphasize it to show my commitment -- in my budget for the next fiscal year, which begins October 1, 1976, I am recommending that the full cost of living increase in Social Security benefits be paid in that year.

For more than 40 years, through the vehicle of Social Security and other programs, the Federal Government has made a firm commitment of support for older citizens of our society. I pledge to you that I will continue without hesitation, reservation, to uphold that commitment.

OHIO'S GOVERNORS' CONFERENCE ON AGING
THE STATE FAIRGROUNDS

MAY 26, 1976



SOCIAL SECURITY AND HEALTH CARE

Excerpts of President Ford's Remarks
At Williams Park
St. Petersburg, Florida
February 14, 1976

For more than 40 years, through the vehicle of Social Security and other programs, America has made a firm commitment of support for older Citizens of our society.

I pledge to you this morning that I will continue to uphold that commitment.

The Social Security program, the largest of its kind in this world, will pay almost \$83 billion to more than 32 million Americans in fiscal year 1977. That is more than a \$10 billion increase over the current year.

Here in Florida the Social Security Trust Fund will pay an estimated \$4,400,000 to participants in the next fiscal year. In my budget for fiscal year 1977, I am recommending that the full cost-of-living increase in Social Security benefits be paid during the coming year.

Now, let me assure you of one thing very emphatically. My administration fully intends to preserve the integrity and the solvency of the Social Security system for your benefit and that of all working Americans, men and women, now as well as in the future.

As long as I am President, we are going to keep Social Security protection and every other retirement program strong, sound and certain.

In the field of health care, the Federal Medicare program in 1976 will provide more than \$17 billion for the health care of 24 million older and disabled Americans.

I have proposed major improvements in the Medicare program to make it serve you better. One of the most important improvements is the creation of a system of health insurance that would pay all but a very small fraction of the catastrophic cost of complex or extended care and treatment.

I don't have to tell you that medical treatment is very, very expensive today. Hospital costs have risen by more than 200 per cent since 1965, to an average cost of \$128 per day.

Nobody eligible for Medicare would have to pay more than \$500 a year for hospital or nursing home care, and this does not mean that you pay the first \$500 of your cost. You would pay only 10 per cent of the total cost, or \$500, whichever is less, and the maximum annual cost to you for covered doctor's services would be \$250, or 20 per cent, whichever is less.

Medicare would pay the rest, whether it costs \$1,000 or \$10,000 or \$50,000. It is a good program, and we are going to make it.

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QUESTION: Mr. President, prior to the 1974 elections you indicated a need for special 5 percent increase in income taxes. The only response you got from the Democratic majority was that they used it against you at the election time.

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THE PRESIDENT: I think that is an excellent question, and it is one that ought to be answered. If we make decisions about the integrity and certainty of the Social Security Trust Fund on the basis of politics, a person does not deserve to be elected President.

The truth is that everybody knows that in this current fiscal year the receipts for taxes for the Social Security Trust Fund are \$3 billion less than the expenditures, and everybody knows that next year there will be \$3.5 billion more going out of the Trust Fund than comes in in new taxes, and it is going to get progressively worse under the present set-up.

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Now, I don't think we ought to play politics with that kind of situation, and I don't intend to.

welcome you to Ft. Myers. I would like to know if you have any ideas for programs in which to create jobs to alleviate the unemployment situation.

THE PRESIDENT: I have, I think, the best program for permanent jobs, for jobs that offer a future. I have a program that is not a quick fix--that is a phony answer. I happen to believe because five out of the six jobs in this country are in the private sector, that is where we ought to try and find more jobs for more people.

Now, how do we do that? Number one, we have recommended and we are still pushing for additional tax incentives. Let me cite one. We believe that with a tax incentive, business will build a plant more quickly, so in an area of high unemployment, my recommendation is to give a tax incentive to a company to build a plant to buy equipment. If they will do it within a relatively short period of time, it gives them a more rapid amortization. It is an incentive for them to create jobs right now.

That is the whole philosophy that I think is the right one to get our economy moving. Now there are some other things that we are doing in this temporary hiatus. For example, I have recommended more expenditures for local water and sewerage treatment plants than this year and 90 percent more than last year. This is constructive, beneficial local public works. We have more money put in the budget for the next fiscal year for highway construction than at any time in the history of the United States.

We have more money in the budget for ongoing fully justified public works program, not quick fix proposals that really don't do much. So between incentives for the private sector and responsible public works programs at the local and State level, I think we are going to accelerate the increase in job opportunities and reduce the unemployment rate.

SOCIAL SECURITY

REMARKS OF THE PRESIDENT
QUESTIONS AND ANSWERS
FORT MYERS, FLORIDA
FEBRUARY 14, 1976



Suppl. Retirement Prog.

Supplemental Retirement
Programs



SUPPLEMENTAL RETIREMENT PROGRAMS

Upon being asked his opinion on legislation permitting all citizens to provide for a portion of their retirement through the mechanism of the individual retirement accounts, the President responded:

"I was a supporter of what we call the Keogh plan, and I am sure you are familiar with that. That has been increased from \$1500 to \$2500, as I recollect. There is the IRA program. I have recommended something along this line so that individuals can invest in American corporations and get a tax deferral.

In other words, I think it is \$1500 a year. If they invest in American corporate securities, they can then get a deferral of their tax and pay the tax when they retire at the retirement age. I happen to believe very strongly in supplemental retirement programs, whether it is Keogh or any one of the others. So, anything that can be justified within reason, the answer is categorically yes."

President Gerald R. Ford
Q & A Session at Public Forum
Champaign, Illinois
March 6, 1976



Tax Reform

-Tax Reform

TAX REFORM

Q. One of the proposals now before the House Ways and Means Committee, submitted by Rep. James A. Burke of Massachusetts, would change the social security tax law to lessen the payments now made by employers and employees and would raise the income limits so that wage earners with an income of \$25,000 would pay a social security tax on that full amount. Do you support that tax reform?

A. As I spelled out in my State of the Union address, it is vital that we maintain a sound, reliable Social Security System. I have therefore proposed that the full cost of living increase be paid to all Social Security beneficiaries.

We must also recognize, as Rep. Burke has, that the Social Security Trust Fund -- the foundation of the system -- is running out of money. I have therefore proposed that in order to preserve the integrity of the trust fund and to protect future benefits, we enact a modest increase in Social Security payments, effective January 1, 1977. For employees, this will mean an increase of less than a dollar a week in additional payments.

Rep. Burke's proposal would result in a significant portion of Social Security benefits being financed from general revenues. I oppose this approach for two reasons. First, Social Security was set up as a form



of personal insurance; we ought to maintain it as such, and not turn it into a general welfare program. Secondly, we just don't have general revenues to put into Social Security. As matters now stand, the Federal Government during fiscal year 1976 will be borrowing over \$70 billion to pay its bills. It makes no sense to me to keep living beyond our means and expect the future to take care of itself. Social Security was intended as a means to provide for the future, and we ought to stick to that sound principle.

Boston Herald American
Written Interview
February 4, 1976

M18C,

FIXED INCOMES

But, the elderly of our nation are also vitally affected by the problems and concerns that face all of the 215 million Americans. Perhaps the greatest of these are the problems of inflation. During 1974, August 9 to be precise, when I became President, inflation was ranging at an annual rate of 12 percent or higher, eating away at everybody's buying power, but absolutely devouring the livelihood of people on fixed incomes.

Americans living on fixed incomes could see their purchasing power eroding with each visit to the supermarket. I knew that something had to be done to bring the situation under control as quickly and as effectively as possible. I knew that deficit spending by the Federal Government was a major contributor to inflation, that slowing the growth of Federal spending was essential to solve the problem. In short, I believe our Government should spend less and our Government should tax less.

OHIO'S GOVERNORS' CONFERENCE ON AGING
THE STATE FAIRGROUNDS

MAY 26, 1976

