

NEWS RELEASE

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CLARK PROPOSES MAJOR SOCIAL SECURITY REFORM

Calling the Social Security system "hopelessly bankrupt," Libertarian presidential candidate Ed Clark today issued a 50 page White Paper on Social Security Reform proposing sweeping changes in the way the system should operate.

In a speech before the Economic Club of Detroit, Clark accused Jimmy Carter, Ronald Reagan and John Anderson of ducking the Social Security problem and being "unwilling to address the major problems we as a society face."

Clark condemned the compulsory, pay-as-you-go system as "an infringement on our freedom of choice and a major source of our economic problems." There is at least a \$4 trillion unfunded Social Security liability presently and, Clark claimed, it has "resulted in a massive capital shortage which in turn is a leading cause of our high unemployment rate."

Clark said government claims that Social Security is fiscally sound are "a cruel hoax on the American people -- particularly

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the elderly."

In his White Paper Clark proposed abolishing within three years the 13.3% Social Security payroll tax (the half of the tax paid by the employer is simply an added labor cost, said Clark, which is ultimately borne by the employee in the form of lower wages) and funding future payments out of general revenues.

Clark has proposed \$201 billion in spending cuts, including \$50 billion in non-essential military spending, which he claimed would enable payments to be made out of general revenues.

A key element in the proposal would be the removal of all Americans under 40 from the system. Individuals over 40 would be guaranteed benefits now due them. Tax-free IRA-type accounts would be established under the plan, which Clark said would allow most workers to "end up with significantly more retirement income than Social Security would provide."

Clark called Social Security "the most serious threat to the future stability of our society next to the threat of nuclear war." His plan, he said, would mean the the system "would be saved from its presently imminent bankruptcy, and capital formation would be encouraged as billions of dollars would be invested in the productive private sector, creating business expansion and new jobs."

Clark will be in Washington tomorrow for a 9:30 am news conference at the Madison Hotel at which he will announce his certification on all 50 state ballots. He will also give a speech at 12:30 pm at American University where he will criticize the candidacy of independent presidential candidate John Anderson.