The original documents are located in Box D31, folder "West Coast Purchasing Management Association, Tampa, FL, May 8, 1971" of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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WEST COAST PURCHASING MANAGEMENT ASSOC. TAMPA, FLORIDA, 530 P.M. SATURDAY, MAY 8, 1971.

IT IS A PLEASURE TO BE HERE WITH YOU. TODAY I WOULD LIKE TO TALK WITH YOU ABOUT CHANGE -- THE CHALLENGES OF CHANGE IN THE SEVENTIES.

WE ALL KNOW THAT MEN MUST BE
CHALLENGED TO STRIVE MIGHTILY AND TO ACHIEVE
LOFTY GOALS. WE KNOW THAT CHANGE IS THE
ESSENCE OF PROGRESS, THAT CHANGE REQUIRES
CHALLENGE, AND THAT CHALLENGE INVOLVES THE
CLASH OF DIFFERING IDEAS.

THIS IS THE KIND OF TIME WE ARE LIVING IN -- A TIME OF CHALLENGE, A TIME OF CHANGE, A TIME WHEN DIFFERENT IDEAS ARE COLLIDING.

WE MEET IN EXCITING -- AND TRYING TIMES. THESE ARE TIMES WHEN MOMENTOUS

WHICH WILL DETERMINE THE QUALITY OF OUR LIVES TOMORROW.

IT IS A TIME FOR A REALISTIC
ASSESSMENT OF OUR PROBLEMS -- A TIME FOR A
RESOLVE TO SOLVE THOSE PROBLEMS AS QUICKLY
AND EXPERTLY AS CIRCUMSTANCE WILL PERMIT.

IT IS A TIME FOR POSITIVE ACTION, FOR LEADERSHIP, FOR CREATIVITY, AND FOR BOLDNESS.

THE CHALLENGE OF OUR TIMES IS TO CONFRONT THE GREAT PROBLEMS AND TO EMPLOY THE AMERICAN GENIUS AND THE SPIRIT OF ENTHUSIASM NEEDED TO OVERCOME THEM.

HOW ARE WE TO DO THIS? THERE
MUST BE CREATED WITHIN OUR COUNTRY A NEW
FEELING OF COMMON PURPOSE -- A RESOLVE WHICH
WILL PRODUCE TWO-WAY COOPERATION BETWEEN
GOVERNMENT AND THE PEOPLE, A WORKING TOGETHER

OF ONE WITH THE OTHER TOWARD NEEDED SOLUTIONS.

WILL TALK WITH YOU TODAY ABOUT A NUMBER OF CHALLENGES -- THE CHALLENGE OF MILITANT COMMUNISM IN THE MIDDLE EAST AND INDOCHINA AND THE SEARCH FOR PEACE, THE CHALLENGE POSED BY THE ECONOMY, WHERE WE MUST WRESTLE WITH THE HANGOVER FROM THE INFLATIONARY BINGE OF THE LATE 1960 WHILE MAKING A TRANSITION FROM WARTIME TO PEACETIME, AND THE CHALLENGE OF GOVERNMENTAL REFORM, WHERE WE MUST RESTRUCTURE THE FEDERAL GOVERNMENT SO IT BECOMES THE SERVANT AND NOT THE MASTER OF THE PEOPLE.

I SPEAK FIRST ABOUT THE MIDDLE EAST -- BECAUSE WHILE IT IS VIETNAM WHICH HAS TORN THIS NATION APART AND RAVAGED ITS SOUL IT IS IN THE MIDDLE EAST THAT THE DANGER OF WORLD WAR III IS THE GREATEST.

IT IS THERE THAT WE HAVE MOST TO FEAR A HEAD-ON COLLISION WITH THE OTHER NUCLEAR SUPER-POWER, THE SOVIET UNION.

WE WORK CEASELESSLY FOR PEACE IN THE MIDDLE EAST, BUT ALL THE TIME WE MUST BE AWARE THAT THE SOVIET UNION HAS EMBARKED ON A DRIVE TO TURN THE MEDITERRANEAN INTO A RED SEA, UNDERMINE THE SOUTHERN FLANK OF NATO, AND EXPAND RUSSIAN INFLUENCE ACROSS AFRICA FROM THE INDIAN OCEAN TO THE SOUTH ATLANTIC.

IF WE WERE TO ALLOW THE SOVIET
UNION TO CRUSH ISRAEL INDIRECTLY. THROUGH
THE WEAPONS THE SOVIETS HAVE PLACED IN
EGYPTIAN HANDS, THIS WOULD MEAN THE END OF
HOPE FOR ALL FREE NATIONS OF THE
MEDITERRANEAN AND EVEN WESTERN EUROPE. IT
WOULD GIVE THE SOVIET UNION DOMINANCE
THROUGHOUT THE MIDDLE EAST -- THROUGHOUT

THE ENTIRE MEDITERRANEAN AREA. WE WILL NOT LET THAT HAPPEN.

THE SITUATION IN THE MIDDLE EAST IS MOST COMPLEX. THERE WILL BE NO SETTLEMENT UNTIL BOTH SIDES ARE PREPARED TO MAKE SOME SACRIFICES.

THE ADMINISTRATION LAST AUGUST
PUT FORWARD THE INITIATIVE WHICH RESULTED
IN A CEASE-FIRE -- NOW ONLY A DE FACTO
CEASE FIRE. SOME PROGRESS HAS BEEN MADE
THROUGH INDIRECT NEGOTIATIONS. THIS GIVES
US REASON TO HOPE.

THERE ARE THOSE WHO ARE INCLINED TO CONDEMN THE ISRAELIS FOR REFUSING TO PULL BACK TO THEIR PREWAR BOUNDARIES.

PERSONALLY, IN VIEW OF PAST HISTORY, I FIND ISRAEL'S ATTITUDE COMPLETELY.

UNDERSTANDABLE. A NATION WHICH IS CONFRONTED BY HOSTILE POWERS BACKED BY

THE MILITARY MIGHT OF THE SOVIET UNION CANNOT BE BLAMED FOR SEEKING SECURE AND DEFENSIBLE BORDERS.

WHILE WE SEEK TO ACHIEVE A
SETTLEMENT OF THE MIDDLE EAST CONFLICT,
WE CONTINUE TO RESIST COMMUNIST
AGGRESSION IN SOUTHEAST ASIA AND TO WORK
FOR PEACE IN THAT WAR-TORN REGION OF THE
WORLD.

WE HAVE DRAWN OUR FORCES IN VIETNAM DOWN FROM AN AUTHORIZED STRENGTH OF 549,500 MEN TO 270,000 -- AND WE WILL BE DOWN TO 184,000 OR LESS BY NEXT DECEMBER 1.

OUR GOAL IN VIETNAM IS TO MAKE
IT POSSIBLE FOR THE SOUTH VIETNAMESE TO
DETERMINE THEIR OWN FUTURE.

WE HAVE MOVED CONSIDERABLY CLOSER TO THAT GOAL. PROSPECTS ARE GOOD THAT WE

WILL ACHIEVE IT.

ANYONE WHO WANTS TO SEE THE SOUTH VIETNAMESE GOVERNMENT GAIN THE UPPER HAND AGAINST THE COMMUNISTS CANNOT HELP BUT BE HEARTENED BY THE PROGRESS WE HAVE MADE.

AS FOR THOSE WHO SHOUT "PULLOUT NOW," THEY WOULD WRITE OFF COMPLETELY THE INVESTMENT WE HAVE MADE IN SOUTHEAST ASIA TOWARD A FULL GENERATION OF PEACE. THEY WOULD THROW IN THE TOWEL AT THE VERY MOMENT WHEN SUCCESS IS IN SIGHT. THEY WOULD CAPITULATE JUST WHEN OUR OBJECTIVE IS NEAR AT HAND.

WE ARE WITHDRAWING FROM VIETNAM
IN ACCORDANCE WITH A CAREFULLY THOUGHT OUT
PLAN. THE PRESIDENT HAS DRAWN OUR FORCES
IN VIETNAM DOWN BY 270,000 MEN -- AND THE
WITHDRAWALS WILL CONTINUE AT A FASTER PACE.
IT MATTERS VERY MUCH HOW WE END

OUR INVOLVEMENT IN THE VIETNAM WAR. IT IS
EASY TO HAVE PEACE SIMPLY BY SAYING TO THE
ENEMY, "IT'S ALL YOURS." I SAY WE SHOULD
END OUR INVOLVEMENT IN VIETNAM IN A WAY
THAT STEMS THE COMMUNIST TIDE IN SOUTHEAST
ASIA. AND THAT IS WHAT WE ARE DOING.
I LOOK FORWARD TO SALUTING A
VIABLE AND INDEPENDENT SOUTH VIETNAM.

OUR WITHDRAWAL FROM VIETNAM IS, OF COURSE, HAVING A TREMENDOUS IMPACT ON OUR ECONOMY.

WE HAVE CUT VIETNAM SPENDING IN HALF -- AND WE HAVE DELIBERATELY COOLED OFF THE ECONOMY TO BRING INFLATION UNDER CONTROL.

NOW THE NEED IS TO STIMULATE
THE ECONOMY. UNEMPLOYMENT IS TOO HIGH.
HOWEVER, LET ME POINT OUT THAT IT WAS LOWER
IN 1970 AT 4.9 PER CENT THAN FOR ANY OF THE
YEARS 1960 THROUGH 1964. IT WAS NOT UNTIL

1965 WHEN THE PREVIOUS ADMINISTRATION SHARPLY ESCALATED OUR COMMITMENT TO THE VIETNAM WAR AND CONTINUED TO ESCALATE IT THAT UNEMPLOYMENT FELL BELOW 5 PER CENT.

THE NIXON ADMINISTRATION IS GETTING OUT OF VIETNAM AND MAKING A TRANSITION TO A PEACETIME ECONOMY.

UNEMPLOYMENT HAS RESULTED AS WE HAVE FOUGHT INFLATION AND MOVED FROM A WARTIME TO A PEACETIME ECONOMY. THE PROBLEMS WERE EVEN TOUGHER THAN THE ADMINISTRATION ANTICIPATED. BUT NOW THE ECONOMY IS IMPROVING. THERE ARE MOST ENCOURAGING SIGNS OF AN ECONOMIC UPTURN.

ALL WE NEED NOW TO GIVE THE ECONOMY
A STRONG PUSH IS AN UPSURGE OF CONSUMER
CONFIDENCE.

IT IS ONLY A MATTER OF TIME BEFORE
THE ECONOMY PICKS UP APPRECIABLY. THIS IS

BOUND TO OCCUR BECAUSE BOTH OUR FISCAL AND MONETARY POLICIES ARE EXPANSIONARY. THE MONEY SUPPLY, INCLUDING TIME DEPOSITS, IS EXPANDING AT A RATE UNPRECEDENTED IN 20 YEARS. AND WHILE FEDERAL SPENDING IS RISING ONLY MODERATELY, THE PRESIDENT HAS PROPOSED AN EXPANSIONARY BUDGET FOR FISCAL 1972 WHICH CALLS FOR FEDERAL SPENDING BASED ON FULL EMPLOYMENT REVENUE LEVELS.

PREDICT THE ECONOMY WILL GROW
BY 8 PER CENT IN 1971, WITH ABOUT 4 PER CENT
OF THIS IN REAL GROWTH AND THE REST ACCOUNTED
FOR BY PRICE INFLATION.

I FURTHER PREDICT THAT AUTO SALES WILL RUN CLOSE TO 10 MILLION THIS YEAR AND THAT HOUSING STARTS WILL TOTAL AT LEAST 1.8 MILLION NATIONALLY.

THERE IS ANOTHER GREAT CHALLENGE IN ADDITION TO REVITALIZING OUR ECONOMY --

ONE THAT IS PERHAPS MORE DIFFICULT TO MEET.

I SPEAK OF PROVIDING ALL OF OUR
CITIZENS WITH AN OPPORTUNITY TO
PARTICIPATE IN AMERICAN SOCIETY AND IN
THE SHAPING OF GOVERNMENTAL DECISIONS
AFFECTING THEIR LIVES.

THIS IS A CHALLENGE WHICH
ECLIPSES ALL OTHERS. IT IS CENTRAL TO OUR
FUTURE AS A NATION. IT IS BASIC TO OUR
GROWTH AS A PEOPLE. IT GOES TO OUR
PHILOSOPHY OF GOVERNMENT AND TOUCHES THE
L'IVES OF EVERY ONE OF US.

THE CHALLENGE IS WHETHER ANY MAN,
WOMAN OR CHILD REALLY COUNTS IN AMERICA
ANYMORE -- WHETHER THE SYSTEM HAS BECOME
MORE IMPORTANT THAN THE INDIVIDUAL -- WHETHER
WE HAVE ALL BECOME JUST DIGITS CRANKED INTO
A COMPUTER OPERATED BY A FACELESS
BUREAUCRACY.

THERE IS A WAY TO CONTROL THE VAST FEDERAL BUREAUCRACY.

THE ANSWER IS "FEDERAL REVENUE SHARING." IT IS AN IDEA WHOSE TIME HAS COME.

I TALK ABOUT REVENUE SHARING NOT IN A PARTISAN VEIN. THERE ARE DEMOCRATS WHO SUPPORT IT, AS WELL AS SOME WHO OPPOSE IT.

LET'S LOOK AT REVENUE SHARING FROM THE STANDPOINT OF POLITICAL PHILOSOPHY.

REVENUE SHARING IS BASED ON THE CONCEPT THAT THAT GOVERNMENT IS BEST WHICH IS CLOSEST TO THE PEOPLE.

WHAT IS THE PRESIDENT ASKING?

HE IS ASKING THE CONGRESS TO APPROPRIATE

\$5 BILLION TO BE SHARED BY THE STATES AND

CITIES WITH NO STRINGS ATTACHED. THIS

COMES UNDER THE HEADING OF GENERAL REVENUE

SHARING. HE IS ALSO ASKING THE CONGRESS

TO TAKE ABOUT 130 CATEGORICAL GRANT-IN-AID PROGRAMS, LUMP THEM TOGETHER UNDER SIX GENERAL PURPOSE HEADINGS OF EDUCATION, URBAN DEVELOPMENT, RURAL DEVELOPMENT, TRANSPORTATION, JOB TRAINING AND LAW ENFORCEMENT AND LET THE STATES AND CITIES DECIDE HOW TO PURSUE THEIR PRIORITIES UNDER THOSE BROAD PURPOSES.

WHAT THE PRESIDENT IS SAYING

IS...GIVE STATE AND LOCAL GOVERNMENT A

CHANCE. LET'S TRANSFER TO THE LOCAL

POLITICAL ARENA HUNDREDS OF DECISIONS NOW

BEING MADE IN WASHINGTON OR THE

ADMINISTRATION'S REGIONAL OFFICES.

TODAY WE ARE LIVING THROUGH A CRISIS WHICH HAS SO SLOWED THE WHEELS OF SOCIAL PROGRESS AS TO CREATE A KIND OF PARALYSIS, A PARALYSIS OF MUSCLEBOUND

GOVERNMENT WITH TOO MUCH POWER AND MONEY
IN THE HANDS OF THE FEDERAL BUREAUCRACY.

PRESIDENT NIXON HAS POINTED TO A
WAY OUT OF THIS CRISIS -- A WAY TO PROVE
THAT GOVERNMENT CAN WORK.

GOVERNMENT BACK TO THE PEOPLE -- BY MAKING AN INVESTMENT IN THE LOCAL POLITICAL PROCESS THROUGH FEDERAL REVENUE SHARING. STATUS QUO GOVERNMENT CANNOT BE ACCEPTED. AS TIMES CHANGE, WE MUST REFORM GOVERNMENT - SO THAT INSTEAD OF SLIDING FURTHER INTO MUSCLEBOUND INEFFECTIVENESS IT AT LAST CAN DELIVER THE SERVICES IT PROMISES AND BRIDGE THEGAP BETWEEN PROMISE AND PERFORMANCE.

WHILE THE GOVERNMENT IN WASHINGTON HAS BECOME MUSCLEBOUND, STATE AND LOCAL GOVERNMENTS HAVE BEEN STRUGGLING WITH PROBLEMS THE BUREAUCRATS CAN'T SOLVE.

AND THE COST OF STATE AND LOCAL GOVERNMENT HAS SKYROCKETED.

STATE AND LOCAL SPENDING HAS

JUMPED 372 PER CENT FROM 1950 THROUGH

1969 -- FROM \$28 BILLION TO \$132 BILLION.

STATE AND LOCAL TAXES.

PER CAPITA, HAVE SPIRALED FROM \$105 IN 1950
TO \$380 IN 1969, AN INCREASE OF 262 PER CENT.
STATES HAVE INCREASED MAJOR TAXES

300 TIMES DURING THE LAST DECADE.

IN THE LAST TWO DECADES FEDERAL AID TO STATE AND LOCAL GOVERNMENTS HAS RISEN FROM \$2.5 BILLION TO OVER \$30 BILLION.

AT THE SAME TIME THE FEDERAL CATEGORICAL GRANTS-IN-AID SYSTEM HAS DEVELOPED MORE THAN 500 DIFFERENT SPIGOTS, MANNED BY THOUSANDS OF ADMINISTRATORS OPERATING IN A JUNGLE OF REGULATIONS.

HOW DO WE ESCAPE FROM THIS

JUNGLE? HOW DO WE PUT THE MONEY WHERE THE

PROBLEMS ARE? HOW DO WE HOLD DOWN THE PRESSURES FOR STATE AND LOCAL TAX INCREASES?

THE ANSWER IS THE PRESIDENT'S PROGRAM OF FEDERAL REVENUE SHARING.

THERE IS OPPOSITION TO REVENUE SHARING. BUT WHAT MAN HAS MADE, MAN CAN CHANGE. AND WE MUST HAVE THE COURAGE TO CHANGE WHAT SHOULD BE CHANGED.

MONEY IS POWER. MOVING MONEY BACK TO THE STATES AND CITIES MEANS A FLOW OF POWER BACK TO THE PEOPLE. THIS IS WHERE THE POWER BELONGS.

EVERY INDIVIDUAL WANTS TO COUNT FOR SOMETHING. UNDER THE REVENUE-SHARING PHILOSOPHY OF GOVERNMENT, HE CAN.

WE MUST THINK IN TERMS OF PEOPLE, NOT JUST PROGRAMS. WE MUST REPLACE COMPUTERS WITH COMPASSION.

ABRAHAM LINCOLN SAID, "THIS COUNTRY, WITH ITS INSTITUTIONS, BELONGS TO THE PEOPLE WHO INHABIT IT."

LET'S MAKE THIS COUNTRY BELONG TO THE PEOPLE AGAIN. LET'S GIVE THE INDIVIDUAL THE FEELING OF DETERMINING HIS OWN DESTINY, OF BEING ABLE TO MAKE THINGS HAPPEN.

THIS IS OLD POLITICS. THIS IS

NEW POLITICS. THIS IS THE SHAPE OF

THINGS TO COME. THIS IS THE RIGHT RESPONSE

TO THE GREATEST CHALLENGE OF THE SEVENTIES.

THIS IS THE WAY TO BUILD A NEW AND GREATER

AMERICA.

Distribution : 20 capus of mr. Ford Mysice Copes

AN ADDRESS BY REP. GERA.D R. FORD, R-MICH.
REPUBLICAN LEADER, U.S. HOUSE OF REPRESENTATIVES
BEFORE THE WEST COAST PURCHASING MANAGEMENT ASSOCIATION
TAMPA, FLORIDA
5:30 P.M. SATURDAY, MAY 8, 1971

FOR RELEASE ON DELIVERY

It is a pleasure to be here with you. Today I would like to talk with you about change--the Challenges of Change in the Seventies.

We all know that men must be challenged to strive mightily and to achieve lofty goals. We know that change is the essence of progress, that change requires challenge, and that challenge involves the clash of differing ideas.

This is the kind of time we are living in-a time of challenge, a time of change, a time when different ideas are colliding.

We meet in exciting—and trying times. These are times when momentous decisions must be made—decisions today which will determine the quality of our lives tomorrow.

It is a time for a realistic assessment of our problems—a time for a resolve to solve those problems as quickly and expertly as circumstance will permit.

It is a time for positive action, for leadership, for creativity, and for boldness.

The challenge of our times is to confront the great problems and to employ the American genius and the spirit of enthusiasm needed to overcome them.

How are we to do this? There must be created within our country a new feeling of common purpose—a resolve which will produce two-way cooperation between government and the people, a working together of one with the other toward needed solutions.

I will talk with you today about a number of challenges—the challenge of militant Communism in the Middle East and Indochina and the search for peace; the challenge posed by the economy, where we must wrestle with the hangover from the inflationary binge of the late 1960s while making a transition from wartime to peacetime; and the challenge of governmental reform, where we must restructure the Federal government so it becomes the servant and not the master of the people.

I speak first about the Middle East--because while it is Vietnam which has torn this Nation apart and ravaged its soul it is in the Middle East that the danger

(more)

of World War III is the greatest. It is there that we have most to fear a head-on collision with the other nuclear super-power, the Soviet Union.

We work ceaselessly for peace in the Middle East, but all the time we must be aware that the Soviet Union has embarked on a drive to turn the Mediterranean into a red sea, undermine the southern flank of NATO, and expand Russian influence across Africa from the Indian Ocean to the South Atlantic.

If we were to allow the Soviet Union to crush Israel indirectly, through the weapons the Soviets have placed in Egyptian hands, this would mean the end of hope for all free nations of the Mediterranean and even western Europe. It would give the Soviet Union dominance throughout the Middle East—throughout the entire Mediterranean area. We will not let that happen.

The situation in the Middle East is most complex. There will be no settlement until both sides are prepared to make some sacrifices.

The Administration last August put forward the initiative which resulted in a cease-fire--now only a de facto cease fire. Some progress has been made through indirect negotiations. This gives us reason to hope.

There are those who are inclined to condemn the Israelis for refusing to pull back to their prewar boundaries. Personally, in view of past history, I find Israel's attitude completely understandable. A nation which is confronted by hostile powers backed by the military might of the Soviet Union cannot be blamed for seeking secure and defensible borders.

While we seek to achieve a settlement of the Middle East conflict, we continue to resist Communist aggression in Southeast Asia and to work for peace in that war-torn region of the world.

We have drawn our forces in Vietnam down from an authorized strength of 549,500 men to 270,000--and we will be down to 184,000 or less by next Dec. 1.

Our goal in Vietnam is to make it possible for the South Vietnamese to determine their own future.

We have moved considerably closer to that goal. Prospects are good that we will achieve it.

Anyone who wants to see the South Vietnamese government gain the upper hand against the Communists cannot help but be heartened by the progress we have made.

As for those who shout "pullout now," they would write off completely the investment we have made in Southeast Asia toward a full generation of peace. They would throw in the towel at the very moment when success is in sight. They would

capitulate just when our objective is near at hand.

We are withdrawing from Vietnam in accordance with a carefully thought out plan. The President has drawn our forces in Vietnam down by 270,000 men--and the withdrawals will continue at a faster pace.

It matters very much how we end our involvement in the Vietnam War. It is easy to have peace simply by saying to the enemy, "It's all yours." I say we should end our involvement in Vietnam in a way that stems the Communist tide in Southeast Asia. And that is what we are doing.

I look forward to saluting a viable and independent South Vietnam.

Our withdrawal from Vietnam is, of course, having a tremendous impact on our economy.

We have cut Vietnam spending in half--and we have deliberately cooled off the economy to bring inflation under control.

Now the need is to stimulate the economy. Unemployment is too high. However, let me point out that it was lower in 1970 at 4.9 per cent than for any of the years 1960 through 1964. It was not until 1965 when the previous Administration sharply escalated our commitment to the Vietnam War and continued to escalate it that unemployment fell below 5 per cent.

The Nixon Administration is getting out of Vietnam and making a transition to a peacetime economy.

Unemployment has resulted as we have fought inflation and moved from a wartime to a peacetime economy. The problems were even tougher than the Administration anticipated. But now the economy is improving. There are most encouraging signs of an economic upturn.

All we need now to give the economy a strong push is an upsurge of consumer confidence.

It is only a matter of time before the economy picks up appreciably. This is bound to occur because both our fiscal and monetary policies are expansionary. The money supply, including time deposits, is expanding at a rate unprecedented in 20 years. And while Federal spending is rising only moderately, the President has proposed an expansionary budget for fiscal 1972 which calls for Federal spending based on full employment revenue levels.

I predict the economy will grow by 8 per cent in 1971, with about 4 per cent of this in real growth and the rest accounted for by price inflation.

I further predict that auto sales will run close to 10 million this year and that housing starts will total at least 1.8 million nationally.

There is another great challenge in addition to revitalizing our economy--one that is perhaps more difficult to meet.

I speak of providing all of our citizens with an opportunity to participate in American society and in the shaping of governmental decisions affecting their lives.

This is a challenge which eclipses all others. It is central to our future as a Nation. It is basic to our growth as a people. It goes to our philosophy of government and touches the lives of every one of us.

The challenge is whether any man, woman or child really counts in America anymore--whether the system has become more important than the individual--whether we have all become just digits cranked into a computer operated by a faceless bureaucracy.

There is a way to control the vast federal bureaucracy.

The answer is "Federal Revenue Sharing." It is an idea whose time has come.

I talk about revenue sharing not in a partisan vein. There are Democrats who support it, as well as some who oppose it.

Let's look at revenue sharing from the standpoint of political philosophy.

Revenue sharing is based on the concept that that government is best which is closest to the people.

What is the President asking? He is asking the Congress to appropriate \$5 billion to be shared by the states and cities with no strings attached. This comes under the heading of general revenue sharing. He is also asking the Congress to take about 130 categorical grant-in-aid programs, lump them together under six general purpose headings of education, urban development, rural development, transportation, job training and law enforcement and let the states and cities decide how to pursue their priorities under those broad purposes.

What the President is saying is...give State and local government a chance. Let's transfer to the local political arena hundreds of decisions now being made in Washington or the Administration's regional offices.

Today we are living through a crisis which has so slowed the wheels of social progress as to create a kind of paralysis, a paralysis of musclebound government with too much power and money in the hands of the federal bureaucracy.

President Nixon has pointed to a way out of this crisis--a way to prove that government can work.

It can be done by bringing government back to the people--by making an (more)

investment in the local political process through Federal revenue sharing. Status quo government cannot be accepted. As times change, we must reform government—so that instead of sliding further into musclebound ineffectiveness it at last can deliver the services it promises and bridge the gap between promise and performance.

While the government in Washington has become musclebound, State and local governments have been struggling with problems the bureaucrats can't solve. And the cost of State and local government has skyrocketed.

State and local spending has jumped 372 per cent from 1950 through 1969--from \$28 billion to \$132 billion.

State and local taxes, per capita, have spiraled from \$105 in 1950 to \$380 in 1969, an increase of 262 per cent.

States have increased major taxes 300 times during the last decade.

In the last two decades Federal aid to state and local governments has risen from \$2.5 billion to over \$30 billion.

At the same time the Federal categorical grants-in-aid system has developed more than 500 different spigots, manned by thousands of administrators operating in a jungle of regulations.

How do we escape from this jungle? How do we put the money where the problems are? How do we hold down the pressures for state and local tax increases?

The answer is the President's program of Federal revenue sharing.

There is opposition to revenue sharing. But what man has made, man can change. And we must have the courage to change what should be changed.

Money is power. Moving money back to the states and cities means a flow of power back to the people. This is where the power belongs.

Every individual wants to count for something. Under the revenue-sharing philosophy of government, he can.

We must think in terms of people, not just programs. We must replace computers with compassion.

Abraham Lincoln said: "This country, with its institutions, belongs to the people who inhabit it."

Let's make this country belong to the people again. Let's give the individual the feeling of determining his own destiny, of being able to make things happen.

This is old politics. This is new politics. This is the shape of things to come. This is the right response to the greatest challenge of the Seventies. This is the way to build a new and greater America.

AN ADDRESS BY REP. GERA.D R. FORD, R-MICH.
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Our withdrawal from Vietnam is, of course, having a tremendous impact on our economy.

We have cut Vietnam spending in half--and we have deliberately cooled off the economy to bring inflation under control.

Now the need is to stimulate the economy. Unemployment is too high. However, let me point out that it was lower in 1970 at 4.9 per cent than for any of the years 1960 through 1964. It was not until 1965 when the previous Administration sharply escalated our commitment to the Vietnam War and continued to escalate it that unemployment fell below 5 per cent.

The Nixon Administration is getting out of Vietnam and making a transition to a peacetime economy.

Unemployment has resulted as we have fought inflation and moved from a wartime to a peacetime economy. The problems were even tougher than the Administration anticipated. But now the economy is improving. There are most encouraging signs of an economic upturn.

All we need now to give the economy a strong push is an upsurge of consumer confidence.

It is only a matter of time before the economy picks up appreciably. This is bound to occur because both our fiscal and monetary policies are expansionary. The money supply, including time deposits, is expanding at a rate unprecedented in 20 years. And while Federal spending is rising only moderately, the President has proposed an expansionary budget for fiscal 1972 which calls for Federal spending based on full employment revenue levels.

I predict the economy will grow by 8 per cent in 1971, with about 4 per cent of this in real growth and the rest accounted for by price inflation.

I further predict that auto sales will run close to 10 million this year and that housing starts will total at least 1.8 million nationally.

There is another great challenge in addition to revitalizing our economy--one that is perhaps more difficult to meet.

I speak of providing all of our citizens with an opportunity to participate in American society and in the shaping of governmental decisions affecting their lives.

This is a challenge which eclipses all others. It is central to our future as a Nation. It is basic to our growth as a people. It goes to our philosophy of government and touches the lives of every one of us.

The challenge is whether any man, woman or child really counts in America anymore—whether the system has become more important than the individual—whether we have all become just digits cranked into a computer operated by a faceless bureaucracy.

There is a way to control the vast federal bureaucracy.

The answer is "Federal Revenue Sharing." It is an idea whose time has come.

I talk about revenue sharing not in a partisan vein. There are Democrats who support it, as well as some who oppose it.

Let's look at revenue sharing from the standpoint of political philosophy.

Revenue sharing is based on the concept that that government is best which is closest to the people.

What is the President asking? He is asking the Congress to appropriate \$5 billion to be shared by the states and cities with no strings attached. This comes under the heading of general revenue sharing. He is also asking the Congress to take about 130 categorical grant-in-aid programs, lump them together under six general purpose headings of education, urban development, rural development, transportation, job training and law enforcement and let the states and cities decide how to pursue their priorities under those broad purposes.

What the President is saying is...give State and local government a chance. Let's transfer to the local political arena hundreds of decisions now being made in Washington or the Administration's regional offices.

Today we are living through a crisis which has so slowed the wheels of social progress as to create a kind of paralysis, a paralysis of musclebound government with too much power and money in the hands of the federal bureaucracy.

President Nixon has pointed to a way out of this crisis -- a way to prove that government can work.

It can be done by bringing government back to the people--by making an (more)

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investment in the local political process through Federal revenue sharing. Status quo government cannot be accepted. As times change, we must reform government—so that instead of sliding further into musclebound ineffectiveness it at last can deliver the services it promises and bridge the gap between promise and performance.

While the government in Washington has become musclebound, State and local governments have been struggling with problems the bureaucrats can't solve. And the cost of State and local government has skyrocketed.

State and local spending has jumped 372 per cent from 1950 through 1969--from \$28 billion to \$132 billion.

State and local taxes, per capita, have spiraled from \$105 in 1950 to \$380 in 1969, an increase of 262 per cent.

States have increased major taxes 300 times during the last decade.

In the last two decades Federal aid to state and local governments has risen from \$2.5 billion to over \$30 billion.

At the same time the Federal categorical grants-in-aid system has developed more than 500 different spigots, manned by thousands of administrators operating in a jungle of regulations.

How do we escape from this jungle? How do we put the money where the problems are? How do we hold down the pressures for state and local tax increases?

The answer is the President's program of Federal revenue sharing.

There is opposition to revenue sharing. But what man has made, man can change. And we must have the courage to change what should be changed.

Money is power. Moving money back to the states and cities means a flow of power back to the people. This is where the power belongs.

Every individual wants to count for something. Under the revenue-sharing philosophy of government, he can.

We must think in terms of people, not just programs. We must replace computers with compassion.

Abraham Lincoln said: "This country, with its institutions, belongs to the people who inhabit it."

Let's make this country belong to the people again. Let's give the individual the feeling of determining his own destiny, of being able to make things happen.

This is old politics. This is new politics. This is the shape of things to come. This is the right response to the greatest challenge of the Seventies. This is the way to build a new and greater America.