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APRIL 18, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY  
(Concord, New Hampshire)

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
TO A  
JOINT SESSION OF THE  
NEW HAMPSHIRE STATE LEGISLATURE

STATE CAPITOL

1:20 P.M. EDT

Governor Thomson, Mr. Speaker, Mr. President, Members of the United States House of Representatives and Senate, my old and dear friend, Senator Norris Cotton, Governor Longley and Governor Salmon, distinguished guests of the General Court, visitors:

It is a great privilege and a great pleasure for me to be in this historic chamber. I wish to express a deep personal gratitude to Governor Thomson for his very warm welcome. I am most thankful and most appreciative.

I am also deeply grateful for the opportunity to join all of the members of the State Legislature. I spent, as the Governor has indicated, some 25-plus years in the House of Representatives.

I think those of us who have had an opportunity to serve in a State legislative or a Federal legislative branch have had an opportunity unique in the history of not only our lives, but our country. Serving people in a legislative branch is a wonderful, wonderful experience.

I do want to thank the people of New Hampshire, both in Manchester and in Concord and in others, for their warm welcome. I have said it several times, but it bears perhaps repeating.

A good many years ago, back in the late 1930s, I came up to New England, to New Hampshire and to Vermont and to Maine, and tried to learn to ski, and I recall with some pain my first experience going up to Tuckerman's Ravine and trying to successfully negotiate the head wall. I suspect the sitzmark that I made 40 years ago are still there.

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Let me say to all of you, it is a great honor to appear before this distinguished group of legislators from the State of New Hampshire, a deliberative body that is known far and wide as one of the most highly representative, one of the most highly regarded, one of the most highly effective, and one of the most highly paid. (Laughter)

Obviously, it has the great respect and admiration of all of its constituents. Your selflessness and dedication is both to be commended and applauded.

In fact, I had a short talk with one of your members as I was waiting to come into the chamber, and she was telling me that you had received just \$200 a session. I said, "Two hundred dollars a session?" She said, "That is right." Now you know why the State motto is "Live Free or Die." (Laughter)

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I came here today just to say a few words about the past, to offer some thoughts concerning the present, and, of course, to talk about the future. The people of New Hampshire are rich in historical heritage.

It was at nearby Newcastle that 400 of your ancestors stormed the British Fort William and Mary and captured it with its military stores -- four months before the battles of Lexington and Concord. The captured ammunition was used by the New Hampshire men who fought at Bunker Hill.

It was New Hampshire that drafted in January, 1776, the first Constitution proclaimed in the colonies, and passed the Declaration of Independence three weeks before such action by the Continental Congress.

It was at Bennington that General John Stark led New Hampshire's troops against the British with these very famous words, and I quote: "There are your enemies, the Redcoats and the Tories. We must beat them or tonight Molly Stark sleeps a widow."

Molly Stark never became a widow. Bennington was an early colonial victory, but John Stark would have fought to the last man, the last rifle, the last round of ammunition, if necessary.

I say in all sincerity, let us remember the lesson of General Stark and the men of New Hampshire who fought for us then -- and make sure that this Nation's defenses are never permitted to deteriorate to the point where an American must ever be called upon to fight without the best weapons and without ample ammunition, and without the full determination of our Government and our people to achieve final victory once committed.

I like your nickname, the "Granite State." It shows the kind of strength of character, firmness of principle and restraint that have long characterized New Hampshire.

Much of the rhetoric in America today tends toward exaggeration, toward overstatement. Such language, in my opinion, tends to divide more than unite our people. It excites more than enriches. It promises more, unfortunately, than we can produce.

This is not the time, as I see it, for extremes or excess in language or in conduct. It is not the moment for exaggeration in any direction. It is a time to think, a time to act with reason and with restraint.

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You and I share a common interest in a subject where we must avoid extremes and avoid excesses. That is the general subject of how we manage our affairs as reflected in your State budget and in the Federal budget.

Amid the climbing costs of Federal and State budgets, particularly in the last decade, New Hampshire has truly balanced its budget. You grappled with your problems without a general income or sales tax. Obviously, I admire your self-discipline and your self-restraint.

You have gone about your business quietly, with restraint, without the exaggerated rhetoric which divides people and without excessive promises that create, unfortunately, so much false hope.

In Federal programs and Federal spending, the opposite has been true. In the last quarter century -- 25 years -- Federal payments for individuals climbed from \$31 billion on an annual basis, to about \$160 billion in constant dollars. In other words, from less than one-fourth of the Federal budget to nearly one-half.

America is now spending, according to the statisticians, if we include comparable figures for State and local units of governments, about \$250 billion annually for various payments to individuals. That is approximately 15 percent of today's income compared to some 4 percent 25 years ago.

Most of this spending is centered in relatively few programs. More than one-third of the funds are spent in Social Security payments, Medicare and Medicaid.

Many benefit programs -- I want to emphasize -- are highly desirable. For example, a generation ago, America devised one of the finest Social Security systems in the world and followed it with Medicare and Medicaid, and recently, a Supplemental Income Plan. The American people supported these programs, and so do I.

Now, we have done many, many things over the past generation for the aged, for the blind, the disabled -- those who tragically cannot help themselves. But it is also true that there has been an astounding, an astonishing, explosion in a number of other Federal programs and in the number of people administering them.

Since the early 1960s -- about ten years ago -- the number of Federal domestic assistance programs has grown from about 200 to more than 1,000 today. And there has been a massive increase in the country's bureaucracy on the Federal, State and local level from about 6 million employees in 1950 to 14 million today.

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Now, if we continue these trends at anywhere near their present rate of growth, more than twice that of the Gross National Product, the result will be this: In two decades, just 20 years, governments -- and I include all governments -- would need to collect in taxes more than half of our GNP to meet these commitments.

Almost three-fourths of all spending is currently in a category called -- and I put this in quotes -- "uncontrollable." That is a code word that is used in Washington now for failure to do something. (Laughter)

I categorically -- speaking for myself -- reject the view that Federal spending is uncontrollable and that we must add each year to the national debt. Federal spending -- and I spent some 16 years on the Committee on Appropriations in the House of Representatives so I have some knowledge about the process as well as the figures -- is controllable and there are two levers of control.

The first is with the American people. They can say no to those spreading the notion it is possible to get something for nothing. Or the American people, on the other hand, can say yes to those of us who are trying to curb the increasing burden that gets heavier each year, the burden of taxation, and who want to restore fiscal responsibility.

The second lever is the exercise of leadership by the President, by the Congress, in the control of Federal spending. As President, I have personally drawn the line -- and some of you may have seen the program the other day when I actually drew a line -- but the Congress, unfortunately, is threatening to go far beyond that line.

For example, the House of Representatives just passed two days ago, as a matter of fact, its first regular appropriation bill for fiscal year 1976. It amounted to \$1 billion more than my request of \$6 billion \$200 million for the multitude of federally supported aid to education programs.

I recommended \$6.2 billion and the House of Representatives added \$1 billion to it. Apparently, the American people must educate the Congress.

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The Nation now faces new Congressional multi-billion dollar initiatives. How much are the American people willing to tax themselves to pay for these new proposals and for how long?

It took this Nation more than 180 years to reach a Federal budget of \$100 billion on an annual basis. It took only nine more years for that budget to hit \$200 billion, and only four more years beyond that for the annual total to climb to \$300 billion.

The Federal Government expects to spend about \$322 billion in this fiscal year, fiscal year 1975. With the cooperation of the Congress, I plan to hold the budget for fiscal year 1976, which begins July 1, to approximately \$356 billion.

Quite candidly, forthrightly, I am seriously concerned about the borrowing that the Federal Government must do to support these levels of spending. In these troubled economic times, however, I do believe it is necessary to help the unemployed and to stimulate the economy by a responsible tax reduction.

I should add, parenthetically, if I have to make a choice between additional Federal spending with governments passing out the taxpayers' money or what the taxpayer borrows or, on the other hand, a plan to stimulate the economy by a tax reduction, giving to the people the opportunity to spend their own money, the choice is pretty simple for me.

I would like to leave it or turn it back to the people to spend, rather than for governments to spend.

In perspective, Federal receipts for fiscal year 1976 would be more than \$40 billion higher if our economy were operating at a normal rate. Quite frankly, this economic problem that we have today, a recession which I think is beginning to change a bit for the good -- this economy, if it were operating at the rate of only one year ago, this Nation would have balanced budgets for this fiscal year as well as the next fiscal year.

What I am really saying is that our problems, if we get hold of some of these uncontrollables, relate primarily to getting a healthy economy. In the meantime, we do have to look after those who are unfortunately unemployed, those who have not been able to get a job or hold a job.

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Once we get the economy back on its feet, and we will, I can assure you if we control the uncontrollables, then we can have a balanced budget and a responsible fiscal policy.

Despite what some are saying -- and they say that at the local, State and Federal level we must keep on spending -- I happen to believe that we can do just the opposite. Really, the heart of our financial dilemma today is the endless stream of promises made to the American people in the last generation -- and continuing right today -- that the Government can and will satisfy most of the needs of all of our people, and even their wants.

I think the language is one of extremes and excesses. It is that the Government will make your dreams come true, all you have to do is file an application.

The American people never have and cannot live on promises. They, as well as us, including myself and others in positions of responsibility, we must produce. That is the way America was made great and will keep great.

All of this raises a question, a question of utmost simplicity, and yet of profound significance to the American people: How long can the United States afford to run continuous budget deficits?

All levels of Government have contributed much to progress during the past generation, but many new programs have failed, leading not only to waste, but to disillusionment and, unfortunately, despair.

We have come to a time, as I see it, where the American people will, and must, take a closer look at where their money is going. The reason is simple -- the built-in momentum of the Federal budget and unanticipated other demands have produced excessive expenditure growth rates.

As I recall, the figure is about 9.4 percent per year. That is the growth rate in Federal expenditure over the past 25 years. Unfortunately, these growth rates are not only rising faster than current income, but are absorbing -- and this is the tragic thing -- absorbing any anticipated future growth.

The net result is this is no time for fiction or false promises. The American people want to know where they stand. I believe it is time to reassess our domestic policies. I am convinced that the people of the United States do not know where their money is going and, just as important, why.

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Let me illustrate something. This is the 1974 catalogue of Federal domestic assistance programs. I must say much of it is in fine print, so it is a very sizeable volume involving a good many programs and a good many dollars.

It only weighs about four pounds, but it involves a vast bureaucracy and a tremendous amount of potential Federal, as well as local, and State, expenditures.

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In all honesty, I say let's look at these programs. To be honest with ourselves and those we represent, our constituents, we have to ask: Are we getting our money's worth and, if not, why not? And if not, what can we do about it?

It is time to reexamine not only the American budget but, as I see it, the American conscience and the basic American virtues. It is absolutely essential at this time, more so than ever before during my political life, that we get our house in order.

Instead of more promises, the American people must ask who will pay, who will pay for those promises.

The United States is now spending among Federal, State and local units of government hundreds and hundreds of billions of dollars for social programs. Many, unfortunately, are uncoordinated, and as a consequence, ineffective. Many of them are duplicative, not only in the service but also in the bureaucracy that runs them.

All of these related problems, in my humble judgment, have to be reassessed if we are going to be true to the oath that we have taken.

A close look at any program is not only needed to justify the expenditures but to make sure that the expenditures go to the right people in the right amounts.

The American people understand that they pay for all this spending, either through their taxes or through the inflation, or perhaps both.

It is my judgment that this country is not great because of what the Federal government has done but what American individuals have accomplished.

I think we have to take the American people back into our confidence and tell them the truth. And the truth is this: The Federal government can no longer increase spending at the rate it has in the past.

I sound this warning with the utmost seriousness to the American people here in this legislature, because you are a remarkable example of the early principles and policies that made this country great. You have lived and you have worked within your means.

New Hampshire is more than a state. And may I say parenthetically. I think New Hampshire deserves its full Constitutional and full sovereign rights in the United States Senate.

And if I may -- again parenthetically -- congratulate this legislature for offering a sound solution that is in the best interest of the people of New Hampshire.

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As I said, New Hampshire is more than a state, it is a state of mind. As I see it, it is the true "new frontier of America because ideas, because principles, because virtues have no boundaries. You have offered us the horizons of free men and of free women, not those burying the Nation and our people in debt.

As I conclude, let me add just this: Voltaire once said, "Common sense is not so common." Neither are granite principles and granite beliefs.

Thank you for the invitation. I am deeply grateful.

END (AT 1:47 P.M. EDT)