

OCTOBER 7, 1975

POOL REPORT #3
MEETING OF THE PRESIDENT WITH THE GOVERNORS OF THE
APPALACHIAN REGIONAL COMMISSION

The President got the bad news from Governor Arch Moore (R-W. VA.) who reminded him that the commission has been operating for 10 years on an annual budget of three hundred million. Moore said that this is being so eroded by inflation that it simply is no longer enough to complete the programs that they are obligated to complete.

Moore said that we are getting 35% less building value. The 160 to 180 million highway program Moore said will produce only 1/3 of the roads originally planned if they continue to carry on at the current rate. Moore in referring to the President's proposal to cut Federal spending said "we listened out there today.... it was a little bit disappointing."

The President reminded them of the television speech he delivered last night and added "we face a very serious crisis. If we just continue on without any new programs for this fiscal year we'll have a 50 billion dollar increase in spending at the Federal level. It's just gets worse every year."

President Ford told them that he expects a 62 to 70 billion deficit this year and he said that if Congress does not do what he asked them to do last night we will have another 70 billion dollar plus deficit next year even if we do not have any new programs. That is two 70 billion dollar deficits back to back -- a total of 140 billion dollars in deficits in only two years. He said that if happens we are going to have more trouble not less. The President said that if Congress goes along with his plan, to reduce taxes and Federal spending on a dollar for dollar basis the budget deficit next year will be between 40 and 45 billion dollars and within three years the budget will be balanced. We will have achieved a new direction in the growth of the Federal budget he said. The President said he had made no decisions on the Appalachian Regional Commission's budget but he warned them "now fellas we can't have it both ways."

The President said he had looked over some statistics on the way down and was pleased with the results shown and that jobs in the last 10 years have increased by 740 thousand dollars and the per capita income is up 10%.

The President said he was also pleased the the Southern Governors Conference resolution calling for a balanced Federal budget. North Carolina Governor James Holshouser in response was generally supportive of Ford's efforts to cut spending. Holshouser said that if we have a couple more years of big deficits "we can call in Mayor Beame as our consultant." This was followed by a general merriment with the President leading the laughter.

Pool was shortly thereafter ushered out while meeting continued.

John Cochran
Howard Norton

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