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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
MICHIGAN REPUBLICAN DINNER

COBO HALL

9:05 P.M. EDT

Max Fisher, Bill Milliken, Bob Griffin, my former colleagues in the House of Representatives, Al Cederberg, Eddie Hutchinson, Guy VanderJagt, Marv Esch, Garry Brown and, of course, Bill McLaughlin, Bob Evans and my old and very dear friend, George Romney, distinguished guests, ladies and gentlemen:

Let me say at the outset that I share Bill Milliken's views entirely in toto concerning Max Fisher, the wonderful job that Max has done, not only for this occasion, but for many others. It seems to me that it is most appropriate, under the circumstances, that we give Max a hearty round applause on this occasion.

Of course, Max would be the very first to admit that as much as he has given to making this dinner a success, it could not have been accomplished without the tremendous help that he has gotten from so many, and I would hesitate to start enumerating the individuals who have done the job under Max's leadership, but if we can do it for all of them, I think it is very appropriate, and I think we should.

Both Betty and I feel it is really great to be back home with all you good Michiganders. I only wish that both of us could stayover tomorrow and see that great football game between Michigan and Michigan State. But, we decided against it because of security reasons -- political security reasons. (Laughter) No matter which team I rooted for, there goes half the State. (Laughter)

When I look around the tremendous crowd here tonight, I see so many responsible for making the Michigan Republican Party one of the very best in the Nation, and let me tick off State Chairman, Bill McLaughlin, our National Committeeman, Ranny Riecker, Peter Fletcher, just to mention a few, and I could again start at the top of the list and inevitably, and unfortunately, forget so many, but I have long felt -- and still believe -- that despite the candidates, it is what is done at the grass roots by all of you in the precinct, in the county, in helping and assisting us to raise the money that really makes the difference.

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(OVER)

So, I thank those of you who don't hold office for the contribution you make that is so important to the success of the philosophy that we believe in. You are the real strength of the party.

Now, no State can boast of a finer, finer group of elected Republican officials than we have here in our great State of Michigan:

Governor Bill Milliken, an outstanding Governor -- and I have been to many gubernatorial conventions all over the United States, and Bill Milliken is a shining light against any and all, and we are darn proud of him.

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I don't mean to be repetitive but I feel very strongly and very deeply. We in this State are extremely fortunate to have in Bob Griffin our top United States Senator. He does a fabulous job on a day-to-day basis. I have seen him work in the House of Representatives and even more skillfully in the United States Senate, and, again, I and all of you should be extremely proud of what Bob is doing for us in Michigan, but, just as importantly, for the whole country.

And I would be very remiss if I didn't thank on a personal basis those that I served with in the House of Representatives who stood tall and strong then as well as now. Al Cederberg, Bill Broomfield, Eddie Hutchinson, Guy VanderJagt, Garry Brown, Marv Esch and Phil Ruppe -- they're the tops in quality in the House of Representatives. They come from the length and the breadth of our great State. The only problem is to go with their quality we need a little more quantity, so that is your obligation -- to help them with more after this next election.

But a broad base political party needs a fine Lieutenant Governor like John Damman, your State Treasurer, Allison Green, and so many fine members of the State Legislature, including your Senate Republican Leader, Bob Davis, your House Republican Leader, Denny Cawthorne. I am just real pleased to see them all here tonight because it means that our Republican family in the State of Michigan is working shoulder-to-shoulder with one objective, and that is to make our philosophy the right philosophy for the State and for the Nation. And they who represent you so ably will continue the fight and your presence here gives them the inspiration that they need, and I applaud them for their success under the most difficult odds.

With the people of this caliber representing those of us who come from Michigan, here at home as well as in Washington, it is obvious that if you really make an effort you can recruit and you can elect top quality candidates and dedicated public officials. We are proud of what we have, but we need far more. The 1976 campaign here in Michigan is in good hands but we have got to go out and find those that will join with us, seek public office, work to get elected and depend upon your help. I concede that your winning spirit is vitally important, it is the same Republican spirit that I see as I travel around the country and I have gone from Maine to Rhode Island, to the far West, to the North, to the South.

This spirit is beginning to catch on, not only here but elsewhere. I see dynamic candidates and all of you right here in our own State have the know-how to help them, and I salute you for your efforts here tonight and go on record with this prediction, if I might: The Republican Party will not only win the White House next year, but we will make substantial gains in the Congress and we will elect a substantial number of more Republican Governors.

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I believe we will make these gains in 1976 because the Republican Party is in tune with the mood of America, and it is in tune with the philosophy of the people throughout our country. Across this Nation, whether it is Republicans, Independents and discerning Democrats, they realize that America cannot move forward if we stifle individual initiative or if we continue the growth of Government, which is already far too big.

As we look back over the pages of history, we know that in this great country we have accomplished much in two centuries. In the first century, we established the kind of Government that gave stability and strength and continuity.

In our second century, in this new land, we developed the greatest industrial capacity of any nation in the history of the globe, but now we are at a critical crossroads in this country's history.

We must make a hard decision. We must decide whether we will continue down the dangerous, treacherous trend of recent years toward bigger Government, higher taxes and higher inflation or, in the alternative, whether we will move in a far more responsible way.

Earlier this week, I advocated a forward looking, two-pronged program to put our Federal fiscal house in order. The two must be taken together, not separately, or they won't work.

First, I proposed a permanent tax reduction of \$28 billion at the Federal level, and secondly, I proposed that we halt the alarming growth of Government by holding spending in the coming fiscal year to \$395 billion and to relate it, this means a cut of \$28 billion below projected spending for fiscal year 1977.

Let me quickly outline what it means in the way of a tax reduction. What we want is permanency and equity. I believe that it is right to increase the personal exemption from \$750 per person to \$1,000. I believe it is right that we should increase the standard deduction for single persons to a maximum of \$1,800, and for a family of \$2,500, and that we should make some responsible, equitable revisions in the tax rates.

Three-quarters of the \$28 billion in tax reduction goes to individuals, with a break, for the first time in a long, long time, for those hard working, industrious people in the middle-income brackets who have been unfairly treated for too far a period of time.

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Yes, the other 25 percent of the \$28 billion goes to business, not just for business, but primarily to provide the kind of incentive that is needed if we are going to give to business the opportunity of job creation.

Yes, we need investment for investment's purpose, but the main purpose for the Government, for the country, for people is to give more job opportunities for those who want to work.

Yes, we are going to extend the investment tax credit on a permanent basis so we can keep competitive with other societies in other parts of the world.

Let me say, repeat, if I might, a \$28 billion tax reduction, a \$28 billion ceiling or cutback in projected spending growth, they go hand in hand, dollar for dollar, and I will not hesitate to veto any new bills which violate this combination.

But, the most important thing in the long run is the fact that if we adopt this kind of a plan, a new tax proposal with equity and permanence, to stimulate our economy and to give a break to the people who have long been suffering, and if we put a ceiling on the growth of Federal expenditures, this is the first crucial step toward balancing the Federal budget, despite the difficulties and problems we have had for the last 18 months.

We will do it, if the Congress will become a "can do" Congress in three years.

Oh, I know there has been some criticism that we have not proposed a tax proposal that does everything everybody wants, but as I look at the past history, I know that this middle-income group, which is the hard core of strength in America, good people the length and breadth of America, they have had a tough break and have borne far too much the burdens of taxation.

I think they are deserving because they have been subjected with growing families, house payments and everything else, paying rising taxes and ever-rising inflation. They are the ones who have known over a period of time from their personal experience the economic problems that have faced 214 million Americans.

They know precisely what it means to pay more and more of their income merely to feed and clothe their family and to maintain a decent home. They know the sinking feeling when a member of their family or a friend is laid off from work. They know the desperation that comes when these forces unfortunately seem beyond their control.

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None of us want these experiences to be repeated in the months ahead. All of us want steady prices, steady jobs, a chance once again to get ahead on our own initiative, and we want to make sure with the kind of programs we are putting together that everybody feels that their own destiny is in their own hands. This is the strength and the history of America.

When I spoke here in this hall exactly one year ago tonight, our Nation faced some very serious economic problems. Inflation was running at the annual rate of 12 to 14 percent. Unemployment was increasing. We were on our way to the most serious recession in the post-World War II period, but the encouraging thing was that America didn't throw up its hands and quit.

We fought back, and we reversed the recessionary trend. We cut the rate of increase in the cost of living very sharply, but still, we have a long way to go in winning the battle against inflation.

In this period of time of adversity in the last six months, we added 1.6 million workers to our employment rolls. We still have far too many unemployed. The economic indicators are good; industrial production is climbing at a strong rate. Retail sales are up, and so are new orders for durable goods.

In short, the recovery that began this spring is gathering the kind of momentum that is constructive and permanent. If we act wisely, it will continue on an upward path, providing America with more jobs, more stable prices and more opportunity than ever before in the history of our country, but we must not delude ourselves.

Just beneath the surface there is still, or there are still, some deep-seated problems in our economy, problems which have been building up over the years, and I think we have to concede they won't go away overnight. The underlying causes of this economic problem or these economic difficulties must be attacked responsibly.

We must come up with solutions that not only serve this year, but the next generation and the next generation. That is our obligation. We don't want any short-term superficial answers that will lead us down a path of disaster a year or two from now. Our cause is far greater.

To see the cause of underlying problems, we have only to look to Washington, where one big spending program piled upon another and upon another and upon another has created a Federal monstrosity.

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The result: Government now takes a far larger share of your personal income, creates record budget deficits, prints more money and inevitably escalates inflation. This trend must be stopped, and this trend will be stopped.

Congressional critics of my proposals to cut taxes and to cut spending call this proposal political, but politics is Government, Government with the consent of the governed for the good of all Americans. I ask my friends who were the critics of this combination of a \$28 billion tax reduction and a \$28 billion lid on the growth of spending--I could not help but read in the morning paper here in Detroit that when the question was asked, 70 percent of the answers said that is a good program and 30 percent disagreed.

I think the public understands that this is sound, it is right, and the Congress better do something about it.

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Quite frankly, that is what representative government is all about. I believe in the right of the American people to spend their own money rather than letting Congress spend it for them. What could be more political, and I ask this in all seriousness, than proposals of the big spenders-- the big spenders in the House and the Senate -- to reduce taxes on the one hand, and to increase spending on the other to help their special interest groups. That is the most obvious and the most cynical politics. Politics concerned only with the next election

America's greatness was not achieved by taxing people to their limits, it was achieved by free people, freely exercising their own ingenuity and their own energies to the fullest. We must, once again, if we are to move ahead as we have in the past, release the full flow of energies of the American people by getting the Government off their backs on the one hand and out of their pockets and their pocketbooks on the other.

And let me use an illustration of how much better it is for a free enterprise system to operate rather than having a Government controlling everything. Everybody in this room knows of the tremendous impact that the automobile industry has on our economy. When automobile sales are down, so in most cases is our economy. When that tragedy happens, the car makers don't take it lying down, they fight back and the country benefits and we are proud of the initiative and the leadership in the American automobile industry.

But let me use a very pertinent illustration, if I might. Take gasoline mileage and what has been done in less than two years to increase it? The increase of automobile gasoline efficiency. The 1976 American cars will average nearly 13 percent better in fuel economy than last year's models. That is on top of an improvement of almost 14 percent from 1974 to 1975. The American automobile manufacturers have gone more than halfway toward achieving the goal that I laid down earlier this year, which was a 40 percent improvement in fuel economy by 1980. Listen carefully. Do you know what this increased gasoline mileage means? What the enterprise of the American automobile industry already means in the terms of an energy crisis? It means if every car in America operated with the fuel efficiency of the average 1976 model, America would save more than 17 and a half billion gallons of gasoline each year. That's not bad, but even more significant, \$11 billion in the cost of their gasoline each year.

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That is a real contribution by American auto management and American auto manufacturers and workers toward our goal of energy independence, not to mention a mighty good incentive, if I could be a bit parochial, a good incentive for everybody to buy a 1976 American-made car.

I congratulate the automobile industry and its workers for this great achievement. Their remarkable strides were made, and I emphasize this, without Federal funds and despite some of the restrictions and limitations laid down by Government regulations. With dedication, with action like this, America has no reason to be fearful of being overwhelmed by problems. The American people are dedicated to problem solving and progress, using the individual initiative of our citizens rather than the dictation of a Government.

Wherever I have gone as President, I found a deep, abiding faith in the future of this country. We have been through some very, very traumatic times in the last few years, but in our 200 year history, we have overcome far tougher problems and come through some much darker days.

Oh, despite the doom sayers, America has always transcended the moment and achieved a better life for its citizens and I have faith we will do it again and I believe we are on our way.

Last night at a news conference in Washington and today in Detroit, many, many questions were asked of me by the press. Tonight I would like to ask you some questions; questions which concern major issues, issues that I face; questions that the Congress faces and questions that face each and everyone of you along with 214 million other Americans and I would like your response.

Are you with me when I insist that the Congress cut spending enough to give all Americans a meaningful permanent tax reduction?

Are you with me in getting Government bureaucracy out of your business, out of your pocket and, incidentally, out of your hair?

I know that each and everyone of you know that a Government big enough to give you everything you want is a Government big enough to take from you everything you have.

Are you with me when I demand from the Congress after pleading, begging, compromising, an energy policy that will make America forever free of foreign whims and wishes and dictatorial actions? I think you are.

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Are you with me in keeping the heavy hand of Washington out of your State and local units of Government? And, finally, but just as importantly, if not more so in many respects than any other, are you with me in keeping our national defense second to none?

I think all of you here tonight reflect what most Americans believe and those are the policies that we are going to espouse in the months ahead. Our Republican commitments to fiscal responsibility to vigorous free enterprise, to a strong national defense, to local control over local concerns and a personal freedom for the individual. These are the commitments shared by the vast majority of our fellow Americans.

We should make our third century the century of individual freedom -- freedom from mass Government, freedom from mass education, freedom from mass industry, freedom from mass unions, freedom for each and everyone of us. We don't want to be a computer, we want to be individuals as we grow and mature and express our views and act by ourselves and that ought to be the objective of our third century -- individual freedom.

I think we can go back to Abraham Lincoln for some of the thoughts that he gives us. Lincoln said that Government should only do for the people what they cannot do as well for themselves.

I believe that America's people have grown weary of Government's over-blown promises and overbearing controls. We believe the American people are ready to do great things again for themselves and for their country. Republican Government we know is common sense Government and the net result is it is effective Government.

On the evidence of the 1976 campaign, let me emphasize, as I close, as a Republican Party we must open the doors wide of this great party of ours to all Americans rather than opening it just a crack for a few. We must work together for a common victory rather than separately for certain defeat. If we do, 1976 and the years beyond will be great ones for all Republicans but, more importantly, vastly more important for all Americans so that we and our children and their children will be able to say with new meaning and conviction, with fresh enthusiasm, the words of Daniel Webster, "Thank God I am an American."

Thank you and good night.

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(AT 9:40 P.M. EDT)