

The original documents are located in Box C13, folder “Presidential Handwriting, 3/12/1975 (1)” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

3/12/75. - . . .

THE WHITE HOUSE
WASHINGTON

Don R

Good speech on
theory - wish we could

get notes.

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

February 28, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: MAX L. FRIEDERSDORF 
SUBJECT: Senator Bill Brock

Senator Brock asked that I bring to your attention the speech he made yesterday at the Young Republican Leadership Conference.

For your information, he has been invited to the reception you are hosting this afternoon for this group.

UNITED STATES SENATOR **BILL BROCK**

254 Russell Office Building, Washington, D. C. 20510 (202) 225-3344

NEWS RELEASE

FOR RELEASE: 12 Noon
Thursday, February 27, 1975

MEDIA CONTACT:
Chuck Murchison
202/224-9587 (Ofc)

SPEECH BY SENATOR BILL BROCK

TO

YOUNG REPUBLICAN LEADERSHIP CONFERENCE

Noon, Thursday, February 27, 1975

Shoreham Hotel, Washington, D.C.

YOUNG REPUBLICAN LEADERSHIP CONFERENCE

WHAT IN THE WORLD IS GOING ON? THROUGHOUT THE FREE WORLD POPULARLY ELECTED GOVERNMENTS LACK THE STABILITY AND STRENGTH OF POPULAR SUPPORT.

LAST YEAR AS USUAL ABOUT 3 OUT OF EVERY 10 AMERICANS DIDN'T GO TO THE POLLS BECAUSE THEY COULDN'T CARE LESS ABOUT THE ELECTION. MORE WORRISOME, ANOTHER 3 OUT OF 10 DIDN'T GO TO THE POLLS BECAUSE THEY WERE DISGUSTED WITH THE WHOLE POLITICAL PROCESS. IF GIVEN A CHOICE BETWEEN 'DEMOCRATS', 'REPUBLICANS', OR 'NONE OF THE ABOVE', THIS GROUP WOULD HAVE TO A MAN CHOSEN 'NONE OF THE ABOVE'. OF THE REMAINING 40% WHO DID GO TO THE POLLS, THE MAJORITY WENT WITH THE CLEAR, SPECIFIC PURPOSE OF VOTING AGAINST WHOEVER HAPPENED TO WEAR THE REPUBLICAN LABEL - AND THEY DID.

YET LAST NOVEMBER WASN'T JUST A DISASTER FOR THE REPUBLICAN PARTY, AS MANY CLAIMED. IT WAS A DISASTER FOR THE ENTIRE AMERICAN POLITICAL SYSTEM. LESS THAN 200 YEARS AFTER A GROUP OF COURAGEOUS AMERICANS BANDED TOGETHER TO FIGHT AND DIE FOR THE VOTE AND THE RIGHT OF REPRESENTATION, AND ONLY 100 YEARS AFTER THIS NATION TURNED ON ITSELF IN A CONVULSIVE EFFORT TO SUSTAIN THE UNION AND APPLY FREEDOM TO EVERY HUMAN LIFE, HAVE WE LOST OUR POLITICAL WILL? IF IT IS TRUE THAT THE LARGEST POLITICAL PARTY TODAY IS THE PARTY OF INDIFFERENCE, THEN WE, ALL

OF US, HAVE GOT A PROBLEM. AS REPUBLICANS IT'S A VERY SPECIAL PROBLEM.

IF YOU ASK ME WHAT THE REPUBLICAN PARTY STANDS FOR TODAY, I'D HAVE TO SAY I HONESTLY DON'T KNOW. IF YOU ASK ME WHAT OUR NATIONAL GOALS AS A PEOPLE ARE, I'D HAVE TO SAY I'M NOT SURE I KNOW ANYMORE. IN THE FACE OF THESE QUESTIONS, IS IT REALLY REALISTIC TO SPEND OUR TIME DISCUSSING THE CHANGE OF THE NAME OF OUR PARTY OR EVEN STARTING A NEW PARTY? ISN'T THE FIRST STEP TO TAKE IS A LOOK AT OURSELVES AND SEEK SOME ANSWERS? UNLESS WE KNOW WHO WE ARE AND WHERE WE'RE GOING, UNLESS WE KNOW WHO WE REPRESENT AND WHY, THEN ANY FURTHER POLITICAL EXERCISE IS FRUITLESS.

THE STRENGTH OF POLITICAL PARTIES DOESN'T COME FROM THE NUMBER OF PEOPLE WHO FORMALLY JOIN. ALL OF US KNOW THAT ONLY A SMALL PERCENTAGE OF THE AMERICAN PEOPLE ARE ACTIVE POLITICALLY. THE REAL STRENGTH OF A POLITICAL PARTY COMES FROM PEOPLE WHO IDENTIFY WITH THAT PARTY, AND PEOPLE WON'T IDENTIFY WITH AN ORGANIZATION WITHOUT PURPOSE OR PHILOSOPHY. THE KEY THEN TO THE REVITALIZATION OF ANY PARTY IS ITS RENEWED COMMITMENT TO AN IDEA, A PHILOSOPHY BASED UPON HUMAN CONCERN.

WHAT'S THE PURPOSE OF THE REPUBLICAN PARTY TODAY? WHAT'S ITS PHILOSOPHY? IF YOU LISTEN TO SOME OF OUR PEOPLE, ALL THEY WANT TO TALK ABOUT IS 'HOW CAN WE GET

THE AVERAGE CITIZEN TO THINK OUR WAY?'. MAYBE WE HAVE THINGS REVERSED. WHY DON'T WE TRY THINKING THEIR WAY? WHY NOT ASK WHAT HE IS CONCERNED ABOUT, WHY NOT GO OUT AND LISTEN A LITTLE BIT?

AN AWFUL LOT OF INDIVIDUALS IN THIS COUNTRY SENSE LIFE SORT OF GETTING OUR OF CONTROL. THEY KNOW TAXES ARE TOO HIGH AND TOO MUCH GOVERNMENT SPENDING IS WASTED. THEY'RE WORRIED ABOUT THEIR JOB, THEIR SAVINGS, THEIR FAMILY'S SECURITY, WORRIED ABOUT BEING WIPED OUT BY UNUSUAL MEDICAL EXPENSES, ABOUT CRIME OR NARCOTICS, WORRIED BECAUSE TOO MANY SCHOOLS ARE CENTERS OF DRUGS AND VIOLENCE. MOST OF ALL THEY HAVE A NAGGING FEAR THAT OUR NATION HAS LOST ITS SENSE OF DIRECTION.

THE INDIVIDUAL IN AMERICA IS DESPERATE FOR STRONG LEADERSHIP, BUT, PARADOXICALLY, HE'S SO TURNED OFF ON ALL LEADERS THAT HE WILL NOT GIVE ANY SINGLE ONE ENOUGH SUPPORT TO MAKE THAT INDIVIDUAL STRONG. HE FEELS LIKE THE PRESS IS ALWAYS BELITTLING HIM FOR HIS MIDDLE CLASS MORALS AND VIRTUES, AND HE FEELS LIKE THE POLITICANS ARE ALWAYS PATRONIZING HIM AND TRYING TO BUY HIS VOTE. HE'S WORRIED THAT NOBODY LISTENS ANYMORE. FOR ALL OF HIS LIFE HE'S BEEN TAUGHT THE CENTRAL PREMISE OF OUR SOCIETY IS THAT YOU SHOULD HAVE A VOICE IN YOUR OWN FUTURE. NOBODY LISTENS TO HIM, AND HE FEELS HE'S LOST HIS VOICE. HAS HE? I HOPE NOT.

I'LL TELL YOU SOMETHING, WE'D BETTER GET WORRIED ABOUT WHAT HE'S WORRIED ABOUT. WE HAD BETTER CREATE A PARTY WHICH WILL LISTEN TO HIM AGAIN. IF WE TOGETHER DON'T DEAL WITH SOME OF HIS ANXIETIES, HE'S GOING TO LOSE FAITH IN OUR SYSTEM, AND WHEN HE DOES THAT SYSTEM IS GOING TO STOP WORKING FAST. IT EXISTS ON FAITH, BECAUSE FAITH ENCOURAGES PARTICIPATION. IT'S UP TO US TO RESTORE THAT FAITH AND ACHIEVE THAT REINVOLVEMENT.

ARE WE UP TO IT? WHAT DO WE STAND FOR? WHAT WILL WE FIGHT FOR? I SAY AGAIN, IF YOU ASK ME WHAT THE REPUBLICAN PARTY STANDS FOR TODAY, I WOULD HAVE TO SAY I HONESTLY DON'T KNOW. I DO KNOW WHAT I STAND FOR, AND I DO KNOW WHAT AN AWFUL LOT OF INDIVIDUAL REPUBLICANS STAND FOR, BUT I AM NOT SURE WHETHER OR NOT OUR PARTY HAS LOST ITS SENSE OF PURPOSE, ITS REASON FOR EXISTENCE, AND, IN PARTICULAR, ITS SENSE OF MISSION.

ONE HUNDRED AND TWENTY YEARS AGO THOSE WHO FOUNDED A NEW REPUBLICAN PARTY FACED AN EQUALLY DIVIDED AND CONFUSED AMERICA. THEY DID NOT HESITATE. THEY CHOSE TO FIGHT FOR FREEDOM AND CHOSE ONE MAN TO LEAD THAT FIGHT, LINCOLN.

IS THE TASK SO MUCH MORE DIFFICULT TODAY THAN IT WAS 120 YEARS AGO? IS NOT FREEDOM STILL THE ONLY GOAL OF REPUBLICANS? CAN WE NOT ALL GATHER UNDER THAT BANNER, YOUNG OR OLD, BLACK OR WHITE, RICH OR POOR? IS THERE

ANY GREATER FORCE FOR GOOD THAN PERSONAL FREEDOM?
DOES IT NOT REQUIRE OF EACH OF US A GREATER ACCEPTANCE
OF PERSONAL RESPONSIBILITY AND SELF DISCIPLINE, GREATER
EFFORT, GREATER COMMITMENT THAN ANY OTHER SYSTEM?
GIVEN THE NATURE OF MAN, IS THERE ANY OTHER SYSTEM
WHICH WILL WORK? AND YET, GIVEN THE CURRENT SITUATION,
WHAT HAVE WE DONE ABOUT IT? NOT MUCH.

THANK GOODNESS THE BICENTENNIAL IS RAPIDLY APPROACH-
ING, FOR WE DO NEED A NATIONAL TIME OF INTROSPECTION,
A TIME OF REASSESSING OUR VALUES AND OUR GOALS. AS WE
LOOK AT THIS NATION WE MUST FIRST DETERMINE NOT ONLY
WHAT IT IS, BUT WHAT IT IS NOT. UNDER FREEDOM WE HAVE
ACHIEVED MORE PHYSICAL, INTELLECTUAL, AND SPIRITUAL
WEALTH THAN ANY PEOPLE IN THE HISTORY OF MAN, BUT WE
ARE NOT TOTALLY STRONG, ALL WISE, OR MORALLY UNADULTER-
ATED. WE ARE THE LEADER OF THE FREE WORLD, BUT WE
CANNOT IMPOSE OUR WILL ON OTHERS, NOR SHOULD WE. WE
ARE THE FREEST PEOPLE IN THE WORLD, BUT WE CANNOT
IMPOSE OUR PHILOSOPHY OR OUR RELIGIOUS ETHNIC ON OTHERS,
NOR SHOULD WE. WE HAVE FOR THESE PAST TWO AND ONE HALF
DECADES MAINTAINED WHAT SOME CALL THE PAX AMERICANA,
BUT NO MORE. THAT PEACE BEGAN UNRAVELLING IN THE LAST
DECADE, AND STANDS CLOSE TO BEING TOTALLY SHREDDED IN
THIS ONE THROUGHOUT THE WORLD. STILL, THERE'S A LOT
TO BELIEVE IN, TO BE PROUD OF. TO FIND SOME CAUSES FOR

THE CURRENT EROSION OF CONFIDENCE, YOU HAVE TO LOOK CLOSER TO HOME.

HERE THE FRAYING OF OUR NATIONAL WEAVE BECOMES CLEARER. TRY TO EXPLAIN TO MR. AVERAGE CITIZEN WHY: OUR COURTS ARE FOR FREEDOM OF RELIGION AND YET PROHIBIT THE OPEN EXPRESSION OF FAITH IN OUR SCHOOLS: WHY? THEY PROHIBIT DISCRIMINATION ON THE BASIS OF RACE, AS THEY SHOULD, AND THEN THEY PROCEED TO REQUIRE COMPULSORY TRANSPORTATION TO SELECTED SCHOOLS ON THE BASIS OF WHETHER OR NOT THE CHILD IS BLACK OR WHITE; OR WHY OUR PRESIDENT PROPOSES TO SOLVE INFLATION WITH THE LARGEST PEACETIME DEFICIT IN OUR HISTORY.

BUT IT IS IN THE CONGRESS THAT WE FIND OUR GREATEST INCONSISTENCIES. CONGRESS, WHICH HAS THROUGH DEFICIT FINANCING SOPPED UP THE BULK OF PRIVATE CAPITAL FORMATION, NOW PROPOSES TO SOLVE THE SHORTAGE OF SUCH FUNDS BY FEDERAL ALLOCATION OF CREDIT. THE CONGRESS IS FOR ECONOMIC FREEDOM, AND AGAINST THE ACCUMULATION OF WEALTH. IT RAILS AGAINST THE GIANTS OF BUSINESS, AND WITH THE SAME BREATH ESTABLISHES GOVERNMENT RULES AND REGULATIONS TO PROTECT THOSE VERY GIANTS FROM COMPETITION WHILE GUARANTEEING THEM A MINIMUM PRICE AND SUBSIDIZED LOANS.

IT DECRYES THE LACK OF COMPETITION AND MAKES IT IMPOSSIBLE FOR SMALL BUSINESS TO COMPETE. IT PROPOSES TO SOLVE INCOMPETENT MANAGEMENT WITH FEDERAL SUPPORT,

TO SOLVE UNEMPLOYMENT WITH INCREASED WELFARE PAYMENTS, AND PUBLIC SERVICE JOBS. IT PROPOSES TO STRENGTHEN LOCAL GOVERNMENT BY BUILDING THE LARGEST FEDERAL GOVERNMENT IN OUR HISTORY. IT PROPOSES TO SOLVE THE FEDERAL DEFICIT WITH TAX REBATES.

IT PROPOSES TO SOLVE THE FARM PROBLEM WITH PRODUCTION CONTROLS. IT PROPOSES TO SOLVE SULPHOUS DIOXIDE EMISSION FROM AUTOMOBILES BY MANDATING A CATALYTIC CONVERTER WHICH SPEWS OUT SULPHURIC ACID MIST. IT DEMANDS GREATER ENERGY CONSERVATION AND HOLDS DOWN THE PRICE IN ORDER TO ENCOURAGE CONSUMPTION. IT ATTEMPTS TO DEAL WITH GOVERNMENT SPONSORED INFLATION BY IMPOSING WAGE AND PRICE CONTROLS ON WHAT'S LEFT OF FREE ENTERPRISE. IT PROPOSES TO STRENGTHEN THE UNITED NATIONS BY DEMANDING OUR DELEGATE ABSTAIN FROM THAT BODY'S IRRESPONSIBLE VOTES.

SUCH INCONSISTENCIES ARE RIFE THROUGHOUT THE LAND. TOO MANY BUSINESS PEOPLE SEEM TO THINK COMPETITION IS GOOD, BUT ONLY GOOD FOR SOMEONE ELSE. TOO MANY LABOR LEADERS DEAL WITH THE DECLINE IN PRODUCTIVITY BY DEMANDING MORE RESTRICTIVE WORK RULES. TOO MANY UNIVERSITIES ESPOUSE FREEDOM OF SPEECH, EXCEPT FOR THOSE WITH WHOM THEY DISAGREE. TOO MANY PEOPLE IN OUR NEWS MEDIA DAILY ASSAULT THE FREE ENTERPRISE SYSTEM WHOSE ADVERTISING DOLLAR NOT ONLY PAYS FOR THE TELEVISION SHOWS, BUT ENABLES THE NETWORK TO EARN TWICE THE PROFITS OF MOST BUSINESSES.

IN THE FINAL ANALYSIS, THE GREAT INCONSISTENCY LIES WITH US. WE ALL TALK ABOUT WANTING OUR POLITICAL LEADERSHIP TO BE BOTH RESPONSIVE AND RESPONSIBLE, BUT TOO OFTEN TOO MANY PEOPLE VOTE FOR THOSE WHO ARE RESPONSIVE TO THE GALLUP POLL AND VOTE AGAINST THOSE WHO ACCEPT THE RESPONSIBILITY FOR FUTURE GENERATIONS.

THERE ARE TWO WAYS IN WHICH WE CAN ACQUIRE THE ASSETS TO INVEST IN OUR OWN FUTURE. THE FIRST IS THROUGH VOLUNTARY SAVINGS WHERE INDIVIDUALS SET ASIDE, EITHER FOR THEMSELVES OR COLLECTIVELY THROUGH CORPORATE ENTERPRISE, FROM TODAY'S CONSUMPTION FOR TOMORROW'S GROWTH. THE SECOND IS THROUGH IMPOSED OR FORCED SAVINGS, WHICH COME IN THE FORM OF TAXES TAKEN FROM THE INDIVIDUAL BY GOVERNMENT. THE FIRST IS THE WAY OF FREE ENTERPRISE, THE SECOND IS THE WAY OF STATISM OR SOCIALISM.

WHICH WAY ARE WE HEADED NOW? TAXES TODAY ABSORB ALMOST 40% OF THE TOTAL INCOME OF EVERY AMERICAN. IT'S FAIR TO ASK WHAT'S LEFT FOR PERSONAL SAVINGS, WITH INFLATION EATING AWAY THE PURCHASING POWER OF THE REMAINING 60¢ AS WELL. GIVEN THE DEFICIT ENVISIONED BY THIS ADMINISTRATION, 80% OF ALL PERSONAL SAVINGS AND CORPORATE PROFITS IN THE NEXT TWO YEARS WILL BE TAKEN BY GOVERNMENT IN THE MOST MASSIVE TRANSFER OF WEALTH FROM PEOPLE TO GOVERNMENT IN OUR HISTORY. ADD TO THIS THE FACT THAT THE LARGEST SINGLE ITEM IN THE SURGING

COST OF LIVING INDEX LAST YEAR WAS NOT FOOD, NOT ENERGY, BUT TAXES. DO YOU REALLY WONDER WHY THE AVERAGE PERSON IS UPSET?

OKAY, WHERE DO WE GO? FIRST OF ALL, IT'S IMPORTANT TO REMEMBER THAT VIRTUALLY EVERY ITEM ON THE ABOVE LIST HAS EITHER OCCURRED UNDER OR BEEN PROPOSED BY REPUBLICANS - NOT JUST DEMOCRATS.

LAST YEAR THE REPUBLICAN PARTY WHICH PRIDED ITSELF ON ITS CANDOR HAD TO RUN INTO THE TEETH OF THE GALES OF WATERGATE. ABOUT THE ONLY THING WE HAD GOING FOR US LAST YEAR WAS THE OLD CLICHE OF A NEED FOR TWO PARTIES. WELL IT DIDN'T WORK. WHY?

I'LL TELL YOU SOMETHING, IF YOU HAVE A CHOICE BETWEEN A LIBERAL CANDIDATE WHO BELIEVES IN WHAT HE'S SAYING, AND HIS OPPONENT WHO PLEDGES TO DO ALL THE SAME GOOD THINGS AT A CHEAPER PRICE, MOST PEOPLE WILL GO FOR THE REAL COMMODITY EVERY TIME. IN PARTICULAR, LAST YEAR, IF YOU HAD A CHOICE BETWEEN A DEMOCRAT OF ANY PERSUASION AND A REPUBLICAN WHO HAD THE SAME PLATFORM, THEY WOULD GO FOR THE DEMOCRAT EVERY TIME. WHY, BECAUSE VALID OR NOT, DEMOCRATS HAVE BECOME IDENTIFIED AS YOUNG, WORKING CLASS AND MINORITIES. REPUBLICANS ARE PERCEIVED AS OLD, MIDDLE-CLASS, UPPER INCOME - THEY'VE GOT IT MADE. WHILE MORE PEOPLE IDENTIFY WITH THE FIRST GROUP THAN THE LATTER, THE FACT IS THAT MOST PEOPLE DON'T FEEL THEY'RE BEING REPRESENTED BY EITHER ONE. ONE REASON FOR THIS IS DUE TO

OUR TENDENCY TO SELL OUR PARTIES BASED UPON WHO BELONGS TO THEM RATHER THAN WHAT THEY STAND FOR. LET'S CHANGE THINGS, LET'S TURN THEM UPSIDE DOWN, LET'S STAND FOR SOMETHING AND THEN ASK PEOPLE TO JOIN. IF THEY DON'T, THEN MAYBE WE'RE STANDING FOR THE WRONG THINGS AND MAYBE THEY NEED A NEW PARTY. I DO KNOW ONE THING - WE HAVE TO CHANGE SOME THINGS PRETTY SOON. UNTIL WE DO, THE WORD REPUBLICAN WILL BE ASSOCIATED WITH WATERGATE, BIG BUSINESS, AND HARD TIMES. IF WE WANT PEOPLE TO BE ASSOCIATED WITH US, WE HAD BEST ASSOCIATE WITH THEM, THEIR NEEDS, AND THEIR VALUES.

WHAT DO PEOPLE WANT? THE FIRST THING THEY WANT IS LEADERSHIP. IT MIGHT SURPRISE OUR WASHINGTON SCRIBES TO KNOW JUST HOW SERIOUS PEOPLE IN THIS COUNTRY ARE RIGHT NOW - AND HOW WILLING THEY WOULD BE TO ACCEPT THE HARD PATH IF THEY WERE HONESTLY GIVEN THE COSTS OF THE ALTERNATIVES, IF THEY FELT ALL WOULD SHARE THE LOAD EQUALLY, IF THEY IN FACT HAD CONFIDENCE IN THEIR NATIONAL LEADERSHIP. GIVEN THIS, WHAT'S HAPPENED THIS YEAR IN WASHINGTON?

ON MONDAY, THE DAY BEFORE THE PRESIDENT'S STATE OF THE UNION MESSAGE, THE DEMOCRATS RUSHED FORWARD WITH THEIR ECONOMIC PLAN FOR 1976. EVERYBODY WHO HAD THE TIME TO READ IT HAD TO COME TO THE SAME CONCLUSION - IT WOULD BE ALMOST IMPOSSIBLE TO DRAW A PLAN WHICH WAS

A MORE BALANCED COMBINATION OF INEPTITUDE AND INACTION. THEY REFUSED TO TAKE A STAND ON ANYTHING.

THE PRESIDENT'S ADVISORS RUSHED TO MEET THIS NON-CHALLENGE HEAD ON. THEY UNVEILED HIS PLAN. UNFORTUNATELY IT WAS SO COMPLEX NOBODY UNDERSTOOD IT. THUS, ON WEDNESDAY HE SPOKE ON THE STATE OF THE UNION TO THE CONGRESS AND THE AMERICAN PEOPLE. HE ANNOUNCED THE STATE OF THE UNION WAS NOT GOOD. WELL, I GUESS THAT DEPENDS ON YOUR POINT OF VIEW. I AGREE THAT THE STATE OF THE GOVERNMENT IS NOT GOOD, BUT I'M NOT SO SURE THAT I WOULD AGREE ABOUT THE STATE OF THE UNION. THE UNION IS STILL INTACT, THE PEOPLE ARE STILL THERE, THEY'RE STILL WORKING, THEY'RE STILL CARING, AND THEY STILL ARE PRODUCING - THANKS NOT TO REPUBLICAN OR DEMOCRAT LEADERSHIP, BUT TO THE PEOPLE THEMSELVES.

THE STATE OF THE GOVERNMENT, IT'S TRUE, IS NOT GOOD. WHY? WELL, FOR ONE REASON BECAUSE THE BUDGET CONTAINS A PROPOSED \$52 BILLION IN NEW DEBT. NOW THAT'S JUST THE BEGINNING. IF YOU WANT TO HEAR SOMETHING EXPLODE, LISTEN TO WHAT'S GOING TO HAPPEN IN THE NEXT 18 MONTHS. WE HAVE A PROJECTED DEFICIT OF 34.7 BILLION DOLLARS BETWEEN NOW AND JULY 1, 51.9 BILLION STARTING JULY 1, AND RUNNING THROUGH TO JULY OF '76. NOW ADD INTO THESE FIGURES, WHICH TOTAL 87 BILLION, THE BORROWINGS OF THOSE AGENCIES WHICH ARE NOT INCLUDED IN THE BUDGET,

THE EXPORT-IMPORT BANK, THE POSTAL SERVICE AND SO FORTH. THAT'S 23.7 BILLION DOLLARS IN THE NEXT 18 MONTHS AND YOU'RE UP TO 111 BILLION DOLLARS. ADD 23 MORE BILLION FOR THE PRESIDENTIALLY REQUESTED CUTS THAT CONGRESS IS NOT GOING TO MAKE ON SOCIAL SECURITY AND SO FORTH, AND YOU'RE UP TO 134 BILLION. NOW REMOVE THE INCREASED TAXES THAT THE PRESIDENT ASKED FOR ON NATURAL GAS AND IMPORTED OIL (AND THE CONGRESS IS ALREADY ACTING TO REFUSE THESE) AND YOU CAN ADD 23.3 BILLION TO THE DEFICIT. NOW YOU'RE UP TO \$157 BILLION WITH NO NEW FEDERAL SPENDING PROGRAMS ON THE PART OF CONGRESS. THAT'S WHY THE STATE OF THE GOVERNMENT IS NOT GOOD, AND IF IT CONTINUES, THAT'S ONE OF THE REASONS WHY THE STATE OF THE UNION WON'T BE GOOD FOR VERY LONG.

AS A CAPPER, WE TALK ABOUT REBATING TAXES TO THE AMERICAN PEOPLE. WE'VE ALREADY TAKEN THEIR TAXES, SPENT ALL THEY GAVE US, AND THEN SPENT 20 BILLION DOLLARS ON TOP OF THAT, AND WE COME AROUND AND SAY, 'HEY, LOOK, WE ARE GOING TO REBATE YOUR TAXES'. WHAT A CHARADE. YOU CAN'T REBATE SOMETHING YOU HAVEN'T GOT. WHAT ARE YOU GOING TO DO, YOU'RE GOING TO HAVE TO GO TO THE AMERICAN PEOPLE, BORROW THE MONEY FROM THEM, TAKE IT TO WASHINGTON, GET YOUR CUT, GIVE THEM A PART OF THEIR MONEY BACK AND SAY, 'LOOK WHAT I'VE DONE FOR YOU NOW, SO VOTE FOR US NEXT TIME'.

WHERE DOES THIS MONEY COME FROM? THERE ARE ONLY TWO PLACES YOU CAN GET IT: ONE, BORROW IT FROM THE FEDERAL RESERVE SYSTEM WHERE THEY HAVE TO PRINT THE MONEY CREATING NEW RESERVES FOR THE BANKING SYSTEM AND ADDING TO INFLATION, OR TWO, BORROW IT FROM THE AMERICAN PEOPLE FORCING UP INTEREST RATES. THAT'S ONE LOUSY CHOICE - HIGHER INTEREST RATES ON HIGHER RATES OF INFLATION.

THE DEMAGOGUES RANT ABOUT AMERICAN FREE ENTERPRISE AND SAY WE MUST DRIVE THE MONEY-LENDERS AND THE SPECULATORS FROM THE TEMPLE. I AGREE. IT'S TIME THEY UNDERSTOOD THOUGH THAT THEIR POLICIES HAVE MADE THE FEDERAL RESERVE SYSTEM THE MONEY-LENDERS AND THE TREASURERS OF THE NATIONS OF THE INDUSTRIAL WORLD THE SPECULATORS. LET'S DO DRIVE THE MONEY-LENDERS AND SPECULATORS OUT OF THE TEMPLE. THE ONLY WAY YOU CAN DO THAT IS BY CUTTING OUT THIS RIDICULOUS, IRRESPONSIBLE, INEXCUSABLE FEDERAL SPENDING ABOVE AND BEYOND THE MEANS OF THE AMERICAN PEOPLE.

DO YOU REALLY WONDER WHY THE AVERAGE CITIZEN IS TURNED OFF ON THE AMERICAN POLITICAL PROCESS, ALL OF IT? I DON'T. WHAT'S THE REPUBLICAN ALTERNATIVE? FOR GOSH SAKES, LET'S LOOK AT THE BUDGET AND CUT THE LIVING STEW OUT OF IT.

LET'S PUT IT DOWN FOR THE RECORD. REPUBLICANS MUST FIGHT INFLATION BECAUSE OF THE EFFECT INFLATION HAS ON FREEDOM. IT CAUSES UNEMPLOYMENT, HIGHER INTEREST RATES, RECESSION, INSECURITY AND LOSS OF FAITH. AS SOMEONE RECENTLY SAID, 'INFLATION IS DESTROYING THE LANDSCAPE BY WHICH PEOPLE JUDGE THE PROGRESS OF THEIR LIVES'. IF THIS IS SO, WE HAVE NO GREATER TASK THAN TO DEAL WITH IT BEFORE IT DESTROYS THE LANDSCAPE OF OUR POLITICAL SYSTEM.

TODAY WE HAVE THE INCREDIBLE SITUATION WHERE THE CENTRAL GOVERNMENT IN ATTEMPTING TO GIVE RELIEF FOR THE INFLATION IT ENGENDERED HAS TO ENGAGE IN ACTS WHICH LIMIT FREEDOM. JUST FOUR YEARS AGO SAW OUR FIRST PEACETIME CONTROLS ON WAGES AND PRICES. TODAY, THE MOST MASSIVE SHIFT OF WEALTH IN THE HISTORY OF MAN IS GOING AS A SUBSIDY NOT ONLY TO INDIVIDUALS, BUT AS A SUBSIDY TO FAILING CORPORATIONS - CORPORATIONS WHO ARE FAILING BECAUSE OF THE POLICIES OF THE FEDERAL GOVERNMENT. YET THOSE SUBSIDIES ARE TAKEN BY FORCE FROM THOSE LESS AFFECTED, THEREBY WEAKENING THEM AS WELL, AND PUTTING EVEN MORE PEOPLE IN JEOPARDY.

TODAY'S DEMOCRAT LIBERAL WOULD, IN THE FACE OF HENRY FORD'S PROPOSED ASSEMBLY LINE, HAVE RAMMED THROUGH CONGRESS A SUBSIDY BILL TO GIVE ROLLER SKATES TO HORSES AND ENACTED A HORSE POWER TRAINING PROGRAM

TO TEACH THEM HOW TO SKATE. BUT EVEN THEIR INGENUITY WOULD HAVE BEEN TAXED BY THE QUESTION OF HOW TO DEAL WITH THE PARTICULAR ENVIRONMENTAL PROBLEM CREATED THEREBY.

CUT THE STEW OUT OF THE FEDERAL GOVERNMENT, RESTORE FREEDOM, ELIMINATE THE SWEETHEART CONTRACTS, THE REGULATIONS, RESTORE CLASSICAL REPUBLICAN EMPHASIS ON ANTI-TRUST, ON COMPETITION, RESIST THE TEMPTATION TO BAIL OUT ONE MORE SICK DEAL. CAN YOU CUT THE BUDGET? YOU BET YOUR LIFE YOU CAN. START WITH 7 BILLION DOLLARS IN THE BUDGET TO BAIL OUT EUROPE BECAUSE THEY HAVE GOT TO PAY A HIGHER PRICE FOR OIL, AS IF WE DIDN'T. LOOK AT FOREIGN AID AND SEE IF YOU CAN'T CUT A BUNCH OF THAT OUT. LOOK AT PUBLIC WORKS, WHICH IS RIDICULOUS FOR THE AMOUNT OF FAT.

LOOK AT DEFENSE, YES, TAKE A LOOK AT DEFENSE. ASK YOURSELF AS A STRONG ADVOCATE OF NATIONAL SECURITY, IS IT BETTER TO STAY ROCK HARD BEHIND EVERYTHING THE PENTAGON WANTS, OR TO INSIST THAT IT CARRY SOME OF THE CUTS TOO? BECAUSE IF WE DON'T GET OUR ECONOMY IN SHAPE, WE'RE NOT GOING TO BE ABLE TO DEFEND ANYTHING. LOOK AT FEDERAL EMPLOYMENT. THERE ARE THREE MILLION WHO WORK FOR THIS GOVERNMENT, MOST OF THEM PRETTY DECENT PEOPLE. YOU DON'T HAVE TO GO IN

AND FIRE THEM ALL. 14% TO 18% OF THEM TURN OVER EVERY YEAR DUE TO RETIREMENT, OR DEATH, OR RESIGNATION. WHY NOT PUT AN HONEST FREEZE ON. A REAL HONEST FREEZE FOR ONCE IN OUR LIFE - NO NEW HIRING. THAT WOULD SAVE 3 TO 4 BILLION DOLLARS EVERY YEAR. HOW MANY ADDITIONAL BILLIONS COULD WE SAVE BY CUTTING OUT PROGRAMS WITH GOOD NAMES AND BAD PERFORMANCE RECORDS? HOW MANY MORE BY USING PUBLIC SERVICE EMPLOYMENT FUNDS FOR PRIVATE SECTOR JOB INCENTIVES? LET'S STOP TALKING ABOUT A REBATE IN TAXES WE DIDN'T HAVE TO BEGIN WITH AND START TALKING ABOUT TAX REDUCTION FOR MIDDLE INCOME, LOW INCOME, AND SMALL BUSINESS PEOPLE TO PUT OUR MOTIVATION WHERE THE REAL ACTION IS.

IF WE REALLY WANT TO DEAL WITH RECESSION, LET'S DEAL FROM STRENGTH, NOT FROM WEAKNESS. THERE ARE NOT ENOUGH PUBLIC SERVICE JOBS IN THE WORLD TO STOP RECESSION. THEY ARE NOT LONG TERM JOBS, AND THEY TRAIN FOR NO PRODUCTIVE PURPOSE. LET'S GO TO THE SMALL BUSINESS END OF THE SPECTRUM, THAT'S WHERE MOST PEOPLE WORK, AND THEY'RE THE ONES MOST HARD HIT BY INFLATION. LET'S PUT OUR TAX CUT IN THE HANDS OF SMALL AND MEDIUM BUSINESS AND LET THEM HAVE THE WHERE-WITH-ALL TO HIRE, TO EMPLOY, TO CREATE, AND TO PRODUCE, ADD A REAL TAX CUT FOR MIDDLE AND LOW INCOME INDIVIDUALS TO RESTORE THEIR LOST PURCHASING POWER, ACCOMPANY THAT BY A

MASSIVE CUT IN FEDERAL SPENDING, AND WE CAN GET THIS ECONOMY BACK IN FULL BLOOM AGAIN.

IF WE'RE GOING TO TALK ABOUT SAVING MONEY, WE OUGHT NOT BE AFRAID OF SOME NEW ANSWERS, EITHER. THERE ARE 1200 SOCIAL AGENCIES HANDING OUT WELFARE IN NEW YORK CITY. IS IT REALLY WISE OR POSSIBLE TO DO IT RIGHT WITH THAT MANY, OR ISN'T IT MORE HONEST TO TALK ABOUT FUNDAMENTAL WELFARE REFORM? CONGRESS IS SUBSIDIZING PENN CENTRAL TO STAY IN BUSINESS IN THE MOST INCOMPETENT POSSIBLE FASHION. BY WHAT RIGHT DO WE TAKE MONEY FROM THE PEOPLE OF UTAH OR SEATTLE TO CONTINUE TO PROVIDE UNECONOMIC RAIL SERVICE TO A SMALL TOWN IN THE EAST WHICH COULD BE SERVED BY TRUCK, AND WOULD, IF THE TRUCK LINE WAS ALLOWED TO COMPETE FOR A CHANGE INSTEAD OF BEING REGULATED OUT OF BUSINESS, AS THEY ARE TODAY. IS IT BETTER TO BAIL OUT THE PENN CENTRAL, OR TO MAKE A FUNDAMENTAL CHANGE IN THE SYSTEM ITSELF?

CUT THE STEW OUT OF THE BUDGET, BUT DO IT RATIONALLY, DO IT WITH SOME COMMON SENSE. LET'S GET OFF THIS OLD GARBAGE OF CALLING PEOPLE NAMES AND JUDGING THEIR IDEAS BY WHAT LABEL THEY CARRY. LOOK AT LAW AND ORDER. MAYBE IT'S ABOUT TIME THE CONSERVATIVES ADMITTED THAT WE HAVE GOT TO DEAL WITH SOME OF THE ROOTS OF THE CRIME PROBLEM IF WE ARE GOING TO STOP IT, JUST LIKE IT'S TIME

THE LIBERALS ADMITTED THAT YOU CANNOT PUT THE RIGHTS OF CRIMINALS ABOVE THE RIGHTS OF CITIZENS. IF IT IS TRUE, AS I BELIEVE IT IS, THAT ONE OF THE ROOTS OF CRIME LIES IN OUR PENAL AND JUDICIAL SYSTEM, WHERE WE TEACH FIRST-OFFENDERS TO BECOME PROFESSIONAL CRIMINALS, MAYBE WE COULD JUST FOR A LITTLE WHILE STOP SHOUTING AT EACH OTHER AND START SOME BASIC REFORM IN THIS AREA. IT MIGHT SAVE SOME MONEY, MORE IMPORTANTLY IT MIGHT SAVE SOME LIVES.

I MENTIONED SMALL BUSINESS, MOST PEOPLE WORK THERE. THEY'RE GETTING HAD. EPA, OSHA, TAXES, REGULATIONS, ALL SEEM TO BE DESIGNED TO KEEP SMALL BUSINESS SMALL. LET'S GET THE GOVERNMENT OFF THE BACK OF THE BEST COMPETITION IN AMERICA AND LET THEM PRODUCE AGAIN. IF WE HAVE ANY PROTECTION AGAINST BIG BUSINESS, IT IS IN A VITAL AND GROWING SMALL BUSINESS FULLY ABLE AND WILLING TO COMPETE.

I SEE THAT THE POST OFFICE IS GOING UP ON ITS PRICES AGAIN, AS THEY CONTINUE TO CUT SERVICES. WHAT'S SO SACRED ABOUT THAT OPERATION? WHY NOT LET PEOPLE BID FOR ROUTES? IF SOMEONE ELSE CAN GIVE BETTER SERVICES AT A LOWER PRICE THEN BY GOLLY LET'EM HAVE IT - I THINK IT WOULD BE GREAT.

THE LIST IS ENDLESS. IT CAN BE DONE.

I MET A YOUNG MAN WHO WAS TELLING ME WHAT IT WAS LIKE TO BE IN ISRAEL IN THE LAST WAR. HE SAID 'YOU KNOW, YOU CAN'T UNDERSTAND HOW WE APPROACH THESE THINGS, BUT THE WAY WE LOOK AT IT WE CAN'T LOSE ANY BATTLES, BECAUSE EVERY BATTLE IS THE LAST BATTLE, AND IF WE LOSE ONE THAT'S IT - WE HAVE NO PLACE TO GO. I WONDER IF WE HAVE EVER LOOKED AT THE WORLD LIKE THAT.

AMERICA IS THE ONLY THING THAT STANDS BETWEEN OUR FREEDOM AND A RETURN TO THE DARK AGES FOR ALL MANKIND. REPUBLICANS CAN, IF THEY WILL, BE THE ONE PARTY STANDING UNITED IN DEFENSE OF THE VALUES AND HERITAGE OF FREEDOM. YOU CAN BE, IF YOU WILL, THE ONE PERSON STANDING BETWEEN OUR REPUBLICAN HERITAGE OF INDIVIDUALITY AND THE OPIATE OF CONFORMITY OFFERED TO THOSE WHO HAVE NOT THE WILL TO CONTEST FOR THEIR OWN SOULS.

WE NEED YOUR HELP. IN 1972 THEY SAID WE COULDN'T INVOLVE 10,000 YOUNG PEOPLE IN THE PRESIDENTIAL CAMPAIGN, AND BY NOVEMBER WE HAD 400,000. TODAY THEY SAY NO YOUNG PERSON IS A REPUBLICAN, NOR SHOULD THEY BE. NEXT YEAR YOU PRODUCE A MILLION YOUNG VOLUNTEERS. YOU CAN, YOU KNOW. ALL YOU HAVE TO DO IS TO ASK. THEY HAVE NOWHERE ELSE TO GO. ASK THOSE WHO ARE CONCERNED, THOSE WHO HAVE TO WORK TO SURVIVE, TO FEED THEIR CHILDREN. I DON'T CARE WHAT PARTY THEY BELONG TO, I DON'T CARE WHAT UNION THEY ARE IN, I ONLY CARE THAT WE CARE ABOUT THEM,

LISTEN TO THEIR VOICE, ARTICULATE THEIR FEARS AND THEIR FAITH.

TELL THEM, NOT WHAT THE INTELLECTUAL LOGIC OF YOUR POSITION IS, TELL THEM WHAT INVOLVEMENT MEANS TO YOU AS A PERSON. ASK THEM, DON'T BE AFRAID. LET'S QUIT TALKING ABOUT POLITICS AND START TALKING ABOUT PEOPLE. IF WE WILL LISTEN, THEY WILL LISTEN, THEY WILL COME, AND WE'LL START SERVING AGAIN. THAT'S WHAT LEADERSHIP IS ALL ABOUT.

THE WHITE HOUSE
WASHINGTON

Date 3/12/75

TO: DON RUMSFELD
FROM: JERRY H. JONES

For your information.