

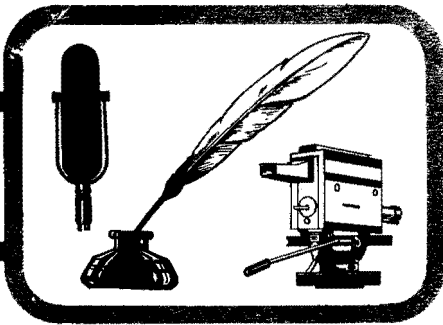
The original documents are located in Box D30, folder “Rotary Club, Grandville, MI, August 24, 1970” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

**NEWS
RELEASE**

--FOR RELEASE AT 12 NOON--
Monday, August 24, 1970

Excerpts from a Speech by Rep. Gerald R. Ford before the Grandville Rotary Club

There is good news on the economic front.

Inflation is definitely slowing down and the economy is in the early stages of an upswing.

These statements are not wishful thinking but developments which are borne out by the facts.

The facts are that the cost of living increased at a seasonally adjusted rate of 0.3 of one per cent in July, an annual rate of 3.7 per cent or only about half of the rate of increase recorded last winter.

The facts are that the earnings of the Nation's rank and file workers rose faster than the cost of living in July--for the third consecutive month. This means the average worker's purchasing power is going up under the present Administration. It means that his spendable earnings--his real income after deduction of Federal income tax and Social Security tax--increased in July for the third month in a row.

The facts are that the Administration's policies of fiscal and monetary restraint are producing a victory over inflation. This has been the Administration's game plan all along, and it is a game plan which is going to push the ball over the goal line.

I have predicted that the Administration's policies will slow inflation down to a 3 per cent rate. I renew that prediction today.

Let me also emphasize that an upswing in the economy is at hand. An upswing in the economy is beginning because the Administration's policy of a deliberate anti-inflation slowdown in the economy has left plenty of room for the economy to expand before any price strains resume.

We are also in the early stages of an economic upswing because our present fiscal and monetary policies are designed to produce moderate expansion--expansion without a rekindling of inflationary fires. Various tax cuts and the recent increase in Social Security benefits are giving consumers incentive to buy. We will now see an upward push on the economy. We will also see a moderate easing in longterm interest rates. Short-term interest rates are already down by about one percentage point from the start of the year.

(more)



The upswing in the economy is already reflected in the fact that housing starts are moving upward. I see a boom ahead. Economic lessons of the past tell us that housing is the first industry to be hurt by an economic contraction but it is also the first to respond to a quickening in the economy.

The Emergency Home Finance Act, which I sponsored in the U.S. House of Representatives, will give additional stimulus to the housing industry.

The Emergency Home Finance Act, which was recently signed into law, is aimed at attracting as much as \$6 billion into the housing market over the next 12 months.

The Act authorizes a \$250 million subsidy for Federal Home Loan Banks to stimulate mortgage lending through savings and loan institutions. It also provides a secondary market for conventional mortgages which is designed to help increase the fluidity of the mortgage market.

The Emergency Home Finance Act is the end product of legislation which I introduced in the House last April 30.

One section of the Act authorizes a new subsidized housing program to help middle income families obtain mortgage loans at interest rates as low as 7 per cent. The budget authorization--\$60 million a year for the first three years--should support construction of 450,000 housing units over a three-year period.

In sum, the Emergency Home Finance Act should permit more than a third of a million families to obtain home financing in the near future. It is important, too that the resulting construction of more than 200,000 new houses will also help provide many new jobs.

This is a program which was badly needed in this period when we are making a painful transition from a wartime economy to a peacetime economy.

This was an instance when the Congress, controlled by the opposition party, cooperated with the President.

Unfortunately, the Congress has failed to cooperate in the fight against inflation.

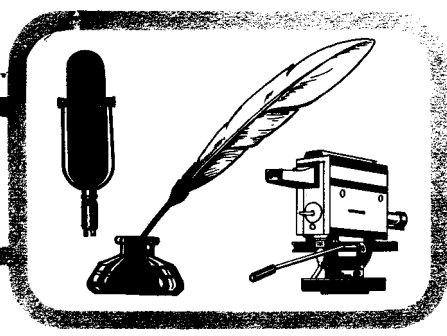
Now that we have turned the corner in the battle against inflation it is all the more important that the Congress refrain from overspending--refrain from jeopardizing the economic gains that we have made in our transition from a wartime to a peacetime economy.

We cannot afford a Congress which adds billions of dollars to the Federal Budget at a time when all Americans are fighting inflation and trying to live within their means.

This is a time for responsibility. This is a time for legislating in the best interests of the people, not with an eye on the November election.

*Distribution: 50 copies to Mr. Ford
8/22/70*

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