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ACKNOWLEDGEMENTS

Thank you very much Governor Thompson

Mr. Speaker

Mr. President

Members of the United States House and Senate
(Sen. Cotton ???)

Members of the Joint Convention

Distinguished Guests ~~INCLUDING~~ GOV SALMON AND

Ladies and Gentlemen

GOV LONGLEY

THE PRESIDENT HAS SEEN... *ky*

NEW HAMPSHIRE LEGISLATURE

FRIDAY, APRIL 18, 1975

IT IS A GREAT HONOR TO APPEAR HERE BEFORE THE
DISTINGUISHED LEGISLATURE OF THE GREAT 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 // IN THE RESPECT AND
ADMIRATION OF ALL 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 AND SHE WAS TELLING ME THAT YOU RECEIVED JUST
TWO HUNDRED DOLLARS A SESSION. I SAID,

"TWO HUNDRED DOLLARS A SESSION?" SHE SAID,

"THAT'S RIGHT. NOW YOU KNOW WHY OUR STATE MOTTO IS

'LIVE FREE OR DIE'!"

I COME HERE TODAY TO SAY A FEW WORDS ABOUT
THE PAST, TO OFFER SOME THOUGHTS ABOUT THE PRESENT
AND TO TALK ABOUT THE FUTURE.

THE PEOPLE OF NEW HAMPSHIRE ARE RICH IN HISTORICAL
HERITAGE.

IT WAS AT NEARBY NEWCASTLE THAT FOUR HUNDRED OF
YOUR ANCESTORS STORMED THE BRITISH FORT WILLIAM AND MARY
AND CAPTURED ITS MILITARY STORES -- FOUR MONTHS BEFORE THE
BATTLES OF LEXINGTON AND CONCORD. THE CAPTURED AMMUNITION
WAS USED BY 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 A DECLARATION OF INDEPENDENCE THREE WEEKS BEFORE
SUCH ACTION BY THE CONTINENTAL CONGRESS.

IT WAS AT BENNINGTON THAT GENERAL JOHN STARK
LED NEW HAMPSHIRE TROOPS AGAINST THE BRITISH WITH THESE
FAMOUS WORDS:

"THERE ARE YOUR ENEMIES -- THE REDCOATS AND
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.

LET US REMEMBER THE LESSON OF GENERAL STARK
AND THE MEN OF NEW HAMPSHIRE WHO FOUGHT FOR US THEN --
AND MAKE SURE 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 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 OVER-STATEMENT. SUCH
LANGUAGE TENDS TO DIVIDE MORE THAN UNITE. IT EXCITES
MORE THAN ENRICHES. IT PROMISES MORE THAN IT CAN
PRODUCE.

THIS IS NOT THE TIME 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 AND ACT WITH REASON AND RESTRAINT.

YOU AND I SHARE A COMMON INTEREST IN A SUBJECT
WHERE WE MUST AVOID EXTREMES AND EXCESS. 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 PAST DECADE -- NEW HAMPSHIRE HAS
TRULY BALANCED ITS BUDGET. YOU GRAPPLE WITH YOUR PROBLEMS
WITHOUT A GENERAL INCOME OR SALES TAX. I ADMIRE YOUR
SPIRIT OF SELF-DISCIPLINE AND SELF-RELIANCE. YOU HAVE
GONE ABOUT YOUR BUSINESS QUIETLY -- WITH RESTRAINT --
WITHOUT THE EXAGGERATED RHETORIC WHICH DIVIDES PEOPLE
AND WITHOUT EXCESSIVE PROMISES THAT CREATE SO MUCH FALSE HOPE.

IN FEDERAL PROGRAMS AND FEDERAL SPENDING,
THE OPPOSITE HAS BEEN TRUE. IN THE LAST QUARTER-CENTURY,
FEDERAL PAYMENTS FOR INDIVIDUALS CLIMBED FROM THIRTY-ONE
BILLION DOLLARS TO ABOUT ONE HUNDRED AND SIXTY BILLION DOLLARS
IN CONSTANT DOLLARS. IN OTHER WORDS, FROM LESS
THAN ONE-FOURTH OF THE FEDERAL BUDGET TO NEARLY ONE-HALF.

AMERICA IS NOW SPENDING -- IF WE INCLUDE
COMPARABLE FIGURES FOR STATE AND LOCAL GOVERNMENTS --
ABOUT TWO HUNDRED AND FIFTY BILLION DOLLARS ANNUALLY
FOR VARIOUS PAYMENTS TO INDIVIDUALS. THAT IS
APPROXIMATELY FIFTEEN PERCENT OF TODAY'S NATIONAL INCOME
COMPARED TO SOME FOUR PERCENT TWENTY-FIVE YEARS AGO.

MOST OF THIS SPENDING IS CENTERED IN A FEW PROGRAMS.

MORE THAN ONE-THIRD OF THE FUNDS ARE SPENT IN SOCIAL SECURITY
PAYMENTS, MEDICARE AND MEDICAID.

MANY BENEFIT PROGRAMS 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.

WE HAVE DONE MANY THINGS OVER THE PAST GENERATION
FOR THE AGED, THE BLIND AND THE DISABLED -- THOSE WHO
CANNOT HELP THEMSELVES. BUT IT IS ALSO TRUE THAT
THERE HAS BEEN AN ASTONISHING EXPLOSION IN THE NUMBER OF
OTHER FEDERAL PROGRAMS -- AND IN THE NUMBER OF PEOPLE
ADMINISTERING THEM.

SINCE THE EARLY 1960'S, THE NUMBER OF FEDERAL DOMESTIC ASSISTANCE PROGRAMS HAS GROWN FROM ABOUT TWO HUNDRED TO MORE THAN ONE THOUSAND TODAY. AND THERE HAS BEEN A MASSIVE INCREASE IN THE COUNTRY'S BUREAUCRACY -- ON THE FEDERAL, STATE AND LOCAL LEVEL -- FROM ABOUT SIX MILLION EMPLOYEES IN 1950 TO FOURTEEN MILLION TODAY.

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, GOVERNMENTS WOULD NEED
TO COLLECT IN TAXES MORE THAN HALF OUR GNP TO MEET THEIR COMMITMENTS.

ALMOST THREE-FOURTHS OF ALL FEDERAL SPENDING
IS CURRENTLY IN A CATEGORY CALLED "UNCONTROLLABLE."

I CATEGORICALLY REJECT THE VIEW THAT FEDERAL SPENDING IS
"UNCONTROLLABLE" AND THAT WE MUST ADD EACH YEAR TO THE
NATIONAL DEBT. FEDERAL SPENDING IS CONTROLLABLE.

THERE ARE TWO LEVERS OF SUCH CONTROL:

THE FIRST IS WITH THE AMERICAN PEOPLE. THEY
CAN SAY "NO" TO THOSE SPREADING THE NOTION THAT IT IS POSSIBLE
TO GET SOMETHING FOR NOTHING. OR THEY CAN SAY "YES"
TO THOSE OF US WHO ARE TRYING TO CURB THE INCREASING BURDEN
OF TAXATION AND WHO WANT TO RESTORE FISCAL RESPONSIBILITY.

THE SECOND LEVER IS THE EXERCISE OF LEADERSHIP
BY THE PRESIDENT AND THE CONGRESS IN THE CONTROL OF FEDERAL
SPENDING. AS PRESIDENT, I HAVE DRAWN THE LINE ON SPENDING.
BUT THE CONGRESS IS THREATENING TO GO FAR BEYOND THE LINE.
FOR EXAMPLE: THE HOUSE OF REPRESENTATIVES PASSED JUST TWO DAYS
AGO ITS FIRST REGULAR APPROPRIATION BILL FOR FISCAL 1976.
IT AMOUNTED TO ONE BILLION DOLLARS MORE THAN MY REQUEST
OF SIX POINT TWO BILLION DOLLARS FOR THE MAJOR FEDERALLY-AIDED
EDUCATION PROGRAMS. APPARENTLY, THE AMERICAN PEOPLE
MUST EDUCATE THE CONGRESS.

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 ONE HUNDRED AND EIGHTY YEARS TO REACH A FEDERAL BUDGET OF ONE HUNDRED BILLION DOLLARS ANNUALLY. IT TOOK ONLY NINE MORE YEARS FOR THAT BUDGET TO HIT TWO HUNDRED BILLION DOLLARS A YEAR -- AND ONLY FOUR YEARS BEYOND THAT FOR THE ANNUAL TOTAL TO CLIMB TO THREE HUNDRED BILLION DOLLARS.

THE FEDERAL GOVERNMENT EXPECTS TO SPEND ABOUT
THREE HUNDRED AND TWENTY-TWO BILLION DOLLARS THIS FISCAL YEAR, ¹⁹⁷⁵
WITH THE COOPERATION OF THE CONGRESS, I PLAN TO HOLD THE
BUDGET FOR FISCAL 1976 TO APPROXIMATELY THREE HUNDRED AND
FIFTY-SIX BILLION DOLLARS. I AM SERIOUSLY CONCERNED
ABOUT THE BORROWING WE MUST DO TO SUPPORT THESE LEVELS
OF SPENDING.

IN THESE TROUBLED ECONOMIC TIMES, HOWEVER,

I BELIEVE IT IS NECESSARY TO HELP THE UNEMPLOYED AND TO
STIMULATE THE ECONOMY BY A LIMITED TAX REDUCTION.

IN PERSPECTIVE, FEDERAL RECEIPTS FOR FISCAL 1976

WOULD BE MORE THAN FORTY BILLION DOLLARS HIGHER IF THE

ECONOMY WERE OPERATING NORMALLY. THIS ACCOUNTS

FOR THE MOST OF THE DEFICIT IN FISCAL 1976. IF THE ECONOMY

WERE OPERATING AT THE RATE OF ONLY ONE YEAR AGO, THE NATION

WOULD HAVE BALANCED BUDGETS BOTH THIS YEAR AND NEXT.

1975 1976
↑ ↑

NEVERTHELESS, SOME BELIEVE THAT THIS COUNTRY
CAN CONTINUE GOVERNMENT SPENDING -- FEDERAL, STATE AND
LOCAL -- ON MOST IF NOT ALL PRESENT PROGRAMS AND AT LEAST
AT THE CURRENT RATE OF OUTLAYS. OTHERS TAKE THE POSITION
THAT AMERICA IS NOT SPENDING ENOUGH TO MEET SOCIAL AND
OTHER NEEDS.

THE HEART OF OUR FINANCIAL DILEMMA TODAY IS THE
ENDLESS STREAM OF PROMISES MADE TO THE AMERICAN PEOPLE --
IN THE LAST GENERATION AND CONTINUING TODAY -- THAT THE
GOVERNMENT CAN AND WILL SATISFY MOST OF THEIR NEEDS --
AND EVEN THEIR WANTS.

THE LANGUAGE IS ONE OF EXTREMES AND EXCESS. IT IS THAT THE
GOVERNMENT WILL MAKE YOUR DREAMS COME TRUE -- ALL YOU HAVE
TO DO IS FILE AN APPLICATION.

THE AMERICAN PEOPLE CANNOT LIVE ON PROMISES.

WE MUST LIVE ON PRODUCTION.

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
DISILLUSIONMENT AND DESPAIR. WE HAVE COME TO A TIME --
IN MY JUDGMENT -- 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.
THESE GROWTH RATES ARE NOT ONLY RISING FASTER THAN CURRENT
REVENUES BUT ARE ABSORBING OUR ANTICIPATED FUTURE GROWTH.
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. (HOLD UP CATALOG) --
THIS IS THE 1974 CATALOG OF FEDERAL DOMESTIC ASSISTANCE --
SOME EIGHT HUNDRED PAGES OF PROGRAMS -- MUCH OF IT
IN FINE TYPE. IT WEIGHS ALMOST FOUR POUNDS AND
IS A COMPLEX MAZE OF PROGRAMS.

LET US LOOK AT THESE PROGRAMS. ARE WE
GETTING OUR MONEY'S WORTH? IF NOT, WHY NOT?

IT IS TIME TO RE-EXAMINE NOT ONLY THE AMERICAN
BUDGET BUT THE AMERICAN CONSCIENCE AND THE BASIC AMERICAN
VIRTUES. WE MUST GET OUR HOUSE IN ORDER. INSTEAD
OF MORE PROMISES, THE AMERICAN PEOPLE MUST ASK WHO
WILL PAY FOR THESE PROMISES.

THE UNITED STATES IS NOW SPENDING -- AMONG
FEDERAL, STATE AND LOCAL GOVERNMENTS -- HUNDREDS OF
BILLIONS OF DOLLARS FOR SOCIAL PROGRAMS. MANY
ARE UNCOORDINATED AND INEFFECTIVE. THEY MUST BE
REASSESSED.

WE MUST TAKE A CLOSE LOOK AT THESE AND ANY OTHER
PROGRAMS THAT MAY BE QUESTIONABLE.

THE AMERICAN PEOPLE UNDERSTAND THAT THEY PAY
FOR ALL THIS SPENDING EITHER THROUGH THEIR TAXES OR INFLATION
-- OR BOTH.

THIS COUNTRY IS NOT GREAT BECAUSE OF WHAT
THE FEDERAL GOVERNMENT HAS DONE, BUT WHAT AMERICAN
INDIVIDUALS HAVE ACCOMPLISHED.

WE MUST 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 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 WORKED WITHIN YOUR
MEANS.

NEW HAMPSHIRE IS MORE THAN A STATE. IT IS A STATE OF MIND.

IT IS THE TRUE NEW FRONTIER OF AMERICA -- BECAUSE IDEAS AND

PRINCIPLES AND VIRTUES HAVE NO BOUNDARIES. YOU HAVE

OFFERED US THE HORIZONS -- OF FREE MEN AND WOMEN --

NOT THOSE BURYING THIS NATION AND OUR PEOPLE IN DEBT.

VOLTAIRE ONCE SAID:

"COMMON SENSE IS NOT SO COMMON."

NEITHER ARE GRANITE PRINCIPLES AND GRANITE BELIEFS.

THANK YOU FOR YOUR INVITATION TO MEET WITH YOU

HERE TODAY.

END OF TEXT