

The original documents are located in Box 14, “8/25/75 - Remarks to the Hardware Industry Conference, Chicago, Illinois” of the President’s Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.

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THE PRESIDENT HAS SEEN . . .

REMARKS TO THE HARDWARE INDUSTRY CONFERENCE

CHICAGO, ILLINOIS

MONDAY, AUGUST 25, 1975

ACKNOWLEDGEMENTS

THANK YOU , MR. HUDSON ,

CARDINAL CODY ,

MR. SPENCER

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

IT IS A SPECIAL PLEASURE TO BE HERE THIS MORNING

TO PAY TRIBUTE TO THE AMERICAN HARDWARE INDUSTRY. YOURS

IS AN INDUSTRY THAT HAS TAKEN AMERICAN INGENUITY AND COUPLED IT

WITH SOME OF THE MOST EFFECTIVE MERCHANDISING TECHNIQUES

KNOWN TO MORTAL MAN.

NOW THAT MAY SEEM LIKE EXAGGERATION -- BUT A HARDWARE STORE
IS THE ONLY BUSINESS I KNOW OF, WHERE YOU CAN GO TO BUY A
TEN-CENT CARRIAGE BOLT -- AND COME OUT WITH A CAN OF PAINT,
A NEW IMPROVED SCREWDRIVER, 50 POUNDS OF CHARCOAL BRIQUETS,
A BICYCLE TIRE REPAIR KIT, 10 MINUTES WORTH OF FREE ADVICE,
12 PICTURE HOOKS, 6 FUSES AND A LAWN MOWER -- AND THEN
HAVE TO GO BACK, BECAUSE YOU FORGOT THE TEN-CENT CARRIAGE
BOLT YOU WENT IN TO BUY IN THE FIRST PLACE!

I'VE BEEN A TYPICAL HOME-OWNER MOST OF MY LIFE

AND MY WIFE BETTY KNOWS IT. SHE SAYS THAT SENDING ME

TO A HARDWARE STORE IS THE NEAREST THING SHE KNOWS TO

PLAYING CHICKEN WITH OUR LIFE SAVINGS.

NEVERTHELESS, ON BEHALF OF ALL US DO-IT-YOURSELFERS,

LET ME THANK ALL OF YOU HERE FOR MAKING POSSIBLE THAT WONDER

OF WONDERS -- THE NEIGHBORHOOD HARDWARE EMPORIUM -- MORE

AFFECTIONATELY KNOWN AS THE WORLD'S ONLY CANDY STORE FOR

GROWN-UPS.

IN YOUR BUSINESS, YOU CONSTANTLY SEEK OUT NEW IDEAS.

SO, TOO, DO WE IN THIS COUNTRY. IN FACT, NO NATION OR

SOCIETY IN HISTORY HAS DONE MORE TO ENCOURAGE INVENTION,

INNOVATION AND INITIATIVE.

THE EXPLOSION OF AMERICAN IDEAS BEGAN 200 YEARS AGO

WITH OUR DECLARATION OF INDEPENDENCE. A CENTURY AGO,

A TIDE OF INDUSTRIAL PROGRESS STARTED TO SWEEP OVER AMERICA.

SEWING MACHINES REVOLUTIONIZED THE CLOTHING INDUSTRY.

ELECTRICITY MADE LIFE BRIGHTER AND MORE PROSPEROUS.

AUTOMOBILE ASSEMBLY LINES PUT US ON WHEELS. / THE TELEGRAPH

AND TELEPHONE -- LATER MOVIES, RADIO AND TELEVISION --

LINKED THE PEOPLE OF THIS VAST NATION TOGETHER.

IN OUR GENERATION, AMERICA HAS SPLIT THE ATOM

AND CONQUERED SPACE.

AMERICANS NEVER SHIRKED CHALLENGE.

COURAGE, ORIGINALITY, OPPORTUNITY AND OPTIMISM ARE NATIONAL

TRAITS.

THIS HAS BEEN THE SPIRIT OF AMERICA FOR THE PAST
TWO CENTURIES -- A SPIRIT OF IDEAS AND INDIVIDUALITY.
IT WAS AND IS THE SPIRIT OF PRIVATE ENTERPRISE -- CHURNING
AHEAD IN A FREE, COMPETITIVE SYSTEM -- FUELED BY PRIVATE
SAVINGS AND INVESTMENT.

WE NEED TO RECALL THESE BASIC FACTS ABOUT AMERICA,
ABOUT OURSELVES AS A PEOPLE, AND ABOUT OUR WAY OF LIFE.
NO NATION HAS INVESTED MORE THAN WE HAVE IN HUMANITY AND
SCIENCE. NO NATION HAS TAKEN GREATER RISKS OR
EXPERIMENTED AS MUCH FOR PROGRESS. AS A RESULT, NO NATION
HAS EARNED SUCH RICH REWARDS AS THE UNITED STATES.

TODAY, AMERICA IS AGAIN CALLED UPON TO INVEST,
TO RISK AND TO EXPERIMENT IN THE NAME OF PROGRESS. BUT
WE HAVE REACHED A WATERSHED. A DECISION MUST BE MADE.
THE QUESTION, PUT SIMPLY, IS THIS: HOW DO WE FINANCE BOTH
THE INVESTMENT NEEDED FOR ECONOMIC GROWTH AND THE ESSENTIAL
PROGRAMS NEEDED TO SOLVE HUMAN PROBLEMS?

TODAY, WE ARE FACED WITH THE PROBLEM OF CREATING

NEW JOBS -- IN NUMBERS GREATER THAN EVER BEFORE. ALTHOUGH

THE UNEMPLOYMENT RATE IS FAR TOO HIGH -- NEVERTHELESS,

85 MILLION AMERICANS ARE AT WORK, AND THAT IS 1.2 MILLION MORE

THAN JUST LAST MARCH. BY 1980, WE MUST CREATE ANOTHER

14 MILLION JOBS TO MEET THE NEEDS OF OUR EXPANDING POPULATION.

THIS IS OUR OBJECTIVE AND IT WILL REQUIRE VERY SUBSTANTIAL

ECONOMIC PROGRESS.

AS ALWAYS, ECONOMIC PROGRESS DEPENDS ON OUR
ABILITY AS A NATION TO FOSTER CAPITAL INVESTMENT AND INCREASE
THE PRODUCTIVITY OF OUR WORKERS.

THE SHARE OF OUR GROSS NATIONAL PRODUCT COMMITTED
TO PRIVATE SECTOR INVESTMENT MUST INCREASE SIGNIFICANTLY
OVER THE NEXT FEW YEARS IF WE ARE TO REACH OUR ECONOMIC
POTENTIAL. SOME ESTIMATE THAT TOTAL INVESTMENT REQUIREMENTS
COULD REACH AS HIGH AS FOUR TRILLION DOLLARS!

HOWEVER, AS OUR NEED FOR CAPITAL GROWS, THE ABILITY
OF INDUSTRY TO GENERATE NECESSARY FUNDS IS DECLINING. THIS
IS ESSENTIALLY BECAUSE INFLATION HAS SERIOUSLY ERODED
CORPORATE BALANCE SHEETS AND BECAUSE OUR NATIONAL TAX LAWS
FAIL TO STIMULATE SUCH INVESTMENT.

IN SHORT, OUR FINANCIAL ABILITY TO INCREASE
PRODUCTION IS DECLINING. THIS DECLINE IS CURTAILING
NEEDED GROWTH IN JOBS AND INCOME AND UNDERMINING OUR ABILITY
TO COMPETE INTERNATIONALLY.

I AM CONFIDENT THAT, ONCE THIS BECOMES CLEAR
TO THE AMERICAN PEOPLE, THEY WILL UNDERSTAND AMERICA'S
NEED FOR TAX POLICIES THAT WILL HELP TO CHANNEL SUFFICIENT
RESOURCES INTO THE EXPANSION OF OUR PRODUCTIVE CAPACITY.

AT TODAY'S LEVEL OF ECONOMIC ACTIVITY, NO SHORTAGE
OF INDUSTRIAL FACILITIES EXISTS. BUT OUR NATION'S ECONOMIC
MACHINE IS NOT RUNNING AT TOP SPEED. IN THE FUTURE,
WE HAVE EVERY REASON TO EXPECT IT WILL. BUT WE MUST NOT
PERMIT BOTTLENECKS AND SHORTAGES TO REAPPEAR AS THE ECONOMY
GAINS MOMENTUM. WE MUST NOT CONDEMN CITIZENS TO
UNEMPLOYMENT BECAUSE THE MODERN TOOLS NEEDED TO COMPETE IN
WORLD MARKETS ARE LACKING.

CAPITAL IS VITAL TO ALL SEGMENTS OF OUR ECONOMY --

TO EXPAND AGRICULTURAL PRODUCTION - TO DEVELOP DOMESTIC
RESOURCES OF ENERGY AND RAW MATERIAL, REDUCING OUR DEPENDENCE
ON IMPORTS - AND TO PRESERVE AND IMPROVE THE ENVIRONMENT.

THIS ADMINISTRATION HAS PROPOSED REFORMS TO THE
CONGRESS TO STIMULATE WHAT SOME CALL " CAPITAL FORMATION"
THROUGH TAX INCENTIVES.

BUT I PREFER TO USE THE TERM "JOB CREATION," BECAUSE THAT'S
WHAT THESE PROPOSALS WOULD DO. IF ADOPTED, THEY WOULD
PROVIDE THE FUNDS TO EXPAND AMERICAN INDUSTRY'S CAPABILITY
TO CREATE JOBS -- FOR ONE THING, BY REDUCING THE "DOUBLE
TAXATION" OF DIVIDENDS.

AS EXPECTED, THESE PROPOSALS HAVE RAISED AN OUTCRY
FROM SOME MEMBERS OF THE CONGRESS WHO OPPOSE THEM.

BUT THE CONGRESS HAS COME UP WITH NO ALTERNATIVES.

AMERICA CANNOT PUT ITS FAITH IN WISHING WELLS.

WE MUST DO SOMETHING ABOUT EXPANDING OUR SOURCES OF CAPITAL

TO CREATE JOBS -- AND WE MUST DO IT NOW. I ASK THE

CONGRESS TO JOIN WITH ME IN THIS COMMITMENT TO OUR NATION'S

FUTURE -- TO INCREASED JOBS, INCOME AND TO FULL-RECOVERY.

LET US EXPAND THE SIZE OF OUR ECONOMIC PIE --

RATHER THAN SIMPLY REDISTRIBUTING THE PIECES OF A FAR SMALLER

PIE. BY ITSELF, HOWEVER, ADDITIONAL CAPITAL CANNOT

REVITALIZE THE AMERICAN ECONOMY AND OUR FREE MARKET SYSTEM.

WE MUST ALSO TAKE STEPS TO HELP RESTORE THE VITALITY OF THE

MARKETPLACE -- AND EFFECTIVE COMPETITION IS THE WAY TO DO IT.

TOO OFTEN IN THE PAST, OUR GOVERNMENT HAS STIFLED THAT
COMPETITION IN THE NAME OF ECONOMIC REGULATION TO THE DETRIMENT
OF THE CONSUMER. FOR THAT REASON, MY ADMINISTRATION --
WITH STRONG SUPPORT IN THE CONGRESS -- IS SEEKING FUNDAMENTAL
REFORM OF ECONOMIC REGULATION IN THE UNITED STATES.

THE PROBLEM IS THIS: IN MANY INDUSTRIES --

TRANSPORTATION, ENERGY, COMMUNICATIONS AND IN OTHERS --

FEDERAL REGULATORY COMMISSIONS HAVE THWARTED COMPETITION.

THESE BUREAUCRATIC MONOPOLIES HAVE TANGLED

BUSINESS IN CONFLICTING POLICIES AND RED TAPE TOO LONG.

THEY HAVE BURDENED THE CONSUMER WITH THE COSTS OF MISDIRECTED
REGULATION.

ALTHOUGH I AM GREATLY ENCOURAGED BY WIDESPREAD
BACKING FOR REGULATORY REFORM, I ALSO RECOGNIZE WE STILL
HAVE A LONG WAY TO GO TO ACHIEVE IT. BUT WITH CONTINUED
PUBLIC SUPPORT -- WITH THE SUPPORT OF YOU AND YOUR INDUSTRY
-- WE WILL REVERSE THE TREND OF THE LAST FEW DECADES.
WE WILL ESTABLISH AS NATIONAL POLICY THIS BASIC FACT OF
ECONOMIC LIFE: THAT GOVERNMENT REGULATION IS NOT AN EFFECTIVE
SUBSTITUTE FOR VIGOROUS COMPETITION.

HAVING SAID THIS, LET ME ADD THAT SOME REGULATIONS
ARE NECESSARY AND APPROPRIATE -- FOR INSTANCE, INVOLVING
HEALTH, SAFETY AND THE ENVIRONMENT. THE REFORMS WE SEEK
WOULD ELIMINATE THE IMPRACTICAL, THE UNNECESSARY AND THE
OBSOLETE.

AS PART OF THIS EFFORT TO INSURE THAT WE HAVE A
STRONG ECONOMIC SYSTEM, WE MUST MAINTAIN AN ANTITRUST
POLICY WHICH VALIDATES OUR COMMITMENT TO COMPETITIVE MARKETS.

IF WE REDUCE GOVERNMENT REGULATION OF BUSINESS,
WE MUST MAKE CERTAIN OUR ANTITRUST LAWS ARE VIGOROUSLY
ENFORCED. COMPETITION, WHEN FREED OF GOVERNMENT
REGULATION AND SUPPORTED BY ANTITRUST LAWS, IS THE DRIVING
FORCE OF OUR ECONOMY. IT WILL DRIVE COSTS DOWN TO
THEIR MINIMUM AND ASSURE PRICES BASED ON THESE COSTS.

YET, SUCH STEPS COVER ONLY PART OF THE PROBLEM.

IT IS MUCH MORE DIFFICULT TO DEAL WITH AREAS THAT ANTITRUST

LAWS DO NOT NOW TOUCH. THESE ARE THE REGULATED AND

LEGAL MONOPOLIES AND THE GOVERNMENT-SANCTIONED CARTELS.

FOR INSTANCE, VARIOUS INDUSTRY RATE BUREAUS
AND SELF-REGULATORY AGENCIES -- TRANSPORTATION RATE BUREAUS,
SHIPPING CONFERENCES, STOCK EXCHANGES AND PROFESSIONAL
ASSOCIATIONS -- NOW OPERATE IN A CONGENIAL COST-PLUS
ENVIRONMENT. THIS IS BECAUSE GOVERNMENT ONCE DECIDED
THEY NEED NOT OR CANNOT COMPETE.

THEY ARE ALLOWED TO FIX PRICES AND DIVIDE MARKETS UNDER THE
REGULATORY CLOAK, FREE FROM ANTITRUST ENFORCEMENT.

AN ESSENTIAL ELEMENT OF THE REGULATORY REFORM LEGISLATION

I HAVE ALREADY SENT OR WILL SEND TO THE CONGRESS WILL

ELIMINATE MOST OF THESE ANTI-COMPETITIVE PRACTICES.

THE REMAINDER OF THESE PRACTICES, NOW IMMUNIZED FROM THE
ANTITRUST LAWS, ARE UNDERGOING INTENSIVE REVIEW.

IN SHORT, THIS ADMINISTRATION WILL LOOK AT THE
WHOLE RANGE OF GOVERNMENT-SANCTIONED MONOPOLY -- FROM THE
SMALL FRANCHISES PROTECTED BY FEDERAL REGULATIONS WHICH
RULE OUT COMPETITION -- ALL THE WAY TO GOVERNMENT-ENDORSED
CARTELS CONTROLLING ENTIRE INDUSTRIES.

WE MUST RECOGNIZE THIS: OVER THE YEARS, GOVERNMENT
HAS DONE AS MUCH TO CREATE AND PERPETUATE MONOPOLY AS IT HAS
TO CONTROL OR ELIMINATE IT. AS A RESULT, THIS NATION
HAS BECOME ACCUSTOMED TO CERTAIN FORMS OF MONOPOLY.
SOME ARE REGARDED AS BENEFICIAL -- SOME NOT.

IF AN INDUSTRY COMBINES TO RAISE PRICES, IT
VIOLATES OUR ANTI-TRUST LAWS. BUT NO LAWS ARE VIOLATED
IF AN INDUSTRY CAN GET THE FEDERAL GOVERNMENT TO BUILD TRADE
BARRIERS, TO INCREASE SUPPORT PRICES FOR ITS GOODS OR
SERVICES/ OR TO POLICE AGAINST POTENTIAL COMPETITORS OR
PRICE-CUTTERS. TOO OFTEN, THE GOVERNMENT WALKS WITH
INDUSTRY ALONG THE ROAD TO MONOPOLY.

THE END RESULT OF SUCH SPECIAL TREATMENT PROVIDES
SPECIAL BENEFITS FOR SMALL BUT POWERFUL GROUPS IN THE ECONOMY
AT THE EXPENSE OF THE TAXPAYER AND THE CONSUMER.

LET ME EMPHASIZE: THIS IS NOT -- AND NEVER WILL BE --

AN ADMINISTRATION OF SPECIAL INTERESTS. THIS IS AN

ADMINISTRATION OF THE PUBLIC INTEREST. THEREFORE, WE WILL

NOT PERMIT THE CONTINUATION OF MONOPOLY PRIVILEGE WHICH

IS NOT IN THE PUBLIC INTEREST. IT IS MY JOB -- AND

YOUR JOB -- TO OPEN UP THE AMERICAN MARKETPLACE TO ALL COMERS.

ULTIMATELY, THESE VITAL REFORMS WILL BE VIEWED

AS THEY SHOULD BE: AS "POCKETBOOK" ISSUES. GOVERNMENT

REGULATION AND RESTRICTIONS NOW COST CONSUMERS BILLIONS OF

DOLLARS EACH YEAR. WE MUST BECOME CONCERNED ABOUT THE

COST OF MONOPOLY, HOWEVER IT IS IMPOSED AND FOR WHAT REASONS.

WE MUST BE SURE THAT REGULATORY REFORM AND ANTITRUST
ACTIONS GO HAND-IN-HAND WITH INCENTIVES TO SPARK CAPITAL
INVESTMENT TO CREATE NEW JOBS AND NEW COMPETITION. THIS IS
WHAT IS NEEDED TO REVIVE THE AMERICAN ECONOMIC DREAM.

BEFORE I CLOSE, LET ME SHARE ONE THOUGHT WITH YOU.

IT CONCERNS A SUBJECT THAT AFFECTS THE LIVES AND POCKETBOOKS

OF EVERY AMERICAN -- THE RUNAWAY GROWTH OF THE FEDERAL

GOVERNMENT. ONE OF THE GOALS I HAVE SET FOR MYSELF

AS PRESIDENT IS TO CUT BIG GOVERNMENT DOWN TO SIZE -- TO MAKE

IT MORE MANAGEABLE, MORE RESPONSIVE, MORE EFFICIENT --

AND LESS COSTLY. I WANT TO PUT AN END TO THE MOUNTAIN

OF PAPERWORK AND THE QUICKSAND OF REGULATION WHICH BIG

GOVERNMENT MAKES EVERY AMERICAN BUSINESSMAN COPE WITH.

DO YOU HAVE ANY IDEA HOW MANY DIFFERENT FEDERAL FORMS

WASHINGTON SENDS OUT AND ASKS YOU TO FILL OUT? WOULD YOU

BELIEVE OVER 5,000? FIVE THOUSAND FEDERAL FORMS TO KEEP

WASHINGTON AT WORK AND BUSINESSMEN FROM THEIR WORK!

BELIEVE ME, THIS IS NOT THE WAY THIS GREAT NATION WAS BUILT.

I CAN REMEMBER HOW MY FATHER STARTED A SMALL
FAMILY PAINT FACTORY BACK IN -- OF ALL YEARS -- 1929.
EVERYBODY PITCHED IN. MY SPECIALITY WAS MIXING THE
PAINT AND LABELLING CANS. BUT MY FATHER WAS ALWAYS
OUT THERE SELLING THE MERCHANDISE AND DOING WHAT MAKES SENSE
FOR THE BUSINESS -- NOT WHAT MADE SENSE FOR THE BUREAUCRATS.

THE FORD PAINT AND VARNISH COMPANY SURVIVED

THE DEPRESSION. I'VE OFTEN WONDERED IF IT WOULD HAVE --

IF MY FATHER HAD TO FILL OUT ALL OF TODAY'S FORMS AND APPLICATIONS

AND QUESTIONNAIRES -- AND COPE WITH THE PATCHWORK OF

RULES AND REGULATIONS WHICH FACE TODAY'S BUSINESSMEN.

MY OBJECTIVE IS TO GET THE FEDERAL GOVERNMENT
AS FAR OUT OF YOUR BUSINESS, OUT OF YOUR LIVES, OUT OF
YOUR POCKETS AND OUT OF YOUR HAIR -- AS I CAN!

TO THIS END, WITHIN THREE WEEKS AFTER I CAME INTO OFFICE LAST AUGUST, I DIRECTED THE HEADS OF ALL FEDERAL DEPARTMENTS AND AGENCIES TO REDUCE THE PERSONNEL FOR WHOM THEY HAD REQUESTED FUNDS FOR THE REMAINDER OF THE FISCAL YEAR BY 40,000. ACTUALLY, I CAN REPORT TO YOU TODAY THAT THEIR PERFORMANCE EXCEEDED MY DIRECTIVE: WE ENDED FISCAL YEAR 1975 WITH A REDUCTION OR CUTBACK OF 52,000 EMPLOYEES UNDER THE PLANNED LEVELS OF A YEAR AGO.

AS FOR THOSE 5,000 GOVERNMENT FORMS, I CAN TELL YOU THIS: SEVERAL MONTHS AGO, I DIRECTED JIM LYNN, WHO HEADS THE OFFICE OF MANAGEMENT AND BUDGET, TO EXAMINE, ANALYZE, EVALUATE -- AND THEN THROW OUT AS MANY OF THESE TIME-WASTERS AS HE CAN. I WANT TO SEE THE AMERICAN BUSINESSMAN PUSHING MERCHANDISE -- NOT PENCILS!

YOU DON'T NEED A LOT OF BUREAUCRATS LOOKING OVER
YOUR SHOULDER AND TELLING YOU HOW TO RUN YOUR LIFE OR YOUR
BUSINESS. WE ARE A PEOPLE WHO DECLARED OUR INDEPENDENCE
200 YEARS AGO AND WE'RE NOT ABOUT TO LOSE IT NOW TO THE PAPER-
SHUFFLERS AND COMPUTERS.

LET'S TAKE THE SHACKLES OFF AMERICA'S BUSINESSMEN.

THAT'S THE ONLY KIND OF HARDWARE I DON'T APPROVE OF.

THANK YOU VERY MUCH.

END OF TEXT