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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
RECEPTION OF THE
AMERICAN SOCIETY OF ORAL SURGEONS

THE WASHINGTON HILTON

9:29 P.M. EDT

It is great to be here and as I look over the audience I see some of my former colleagues in the Congress, but it is delightful to be here again as I was in 1971 when I was still in the House of Representatives and had the opportunity of joining Dr. Jim Edwards, who is now a great Governor in South Carolina, and also to be here -- I am sure he must be here someplace, Dr. Lee Ricker from my hometown of Grand Rapids, Michigan.

Well, I just met Dr. Hayward from the University of Michigan as I came in. A long time ago, before many of you knew anything about oral surgery, I was the beneficiary of some experimental work (Laughter) at the University of Michigan Dental School, and I must say, I have not had one failure from that fine experimental work for which I thank them all.

But in 1932 and 1933, when I was the beneficiary of that expert professional training and instruction, whatever the price was, it was cheap but it was a darn good bit of service and for them I thank them. But it got me straightened out on the right path because I have benefitted from the good advice they gave and I am real proud of what all of you in your society and your associates have done, and I compliment you for the high professionalism of your organization and the people that are a part of it.

The original schedule was that I was to be here last night. (Laughter) But I had another message to give on a far broader scale. (Laughter) And so I thought if you could stand it, I would come here tonight after I got back from a long day in Tennessee to give you a personal, first-hand approach to some of the things I said last night. And if you don't mind my repeating and, perhaps, expanding some of those views, I would like to do so.

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I think we are faced with two very serious decisions that I had to make and that I have made, and now the Congress must face up to, and it will have to decide. The two problems are very simple. I believe the Federal Government should tax less, and it is my strong conviction that the Federal Government should put a substantial restraint on the growth of Federal spending.

I feel very strongly that you can't do one with the other and I am going to say to the Congress very specifically, very categorically, if you want a tax reduction, if you want a meaningful, substantial, constructive tax reduction, you have to put a restraint on Federal spending, period.

Let me talk very specifically, if I can, about what the trend of Federal spending is. On June 30 of this year, Federal spending for a 12-month period will be \$370 billion. In 12 months your Government will spend in this current fiscal year \$370 billion. If we don't add one new program, if we don't change one dollar in escalation, if we let things just go along as they are, the growth in Federal spending in the next 12 months from July 1 of this year or next year to July 1 of 1977, you will add \$50 billion to Federal spending in 12 months.

That is the add-on and will take you up to \$420 or \$430 billion. That is the growth factor without any new program, without improving, changing or -- that is just what happens mechanically. Because more people become eligible, the escalation clauses are in effect. It just happens.

Now, some people say that is uncontrollable. I don't think it is. It is uncontrollable if Congress does not do anything to stop it. That is what the law says; but if Congress will face up to a limitation, we can control it and that is what they ought to do.

We ought to get rid of the word "uncontrollable Federal expenditures." You can control them, I can control them-- if Congress will change the law, period.

And let me point out one thing, if I might. This fiscal year which begins, or ends I should say, next June 30 will have a deficit of somewhere between \$62 and \$70 billion -- deficit. That is more money we have to borrow to pay our current obligations in 12 months.

If what I have recommended, that we get a \$28 billion tax cut and a \$28 billion limitation on the growth of Federal expenditures, we can just about cut in half for the next fiscal year the deficit. It will be somewhere around \$40 billion.

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Now, that's bad, but let me tell you what will happen if we don't cut the growth -- and I underline the growth -- in Federal expenditures. We will end up with a deficit next fiscal year of \$70-plus billion, so you will have back to back deficits of around \$140 -- well, total \$140 billion. That is the cold, hard statistical fact of life.

So what is our choice? In order to get the Congress to put a limitation on growth of Federal spending, we have to convince the Congress that it is wise to put a tax reduction in at the same time. I think a good many Members of Congress even today agree with that and more and more will agree with it if you go out and sell it.

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What kind of tax package are we trying to sell? We are trying to sell a tax package that gives to the hard working, industrious, middle-income group a better break. They have been shortchanged, if you look at the tax packages over the last ten or 20 years, and we are talking about the people in the range of \$8,000 to \$25,000 to \$30,000.

They have been getting shortchanged. You can look at the statistics. They are very accurate. What we are trying to do is to give to them the kind of a break so they can send their kids to school, buy a home, do some of the things that they worked for and sought to achieve.

What are the specifics? The specifics are to increase the personal exemption from \$750 per person to \$1,000. Number two, for a single person, the regular deduction, standard deduction they call it, for a single person, a flat rate of \$1,800; for a family, \$2,500.

In addition, we revise the rate schedules. The net result is you are going to have equity done to those people down in that middle-income group, and they have taken it on the chin and they deserve their fair share.

We have emphasized in recent years taking care of the less well off. Under the tax package I have recommended, they are held harmless, they are not taxed one dime more. Over the years, some people allege that the people more well off have gotten the benefits. We don't give them any more.

The people that get the help are those people in the middle-income brackets, and they are the strength, in my judgment, of our American society.

But, I re-emphasize for the benefit of some of my friends from the Congress who are here on both sides of the aisle, if we are going to give this kind of a meaningful tax reduction, we have to have a dollar for dollar reduction in the growth of Federal expenditures.

It is a package or it is nothing, and I ask for your help to convince your Members of Congress that that is the right thing to do.

One other observation and comment. I am real pleased to be here with all of you who have such intimate contact with your patients and your fellow citizens. I am grateful for the help and assistance you gave me over a long period of time, and I urge you to continue that high level of professionalism, which is so important in our society.

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Excellence is something that we should stimulate our successors to achieve. You who are here represent that, and this is what we have to have in our society, individually and collectively, and we have to have as a Nation.

Whether it is meeting the problem of expenditures or taxes or energy or foreign policy, we have to have that kind of vision, that kind of action, if we are to justify the faith that was given to us by our forefathers.

You and I have a mission to justify what they did for us, and we have a responsibility for those that succeed us. Our goals should be high and our efforts should be maximized -- not for us, but to adequately represent what was done before and to stimulate that what must be done in the future.

Thank you very much.

END (AT 9:43 P.M. EDT)