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JANUARY 29, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

## THE WHITE HOUSE

REMARKS OF THE PRESIDENT TO THE YOUNG REPUBLICAN DELEGATE CONFERENCE ATTENDEES

## THE EAST ROOM

5:21 P.M. EST

Thank you very, very much.

I am really delighted to welcome you to the East Room of the White House. I am particularly pleased to see so many of you, to see the enthusiasm and to know that the Young Republicans throughout the country are alive and kicking, are going to help us win in 1976.

As I was walking over from the Oval Office I was thinking about my first experience in politics. It was in the Young Republicans. The YR's were significant then, the YR's are important today and the YR's are going to make great contributions in the future, and I thank you all for your efforts now as well as in the future.

I was also thinking about the contributions that younger people are making to this Administration. I believe we have more younger people in positions of responsibility in this Administration than in any recent Administration that I am familiar with. The Chief of Staff of the White House West Wing is Dick Cheney -- 34 years old. We have other people not only in the White House but in many other agencies who are able, active, vigorous young people who are laying the foundation not only for success of the Administration but for the benefit of the country, and so we welcome not only your efforts in the YR's but your contributions to good, to better Government.

Let me speak, if I might, for just a minute about what we are trying to do and how we are seeking to make it a stronger, more meaningful country as far as you are concerned and literally thousands and millions of others.

In the State of the Union message, in the budget that I submitted and in the economic plan or program that was submitted to the Congress just a few days ago we have tried to do in broad terms the following:

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Number one, a proper balance between the Government on the one hand and the private sector on another; a better balance between the taxpayer on the one hand and those that receive Federal benefits on the other; a proper balance between the Federal Government and State and local units of government; and a proper balance between domestic programs which are essential and our national security.

Let me give you an illustration or two in each instance of what we are seeking to accomplish. Let's take the role of the national defense -- the Army, Navy, Air Force and Marines -- and the contribution that they make, and the role of our domestic programs on the other hand.

In the budget that I submitted for fiscal year 1977 for the first time in the last 10 years we gave a slightly larger percentage of total Federal expenditures for our national security so that the defense of this country will be second to none.

During the last 10 years the Army, Navy, Air Force and Marines have been getting a lesser and lesser, a smaller and smaller share of total Federal expenditures. The percentage has gone from something like 40 percent down to 24 percent.

At the same time during this decade the portion or percentage of Federal expenditures for domestic programs have gone up from about 30 percent to the range of about 42 or 43 percent and the net result has been during this period of time that our deterrent capability, our capability to respond to any challenge of our efforts on a worldwide basis for peace or security was eroded, and so in the budget that I just proposed we asked for additional funds, a greater percentage of Federal expenditures so that the security of America will be insured.

At the same time we have proceeded to finance those domestic programs for the aged, for the less well-off at fully adequate amounts so that nobody can say that we have lacked compassion, lacked concern. We help the unemployed, we provide training, jobs and opportunities for those who are temporarily laid off. We provide for the older people. We recommend for the first time a program to take care of those who are unfortunately affected by a catastrophic illness, a program that makes sure and certain that individuals who are ill for an extended period of time with either hospital or nursing home care or affected by never-ending medical costs are no longer a drain on their own resources or those of their family. We are trying to get this balance between defense and domestic programs.

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The relationship between the Federal Government and States is vitally important. In my time in the Congress there was always a drive, a tendency to concentrate power and authority in the Federal Government with a corresponding reduction in the role or the responsibility of local units of government -- State or local.

The feeling during this period of time was that the Federal Government knew how to do the job best and that it was better to undercut the role of locally elected officials. That theory didn't work, and the net result is we piled program after program after program on the Federal Government and we found too many failures. We wasted too much money. We tried to control the lives of individuals from the Federal Government and it didn't work.

Some of those people who promoted this idea for too long a time never seem to understand that a Government big enough to give us everything we want is a Government big enough to take from us everything we have.

I recognize that there are individuals in our society back in your respective States who need some Federal assistance, but the best way to see that those services are delivered is to make certain that it is handled -that the responsibility is in the hands of those elected officials closest to the people.

A far better job can be done in the providing of those services, in the delivery of those services if the Federal Government makes available the money but gives the responsibility to the locally elected officials and this is what we have tried to do in the budget that I proposed for the consolidation of Federal health programs, Federal aid and assistance to primary and secondary education, Federal assistance in the social services area.

What we have tried to do is to consolidate about 60 programs and to make sure that those programs, when consolidated, that Federal money goes to the States and local units of government to make certain that the people who need the help are given the help.

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In the area of division of responsibility between the private sector and Government, let me make this observation and comment. We have gone through a tough recession during the past year. We reached the bottom of the recession in March or April of 1975. There were many during that period of time who predicted chaos and confusion and disaster for American, and those people wanted somebody in the Federal Government to turn a switch and solve the problem yesterday.

In the first place, those dire predictions never materialized. We had a hard time, it was difficult, but we adopted policies that said the best way to come out of this problem was not through any vast Government program, but to provide confidence to the private sector. And the net result is since March or April of this past year we have had about 1 million 300 thousand more jobs provided mainly in the private sector, and today five out of six jobs in America come in the private sector.

The permanent jobs, the jobs that give great opportunity, are primarily in the private sector. What we want to do is to give an incentive to private industry to provide jobs, employment opportunities, incentives, rewards to people like yourself.

About 2 million young people everywhere come under the labor market, and if we keep our cool and don't try some quick fix that won't work, then I think the opportunities for those like you will expand. You will have more opportunity to work in those occupations that you want on a permanent basis and I say to you that you can't solve the problem by telling Government to all of a sudden do this or do that.

For 200 years this country has benefited from what is labeled, called, the free enterprise system, an economic system that depends upon private initiative and not exclusively or predominantly on the part of Government, and this system has worked. This system will work. We should not lose faith in it.

If you travel abroad, whether it is in Europe or the Pacific or in Asia, you come back with a feeling that we are fortunate to be Americans, and being fortunate to be Americans I think we should be proud of America.

As I conclude, let me make this observation. This is a vitally important election year. You may have heard my State of the Union Message. You probably heard the one that came two days later by a representative of the other party. (Laughter) I didn't see it, I read it. (Laughter) I had a lot more fun going to the theatre and watching that wonderful person, Pearl Bailey. But the issue is really joined. We have the issue. We have good candidates for local office --for Congress. We must make sure that we support those candidates. We have to build and strengthen, make more vital the Republican Party organization. We have to raise the wherewithal to conduct the campaigns and we have to make that individual effort if we are going to support adequately the basic philosophy and those principles in which we really believe.

This is the way in 1976 you can make an everlasting contribution to a better America for 215 million of our fellow citizens.

`Thank you very much.

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END (AT 5:37 P.M. EST)

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