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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
PRESIDENT FORD COMMITTEE VOLUNTEERS
CLOCK TOWER INN

AT 7:34 A. M. CST

Thank you very much, John, and Senator Chuck Percy, Governor Ogilvie, Bishop O'Neil, Marilyn Gran, Dave Martinson, Peter Kostantacos, ladies and gentlemen:

Almost 73 years ago Theodore Roosevelt came to this city to dedicate Memorial Hall. That was the same year that the Wright Brothers launched the age of flight at Kitty Hawk. Since then Memorial Hall has entered into the rolls of the National Registry of Historical Places and Americans have landed on the moon.

That was the year also when the Federal budget was just over \$500 million per year.

Since that day in June of 1903 when President Roosevelt journeyed to this very vigorous, this very industrious community in Northern Illinois, Americans have faced many challenges -- two world wars, a great depression, the atomic age and now the space age.

Throughout those 73 years, we have tested our institutions and found them very strong. We have mastered science and technology and have made them serve humanity.

We have challenged our national character and found it resourceful and vigorous and throughout those years, I think, as a nation we have learned many, many lessons.

One of those lessons that we learned is that bigger budgets and bigger Government are not the magic answers to every problem that faces us as a nation. We must never forget that a government big enough to give us everything we want is a government to take from us everything we have.

Since Teddy Roosevelt's day, the Federal budget has increased 600 fold. Yet only a dozen years ago many Americans sincerely believed that more Government spending could heal all of our social ills.

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We found that more Government spending too often made these ills worse, and there is plenty of evidence to sustain that position, and the resulting inflation spread that illness to all Americans, especially to retired people and others living on fixed incomes.

It spread to the supermarket, to the department store and it struck where it hurt the most -- in our family budgets, our savings and our take-home pay.

None of you here could manage a business or a household very long by spending more than you earn. Government can't be managed that way either. You have a right to expect that the Federal Government will practice fiscal restraint and make its ends meet.

I don't need to tell you that just one year ago this country was in very serious difficulty as the end result of unwise Federal spending over a long, long period of time. We were confronted at that time with both inflation and recession.

In the face of more popular solutions, that sounded good on the surface. We held the line on bigger and bigger spending. In many cases, a majority in the Congress wanted to take the very popular course, or what seemed to be the popular course, with budget busting proposals.

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I strongly disagreed with that approach and since becoming President some 19 months ago I vetoed 46 bills sent down to the Oval Office from Capitol Hill. Thirty-nine of those vetoes were sustained and John and Chuck were very helpful in that regard. And it is interesting to note that those vetoes amounted to a savings to the Federal Treasury and to the taxpayers eventually of some \$13 billion.

And may I add parenthetically if there is a continuation of that kind of irresponsible action by the Congress in sending one after another inflationary budget busting proposals to the White House, they will be vetoed every single time.

I think we have set a very firm and a very steady course toward recovery and we have stuck to it. We didn't try to tinker with any quick fixes or superficial answers to the great American economy. We recognized and we encouraged the natural strengths in our free enterprise system, and I think it is working.

It was Teddy Roosevelt who said -- I don't know whether he said it here in Rockford or not, but he did say, and I quote: "It ought to be evident to everyone that business has to prosper before anyone can get any benefit from it."

And I will add that the heavy hand of Government interference must be lifted before business can prosper. John Anderson in the introduction mentioned our attempt to deregulate the American business -- a program of deregulation that, in my opinion, will work. We have made some headway with the enactment of the Rail Revitalization Act. We are pushing for deregulation in virtually every other independent agency and we have a task force, or several, I should say, that are going through every department of the Federal Government -- not people from that agency or that department but a group from another agency or another department that is requiring that every department justify all regulations and all forms that they require that department's constituency to make out or to prepare.

I think we can reduce very substantially the red tape and the regulations that have been on the books, so to speak, for a long, long time and I guarantee you that we will make progress in this regard.

And when I say the elimination of forms and the simplification of what individuals have to do, it is not just that business will benefit. I saw the other day -- it is hard to believe -- the number of forms and the depth of information that is asked of people who are, unfortunately, on welfare.

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They are as confounded by and irritated with the Government as businessmen are. This is a proliferation in Government agencies, period. And it has to stop, and it will stop.

Now with five out of every six jobs in our economy in the private sector, it just makes sense that real secure permanent jobs can best be developed in the private business and industry sector of our country. I think the private sector must be encouraged by healthy economic policies to grow, to expand and to provide more jobs.

And as John said in the tax proposals that I have recommended, one, I urge that beginning on July 1 of this year we will have an additional \$28 billion tax decrease across the board, 75 percent of it going to individuals and 25 percent of it going to business.

In addition, I think, as was indicated by John, the best way to get unemployment reduced in individual areas or metropolitan portions of our country is to have a tax incentive for more rapid amortization so that business will expand in those high unemployment areas more rapidly.

Those are the kinds of jobs that will produce permanent encouraging employment, but as also was mentioned, I announced last week to sponsor or to favor the estate tax exemption from \$60,000 to \$150,000. It was indicated to an agricultural group that the facts are that that proposal will help small business just as much as it will help those who own family farms.

Yes, family farms will benefit. Small business will benefit. It will permit both categories to pass from one generation to another without forced liquidation or, as John more dramatically said -- what was the term you used -- auction, I think. In either case it is bad for the small business or for the small family farm. I think it would help to provide continuity, enterprise and bring added stability to the business and farming communities throughout our country.

Let me say, at least I believe so, it takes some experience in Government and an intimate understanding of the Congress and our Government institutions to take the courses that we have taken and to pursue them successfully, to stick with them, to see some results.

I think this experience is helpful and I am confident it was beneficial in keeping us on the right course. That does not mean I have to agree or they have to agree with me, Chuck and John, every single time. But you do get some special benefit knowing people on both sides of the aisle, knowing how the Congress works, whether it agrees with you or disagrees with you, and, therefore, I hope and trust that you can say that continuity has some benefit in the tough circumstances we are in today.

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Now I don't mean to recite the statistics which I think nationally confirm the fact that this economy is moving in the right direction. If we go back to March of this year or go back 19 months ago, you know that inflation was rampant, you know that we have cut it in half, you know that we went through a very traumatic experience with the worst recession this country has faced for 30 or 40 years, you know that we are coming out of it, consumer confidence is up, unemployment is going down, employment is going up.

Wherever you look, the statistics are encouraging. That does not mean that we are completely out of the woods, I am the first to admit it, but we didn't panic, we didn't lose our courage, we held a firm and steady course and we are headed in the right direction.

I think by all honest measurements we are headed in the right direction. We are beginning to see some of the farmland marks of recovery leading us to a better prosperity.

Any expert who is objective will tell you that across the country business is improving, farm income is improving, employment statistics are all encouraging. The budget that I submitted in January of this year and those that I plan to submit in the next four years will bring us a balanced budget in 1979 and will permit us to have at the same time, providing, of course, the Congress cooperates, another major tax reduction lifting more of the burden from our Federal taxpayers across the board.

In short, by any analysis, the directions we are going will bring us home in the right direction and I am convinced that the direction we are moving abroad is also right. We will continue to maintain our diplomatic leadership in seeking constructive and cooperative solutions beyond our national borders.

We know from past experience that world peace can only be assured by a very strong defense. As a Nation today we are second to none in military capability, and I might add most emphatically, we intend to keep it that way.

If you look at the trends that have been going on for the last ten to fifteen years in military expenditure, the facts are in constant dollars we have been spending less and less. That is a fact. But if we are going to be able to meet the challenges in any one part of the world and to deter aggression and to maintain the peace and to protect our national security, that trend line must be reversed.

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I submitted a budget in January of this year, the largest peace time military budget in the history of the United States -- \$112.7 billion, 25.2 percent of our total national expenditures. It was the first time that that trend line has started up.

That decision was not predicated on anything that had to be done immediately for our national security because we do have the best trained, the best equipped, the best led, the most alert military force in the history of the United States. That is what we have today.

But the decision to add more spending to reverse the trend was to protect whoever might be President three, four, five, six years from now because you don't turn a switch and all of a sudden have more missiles and more submarines and more aircraft, et cetera. The decisions made today in a defense budget materialize two to four to five years from now.

I repeat, this country is second to none in the capability that is required to protect our country, but we have to look down the long road and we cannot tolerate that trend line that has been going on. Somebody in the audience might ask, well, why didn't you do something about it last year? The facts of life are that in January of 1975 I then submitted the highest military budget in peace time. Tragically, the Congress cut it \$7.5 billion, but we can and we will make it up and I ask you to support the kind of military programs and policies that we are undertaking at the present time.

If we all join together, Democrats, Republicans, across the board, the current capability that we have as a Nation now is fully adequate to meet any challenges from any sources under any circumstances, and that is what is needed, that is what is essential for our security, and I pledge to you, as I am sure Chuck and John will do the same, under no circumstances, will we play second fiddle to any country in military preparedness.

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Quite frankly, as I say ' goodby, it has been a great experience to be in Rockford. I have been here several times in the past. It was a great opportunity yesterday to talk firsthand with a very fine cross-section of American agriculture.

It was a thrilling experience last night to be at Cherryvale Mall.

And it was kind of nice to see my wife again, that she came back from California.

You know, she has been out in Arizona and California trying to get my votes up to her polls. (Laughter)

But as I leave you this morning, I want to thank you for the great hospitality. I am proud to be here with John and Chuck and Dick Ogilvie and Dave and all of the others. I am proud of the record that we have tried to undertake for our great country in the last 19 months, and I am even prouder of the American people because I think they have done a great job in not reacting with panic and cynicism and skepticism, and I am proud of our kind of Government that is something worth protecting.

And with your help, we are on the right direction building together an even greater America.

Thank you very much.

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(AT 7:53 A.M. CST)