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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
PRESIDENT FORD COMMITTEE AND
FRIENDS FOR FORD RECEPTION

MARRIOTT INN

10:13 P.M. EST

Forrest, let me thank you and all of you for being here. I understand this is a combination of the President Ford Committee and the Friends of Ford Committee.

I appreciate especially the fact that we got a lot of good Republicans here, but I have met some very good Democrats, and we are grateful to have all of them here, too. (Laughter)

Now let me just make a comment or two. I know we have great leadership for my candidacy in the State of Indiana. I know that we have a great many volunteers, like all of you, Republicans, Independents, Democrats. I know we have a good platform, and I know if we go out with those telephone calls and if we go up and down the block and tell the story, we can win.

Let me give you some of the things I think are worthy of use when you talk to somebody who has a question or two.

I only ask you to go back to August of 1974 when I was sworn in as President, and let me tick off some of the problems we had and then let me recount for you what I think is the record, the achievements between August of 1974 and May of 1976.

In August of 1974, we were unfortunately having 12 percent or more inflation. In the first three months of this year, 1976, we have cut the rate of inflation down to under 3 percent. That is a 75 percent reduction in the rate of inflation. I think that is real progress.

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Secondly, when I was sworn in, we were on the brink of the worst economic recession in the last 40 years. There were many in the Congress, particularly on one side of the aisle, which were trying to get me to spend more and more money to try and do something about the economic problems we had. But, we didn't do that. We decided it was better to take a firm, steady course and not bust the Federal Treasury.

In the process, as I noted tonight over there at the Coliseum, I vetoed 48 bills. Thirty-nine of them have been sustained and we saved the taxpayers \$39 billion. That is progress. But then we were faced with unemployment that was going up and up and employment that was going down.

People were saying, "Well, you had to do this." I recall George Meany saying we were going to have unemployment of over 10 percent and Hubert Humphrey was saying we were going to go into a depression. We kept our cool, we held off the Congress, we came up with good programs and the net result is from last April and May when we were at the depths of the recession until right now we have gained 2,700,000 new jobs and our employment is at the level of 86,700,000, which is the most gainfully employed in the history of the United States. That is not a bad record.

Then I think when you take a look at what we have tried to do in the way of tax reform, let me refresh your memory. When I went to the Congress in January of 1975, when I submitted additional tax proposals later, when I went to the Congress in January of 1976, I called first for a \$28 billion tax reduction. The Congress gave us about two-thirds of it.

We now want an additional tax reduction on July 1 of 1976. I think it is the right thing to do, 75 percent of it to go to the individual taxpayer and 25 percent to business. Here is a selling point that I think can make a lot of sense. We have recommended that the personal exemption be increased from \$750 to \$1000 and what does that do? That gives the kind of necessary tax relief to the middle income taxpayer, the people from \$9000 a year up to \$25,000 or \$30,000. That group of our taxpayers have gotten short shrift in the last few years, and we want to give them the kind of a tax break they deserve because they are the hardest working, the ones that have the drive, the initiative and actually they are the biggest taxpayers.

So, we have a good tax program which includes additional incentives for business to expand, to modernize. So, whether you are looking at holding down the rate of growth of Federal spending, whether it is vetoing bills that Congress sends down to the Oval Office, whether it is good tax relief or a good tax reform bill, we are on the right side. We have done it all in 20 to 21 months. Now let me talk for just a minute about some of these chances that have been made in the heat of the campaign.

People get a little rash and they get a little excitable on the rhetoric that they use, and I understand that. Yet, I have to come to the conclusion that sometimes people believe it. But I have been saying the right thing on the Panama.

Now let me just tell you the kind of support I got today that I think ought to convince anybody. If any of you happened to listen to Barry Goldwater on Meet the Press today, you might have heard Barry Goldwater say the following. He was asked the question by one of the interrogators, and here is what he said: First, the question: "On the Panama Canal, who is right on that? Whose position do you support? Ford's or Reagan's?"

Here is what Senator Barry Goldwater said, and I quote precisely: "I have to support Ford's position on it" -- the Panama Canal -- "and I think Reagan would, too, if he knew more about it."

Then I might turn over to another page. Later in this program, Barry was asked another question, and he had several paragraphs, but he ends up with this: "I would like to see Governor Reagan stop this talk on it" -- again, referring to the Panama Canal -- "because some day someone is going to say 'Well, now Governor, what would you do about it?'"

So I think Barry Goldwater is not a bad backup witness on my behalf and I think it totally destroys the credibility of Governor Reagan with all the charges and comments he has made about the Panama Canal.

We are trying to do the responsible thing and we are not going to give away our national security interests in that Canal, I can assure you of that.

But now let's take one quick minute to talk about what we also inherited in the way of military problems when I became President. I was sworn-in in August of 1974 and for the previous 8 or 9 years, under different Presidents the Congress had repeatedly slashed the defense appropriations bills recommended to the Congress by Mr. Johnson and Mr. Nixon. As a matter of fact, in that 7- or 8-year period, the Congress had cut almost \$50 billion from the military budget request by President Johnson or President Nixon -- the money for the Army, the Navy, the Air Force and the Marines -- and that was beginning to have an ominous problem on our doorstep.

So when I became President in August, in January of that year I recommended the largest military budget in the history of the United States so we could turn the corner and get the kind of money that was needed to keep our strategic and conventional military capabilities unsurpassed.

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Unfortunately, the Congress last year made a reduction. This year I asked for the largest military budget, \$114 billion, the largest in the history of the country. This year, I said to the Congress, if you cut that budget I will veto it because it is too small.

Do you know what happened? They are now supporting the kind of a budget that I am fighting for and the kind of a budget that we need to keep our military capability second to none, unsurpassed, whether it is in strategic capability or conventional arms.

Let me give you just a thought or two on the kind of funding that I included: \$1 billion 500 million over this year's funding for our strategic military forces; \$1 billion more on research and development for weapons systems down the road -- 2, 3, 5, 10 years from now.

In the case of conventional forces, we have the largest spending program for the Navy in the history of the United States. What I am saying is we are strong today and what I want to do is to make sure that that strength continues in the years ahead -- and we are going to do it.

Now let me just conclude with this final comment: We are going to win Indiana, we are going to Kansas City and we are going to get that nomination, and we are going to win in November, 1976.

But I must say, a lot depends on what happens in Indiana on Tuesday and, therefore, every one of us, to the extent, to the time that we can, should make a maximum effort, by telephone, by door-to-door canvassing, by getting people to the polls, by convincing individuals that we have a record that is best for America and the challenger doesn't any any record and we can do better for America with what we have done and what we will do in the future.

Thank you very, very much.

END (AT 10:25 P.M. EST)