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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT
FREEDOM HALL

9:58 A.M. EDT

Congressman Jim Quillen, Senator Howard Baker, Governor Winfield Dunn, Ed Williams, Reverend Johnson, fellow Americans:

At the outset, let me congratulate and thank the East Tennessee State University Marching Band and the other fine bands and wonderful organizations here. I am deeply grateful for your attendance and the wonderful music.

I am likewise most grateful that Governor Winfield Dunn is here. He was an outstanding Governor for you in the State of Tennessee for four years. He was one of the most outstanding Governors in the whole United States during the period that he served you in Tennessee, and it was my privilege and my honor as the Minority Leader in the House of Representatives to work with him on many, many projects involving your State and involving Governors throughout the country, and I thank you very, very much.

I am deeply grateful to my very good and very old friend Howard Baker for his endorsement. You have in Howard one of the outstanding Members of the United States Senate. Nobody in the Congress knows more than Howard involving the problems of energy, nuclear power, and he was tall and strong in the difficult days in 1972 and 1973 and again in 1975 and 1976 involving the problems of the intelligence community, and I thank you from the bottom of my heart, Howard, for your endorsement and your support.

Obviously, it is a great honor and privilege for me to be in Johnson City again. I was here in 1972 at a delightful and wonderful opportunity to meet many of you from Johnson City. I deeply appreciate Jimmy Quillen's generous and very, very strong support. I have worked with him in the Congress when I was Minority Leader all the time that we served concurrently.

We are close personal friends, and he and I have worked together for four years for the medical school project of this community.

With this great crowd, it is just great to be in Johnson City, home of the Tennessee Buccaneers, the Science Hill Hilltoppers, the Constitution Hall Bandits and the Indian Hall Rebels.

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My message today to the people of Tennessee can be summed up in just a very few words. As much as I believe in a strong and prosperous American automobile industry, I am here to say this year there is absolutely no reason whatsoever to trade in your Ford on another model.

I have had the great honor and privilege to serve as your President now for more than 21 months. When I took office in August of 1974, America was faced with some of the most pressing and the most serious problems in its 200-year history. Our economy has gone haywire, with prices going up at an annual rate of more than 12 percent with America on the brink of the worst recession in 40 years.

Our national resolve to meet international commitments have been called into question by our allies and adversaries alike. There was great danger to peace in many, many areas throughout the world. Underlying these serious problems was a crisis of confidence in our Government, especially in the White House.

There was a crisis of spirit among the American people, many of whom began to question whether our best days were already behind us. Twenty-one months later the American scene has dramatically improved. That 12 percent inflation rate has been cut more than half. In fact, it is down to less than 3 percent in the first three months of 1976, and that is a 75 percent reduction, a good record.

After seeing unemployment rise to nearly 9 percent just 12 months ago at the low point of that recession, we have recovered more than 3,300,000 jobs in the last 12 months alone. 87,400,000 are on the job today throughout the 50 States, and that is more than ever before in the history of the United States, and I would say that is a pretty good comeback from where we were a year ago.

Internationally, America is at peace with every nation on earth. Not one American is serving in combat anywhere today anyplace throughout the world, and I intend to keep it that way. The day that I took the oath of office as President of the United States I said that truth is the glue that holds Government together. 21 months later the record of my Administration is one of candor, integrity and openness. It is a record that has restored the people's confidence and trust in the White House and it is a record that I am very, very proud of.

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The American people today are looking into the future with faith instead of fear, and that future can be as bright and as successful as we want to make it. Economically we are on a course of steady growth and rising prosperity. We have done battle with the worst recession in 40 years and with the worst inflation in more than 50 years, and we won.

Our next battle is with deficit spending by the Federal Government, and I have already begun that battle with 49 vetoes as my ammunition.

Despite a supposedly veto-proof, two-thirds Democratic majority in the Congress, we got 42 of those vetoes sustained and those 42 vetoes will save the American people \$13 billion.

If the Congress keeps sending me budget-busting bills down to the Oval Office in the White House, I will use my veto again and again and again. I will not be satisfied until we balance the Federal budget, and the sooner the better.

My plan is to combine spending cuts with tax cuts and to reduce the growth of Government across the board. We cut your taxes last year, and that led to a major increase in consumer spending, and that increase was a very major factor in our economic recovery.

Last January I asked the Congress for another tax cut of \$10 billion starting July 1 of this year, but instead, it looks like the majority in the Congress wants to spend \$17 billion more than I proposed, eliminating the tax cut and increasing the national debt to \$713 billion.

That is the wrong program, and we have got to fight for my program.

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May I mention, among the tax cuts that I recommended to the Congress was an increase in the personal exemption from \$750 to \$1,000, and I can't understand why the Congress or a majority of them don't understand that the people in the middle income area need that tax cut.

With the new budget that I proposed, we could cut the rate of growth in Federal spending by 50 percent and we can achieve a balanced budget by 1979. Now, if we can get a few more Howard Bakers, Bill Brocks, Jimmy Quillens, John Duncans and Robin Beards in the Congress of the United States, we can cut Government spending, we can balance the budget and we can win the battle, and I hope you will help us across the board.

The sound of real battle is only faintly heard in the world today after so many, many years of war. The United States can be proud of the role it has played in bringing peace to the world and in promoting the cause of freedom, of human dignity throughout this globe. We can play that role successfully because we are strong enough to command the confidence of our allies and the respect of our adversaries.

After years and years of lower and lower defense budgets imposed by the Congress, we have reversed that dangerous trend. I have proposed in the last two years -- January of 1975, January of 1976 -- the two largest defense budgets in American history, and I hope that we finally convince a majority in the Congress that it can't short-change our national defense any longer, and we are going to win that battle against that Congress like we are winning the battle in the economy and for peace throughout the world.

The purpose of America's mighty arsenal is not to terrify the weak, to provoke armed confrontation or to lay claim to that which is not ours. Our purpose is to defend freedom and to maintain a foundation of strength on which to build a better and a safer world.

But our strength does not rest in our military power alone. Our major source of strength is the productivity and the success of the American farmer who, in the last three years, has enjoyed his highest net income in our Nation's history and whose exports have hit high, high records. Those exports have helped to put America back on the road to prosperity and the farmer deserves the thanks of every American in every one of our States.

That just does not mean the big farm operator; it means the small family farmer right here in East Tennessee, and I thank you all.

To preserve that family farm and other family enterprises, I have proposed to the Congress raising the estate tax exemption from \$60,000 to \$150,000. In addition, I have proposed stretching out those payments over a 25-year period at low interest rates and, most importantly, exempting from taxation the transfer of property between husband and wife.

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I want to see the family enterprises stay in the family rather than be sacrificed to pay the Federal tax collector. The family tradition, like the American tradition, is one of security, one of rich heritage, of pride and hope for the future.

There have now been eight generations of independent Americans, each one working, planning and praying that life would be even better for the next generation than for theirs. In a very special sense, I want to continue as President because I want this generation of Americans to leave a better America to the next generation. I want to insure that realistic, responsible policies are right for America, that have been proven right over the last 21 months, and to make sure that they continue.

I want to maintain that peace that we now enjoy, to secure that peace through strength, and to make certain that the legacy of peace continues for our children as well as our grandchildren. I want to continue the policies of reliance on the private economy, of cutting taxes, and bureaucracies, and removing useless regulations and wasteful spending.

These policies have brought us back from the depths of a recession to a sustained recovery, and they can help to insure that runaway inflation never again robs us or our loved ones of the rewards of honest work and life-time savings.

Finally, I want to finish the most important job that I have begun -- the restoration of faith and trust in the Presidency itself. The great institutions of Government crafted with such great care by our Founding Fathers have their foundations in the people's trust. In the past 21 months, the foundation has been strengthened rather than shaken and we will strengthen it more in the next four years. I did not seek this Presidency, but I will not shirk from its responsibilities.

Telling the truth is the secret to success in Government, as in everything else. In my Administration, we have faced many of the unpleasant facts of American life and we have dealt with them in a forthright and effective way. We have avoided making fancy promises and raising false hopes, and in the future as in the past I will promise no more than I can deliver and deliver everything that I promise.

Peace, prosperity and trust are the sum of my performance in the nearly two years since I became your President. They are a prescription for progress in America today and they can be the greatest legacy any generation of Americans has ever left to its children, and that is why I ask for your support on May 25, November 2, and the four challenging years ahead.

Thank you very much.

END (AT 10:16 A.M. EDT)