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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
TO THE
SAN DIEGO CHAMBER OF COMMERCE
AND THE
SAN DIEGO COUNCIL OF THE NAVY LEAGUE

EL CORTEZ CONVENTION CENTER

4:10 P.M. PDT

Pete, Congressman Bob Wilson, your Attorney General Ev Younger, Admiral Steckland, Evan Jones, members and guests of the Navy League and Chamber of Commerce:

It is a great privilege and a very high honor for me to have the opportunity of being in this beautiful City of San Diego, speaking to the Chamber of Commerce and the Navy League. You and I have very much in common. We share a deep belief that our free use of the seas is fundamental to our national economy and to its security.

San Diego and the Navy have grown steadily -- gone steadily together, I should say, over the past 75 years, in a very successful partnership. It has been good for both the Navy and for San Diego. San Diego likes the Navy and the Navy obviously likes San Diego.

This afternoon, let me share with you some of my own personal thoughts on our naval forces, describe some of the reasons for my decisions as President, and chart our direction for the future.

The oceans have always served the United States, both as a barrier for defense and as avenues of commerce and influence. Ninety-nine percent of our overseas trade moves by ship.

We have two states -- the Commonwealth of Puerto Rico, and the territories of Guam, Samoa and the Virgin Islands linked by the sea lanes to the continental United States. Furthermore, the vast majority of our allies -- 41 of the 43 nations with whom we have security treaties -- lie overseas. Since our neighbors to the north and south are friendly, our major strategic interests and our major general political and economic interests depend on maintaining our access and control of the seas.

We and our allies must maintain our freedom to move over across and beneath the seas. We must not only be able to protect the sea lanes, we must be able to protect our power or project our power, I should say, from the sea onto the land -- wherever and whenever we must -- and we must be capable of preventing our enemies from doing likewise.

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When I shipped out of San Diego as a Lieutenant in October of 1943, as a very junior member of the crew of the U.S.S. Monterey, CVL-26, America was on its way to becoming the strongest naval power the world had ever seen. We emerged from World War II with an overwhelming Navy superiority.

In the next two decades, we replaced many ships in our fleet with more modern ones, but much of it remained World War II vintage, and by the 1970s we were faced with the block obsolescence problem and a very serious one.

When I came into office two years ago, this threat to our sea power was one of the most serious problems that I faced as President of the United States. I knew that we had to maintain a naval force able to counter any adversary on the sea today.

At the same time, we had to lay the keels for the ships which would provide the foundation of America's combat-ready fleet in the 1980s and the 1990s, as well as beyond. Our defense structure stands, I think most of you recognize, on four basic premises.

First, we must have the military might necessary to meet any challenge. Second, our allies and adversaries must know that we, the United States, have that power. Third, we must have the will to use our weapons if we must, to protect our national interest. Finally, all who consider or might consider aggression must know that we, the United States and 215 million Americans, have the willpower and the respect for it.

The basis for our present naval superiority is broad and is built upon American technological skills. Our aircraft carriers are unmatched and we can bring squadrons of our newest aircraft within range on land or on sea. Our submarines are more advanced and our expertise in the critical areas of amphibious warfare, anti-submarine warfare and fleet resupply are unsurpassed.

And perhaps a single deciding factor, one of special interest to you in the Navy League, is the quality and the caliber of the men and women of the Navy as well as in the Marine Corps. Their training, their professionalism, their experience are unmatched. I know and admire their dedication to duty. Both our allies as well as our adversaries are fully aware of our tremendous naval power.

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We must, however, commit ourselves fully to maintaining the superiority of American seapower. Ever since I became President I have fought to reverse a dangerous trend in the Congress of the United States toward giving defense a smaller and smaller slice of our total Federal budget.

Between 1964 and 1974--it is almost unbelievable but it is true--the Congress cut \$50 billion from defense spending. I fought, as Bob Wilson knows, this dangerous trend for 25 years in the Congress. For 14 of those years I was in the thick of it on the Defense Appropriations Subcommittee handling all the money, the programs, the policies of the Army, the Navy, the Air Force and Marines. And it might be possible that one or more people in this audience came before that subcommittee during that span of time.

As President, after this struggle in the House of Representatives and in the Congress, I had the chance personally to take the decisive action, and I took it. My budgets for fiscal year 1976, our current year, and 1977, the year that begins October 1, were designed to produce a net increase in the size of our fleet. My fiscal year 1976 budget contained \$5 billion 400 million for Navy shipbuilding. For the next fiscal year, which begins in October, I increased that request to \$6 billion 300 million.

I budgeted for 16 new ships for our Navy -- a one-fourth increase over our average shipbuilding in the previous nine years. At the same time, I saw that the new programs or problems that we faced demanded a sweeping new approach. I called for a study within the National Security Council of our long-term naval requirements and shipbuilding needs. This blueprint for our future naval requirements is not yet finished in its entirety.

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Its tentative findings, however, confirmed that we must increase our shipbuilding efforts and do it now. For this reason, I recently asked for another \$1 billion 200 million over our original budget of \$6 billion 300 million for fiscal year 1977. This add-on will provide for the construction of five additional ships and advance funding for a new Nimitz class aircraft carrier, the finest afloat.

The Navy needs these ships. The fact is we cannot afford less. We must have a balanced Navy, one that can deter conflict but one that can, if necessary, handle the full spectrum of possible conflict, from firing a warning shot across the bow to winning an all-out war.

Our Navy must be modern and it must be balanced. Such a Naval force requires a major effort to build new ships and requires that we continue to modernize an existing fleet, and its arsenal. With your tremendous technological and productive capacity here in California, you will continue to play a very crucial role in this important effort.

Through the years, Southern California industry has also made enormous contributions to another vital area of our national defense -- aircraft design and technology. United States aircraft, both military and commercial, outperform their counterparts throughout the world. The B-1, our newest strategic bomber, represents the ultimate in advanced aircraft design and performance.

Here again, however, the Congress -- or at least some in the Senate -- seem intent upon turning victory into defeat. After completing the most thorough test program in the history of manned flights, now 90 percent complete, after three Presidents and seven Secretaries of Defense, and every Congress since 1970 has certified its value, as well as its importance, after almost 25 years since our last strategic bomber was built, the Senate has jumped in at the last moment and said, let's wait until next February.

I believe the American people will recognize the transparency of that kind of political interference with our national security needs. On November 1, I will make the final decision on whether or not to go ahead with production of the B-1. The money the Senate wants to hold back would be spent only if and when the tests are completed in a very satisfactory way and met all the standards and specifications established, and only if I have made the decision to go ahead with production.

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I sincerely hope that the Congress will understand the folly of preventing us from being able to produce this aircraft in a timely manner. We are strong today, and our allies and our adversaries know it, and that is why America today is at peace. Let there be no doubt whatsoever, we intend to stay strong so that we can stay at peace.

We will continue to give our soldiers, sailors, airmen and Marines the tools, the finest tools, to do the job. We will use our weapons if we must. We will always favor reason over force, but we will use force if force is necessary for our national security and our precious freedom. We will stay strong by maintaining America's total strength. That means we must keep America's economy strong.

Not long ago America's strength was threatened not by a foreign adversary, but by our own economic problems. Too many Americans had lost their jobs. Inflation was eating up the value of our dollar. Business feared to invest, and the future in many parts of the world, many industries, many communities, looked very, very bleak.

There were some who lost faith in our great private economic system in America. They thought that we could only get out of the recession if we bought our way out with a Federal check or by letting the Government interfere in the people's business. But, we didn't panic. We didn't lose our cool. We decided to fight this threat to America's strength with a sound, steady and constructive program of action.

We gave tax cuts to consumers, incentives to industry, and we made every effort to hold down the cost of Government. As Pete said, we were able to cut the projected growth in Federal spending as a whole by 50 percent. The trend in Government expenditures over a period of ten years had been at the rate of 10 to 11 percent per year.

But, we were able, through the work we did in preparation of that budget, to reduce that rate of growth from 10 to 11 to 5.5 percent, and actually reduced in total dollars the growth by some \$28 billion. I think that this is significant because at the same time we were able to turn around the trend that had been going on for another ten years -- the decline in the percentage of expenditures for the Army, the Navy, the Air Force and the Marines -- and for the first time in about ten years the Defense Department, in the budget I submitted, will have an upturn.

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Yes, we have made some progress in the submission of the fiscal 1977 budget, but we still have some battles ahead and as was mentioned by Pete, the Presidential veto is an important weapon in the fight to hold down Federal spending.

The Congress knows that the President has that weapon. It is part of the Constitution and the Congress knows that the President has the will to use it because I have used it 49 times to save the American taxpayer \$13 billion.

Now we are in the full surge of our economic recovery. Inflation has been cut in half. In the first four months of this current calendar year the rate of inflation is at an annual average of 3 percent or under. Since the bottom of the recession about a year ago, we have gained 3,300,000 jobs in America.

More Americans are employed today than ever before in the history of the United States. We actually have 87,400,000 people on the job in the United States. America's faith and America's confidence in our economic system has been restored. We will maintain that confidence, and we will keep our economy strong.

One way we will do that is by minimizing Federal interference in America's commerce. I believe the Government can and should help individuals in business when it is absolutely necessary. But, by far most of the time we should stand back and let the American people get on with the job. Just as we are laying the foundation for a bigger and better Navy, so we are laying the foundation for a new prosperity in America's third century. That will be a century for individual achievement and self-fulfillment.

In our next century Americans will build on all the great accomplishments of our first 200 years. But, to do that, Americans must be secure in their homes and on their streets, in their jobs and in a peaceful world. It must be a century of security for all Americans. That is the goal of all our efforts, in defense, in diplomacy and economic stability. All our efforts in the last two years, both at home and abroad, have been laying that foundation for a peaceful and a prosperous third century for the United States. There can be no better way to honor our Bicentennial.

Thank you very much.

END (AT 4:27 P.M. PDT)