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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT
ROSSMOOR LEISURE WORLD

4:20 P.M. PDT

John Nejedly, Mayor Schroeder, Marguerite Weisheimer, Les Saywell, fellow Americans:

It is wonderful to be here in Rossmoor. It is just superb weather, obviously wonderful people, that would be enough to make a person smile.

But just before coming out here, I got some other good news. We got some reports from the great States of Kentucky and Tennessee. They are having a primary election today, as you may know. One of six, CBS has just projected that President Ford is going to win in Kentucky by about 7 points and all the indications are that we will do just about as well in Tennessee. So, if I am smiling, I apologize, but I just can't help but think those are darn good victories.

I understand that I am the first President of the United States to ever have the honor and privilege of speaking here in Rossmoor. And now that I have seen so much of the facilities and heard so much about what a great place this is from Dean Leshner, gee, I think I will go back and tell First Mama that this isn't a bad place to come. (Laughter)

Well, my message today can be summed up very simply. As much as I believe in a strong and prosperous American automobile industry, let me say that this year is absolutely not the year for you to turn in or trade in a reliable Ford for a flashier model. (Laughter)

My staff gave me a speech that they thought might be appropriate to the circumstances and, after hearing so much about Rossmoor, I have decided to sort of put it in my pocket and proceed to talk about some of the things that I think all of you here might be interested in, and do it right from the cuff, because I can do it with conviction; I can do it with deep feeling.

All of you, I am sure, if you will refresh your memory, can go back to that month of August in 1974 when this country faced a very serious transition, when we were faced with three very important problems as a country, 215 million of us.

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The country had gone through a traumatic period -- there was a tremendous loss of confidence and trust in the highest places in our country. We were suffering some of the most serious economic problems that this country had faced in a long, long time. We had gone through an oil embargo and tremendous increases in the price of oil forced upon us by countries beyond our shores.

Inflation was rampant at the rate of 12 percent or higher. We were on the brink of the worst economic conditions in the last 40 years and, as I look around this audience, many of you can remember, as I do, the 1930s, and those weren't very pleasant times.

So, we had a real difficult situation to handle. We were confronted with a deterioration -- unemployment was going up and employment was plummeting. At the same time during that month of August and the few weeks that followed, our allies abroad, whether they were in the Atlantic or across the seas in the Pacific, were uncertain as to the resolution and as to the will, whether our form of Government facing this kind of a crisis could recover and could meet the challenge that was needed and necessary if we were to maintain our leadership throughout the world.

At the same time, our adversaries, whether in the East or in the West, were in the position where they didn't know quite how to react, whether to take an initiative that would be against our interests or to wait and see.

So, when I took that oath of office it wasn't a situation that was most pleasant. It presented great difficulties and great obstacles. But I decided at that time that the decisions I would make in the months to follow would be decisions that would not be related to politics but would be decisions predicated on what in my heart and conscience I thought was in the best interest of this country.

The net result is, in the last 21 or 22 months, we have made those decisions. They haven't always been popular among some people, but when we add up all of those decisions, whether it was in promoting certain taxation proposals or in vetoing a good many of the measures that were sent down to the Oval Office by the Congress, and in each and every case I could say that I thought I did what was right for America.

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Let me just take one or two examples to illustrate what I am saying. As the economic problems began to multiply in early 1975 and all the prophets of gloom were saying we were going to have unemployment of over 10 percent, that we had to rush in with big spending proposals to put everybody on the Federal payroll, it was my feeling that a better approach would be to give a shot in the arm to our private enterprise system, to give tax relief to business so it could expand and could modernize, increase production.

I thought it was a far wiser policy to give tax relief to individuals rather than to add to the deficit by more Federal spending, and the net result was in 1975 we had a tax decrease, both for business as well as for individuals. And the net result was that the private enterprise system, that great, great segment of our society, responded.

Where are we today? Well, inflation, instead of being at 12 percent or higher, as it was in August of 1974, it is now, for the first four months of 1976, at 3 percent or less, and the net result is that we have cut the rate of inflation by 75 percent, and I am very proud of that achievement.

At the same time, we have been trying to stimulate the economy so that in the private sector, where five out of the six jobs in America exist anyhow, it could absorb those losses that we had in early 1975.

The confidence of the American people returned because we didn't panic, we didn't capitulate, and the consequence is that in the last 12 months since we were at the bottom or the depth of that recession, we have added 3,300,000 more jobs, 700,000 more jobs in the last month, and as of last month 87,400,000 Americans are on the job -- an all-time record of employment in this great country, and we should be proud of it.

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As I said, it wasn't easy to deal with the Congress. Fortunately, I know a little bit about how they operate it and how they should operate and how they shouldn't operate. So, when they started sending all these big spending bills down to the White House, I warned them, I said don't do it. We are going to veto them. So, they sent them down and we vetoed 49 of those bills. Forty-two of them have been sustained by the responsible Members of the Congress.

The net result is the taxpayers of this country have saved \$13 billion, and we ought to be proud of that, too. I am glad to see that one of my old colleagues in the House of Representatives, Al Bell, is here. He is a good friend, and he served well in his responsibilities in the Congress. Al, it is nice to see you here.

But let me add that if they send down -- and I have told these old friends of mine, Democrats and Republicans, the only way you can prevail with them is to talk straight and to let them know if they do this, this is going to happen -- I said, fellows, you send down any more of those big budget busting spending bills, I will veto them again, and again and again. I think they have learned their lesson.

But let's talk about taxes for a minute. I recommended in January of this year that if we would reduce the rate of growth of Federal spending by 50 percent, which amounts in dollars to \$28 billion, we could have another tax decrease for both industry on the one hand and individuals on the other as of July 1. We are going to fight for that kind of a tax decrease.

What does it do? Let's talk about individuals first. It would increase the personal exemptions from \$750 per person to \$1,000 per person, so the middle income people, who have been shortchanged, will get a fair and decent break in our tax system.

But then there is another tax proposal that I think might be of interest to you that was included in this package; one, our estate tax laws have not been revised since the mid-1930s. At that time, the exemption was set in estate tax laws at \$60,000, and the husband and wife transfers were treated just like a transfer between an individual and a stranger.

So, I have recommended to the Congress that they increase the exemption under our estate tax laws from \$60,000 to \$150,000. But something that I think is even more equitable, under the proposal that I have recommended, the transfers between husband and wife would have no tax as far as the Federal Government is concerned.

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We have to provide equity and fairness in our Federal tax system, and I can assure you that this Congress knows that I mean business and we will do the very best we can in the months ahead during this session to achieve a tax system that is right and proper.

But, if we are unsuccessful in 1976, I pledge to you that in the next four years we will get the kind of a tax bill that we need and the country needs and our people need.

Let me talk just a minute or two about peace. We achieved it, we have it, and we have the military capability to maintain it and we have the diplomatic skill in order to keep our friends our friends and our adversaries at arm's length.

I could describe to you what I have recommended to the Congress for military appropriations, but let me just summarize. Last year, in January, I recommended the largest military budget in the history of the United States in order to reverse the trend, the trend that had resulted in ten years of Congress, in effect gutting the Army, the Navy, Air Force and Marines.

Do you realize that in that decade the Congress cut military appropriations by \$50 billion? I wasn't going to stand for it, and I said last year to the Congress, give me a budget so we can have the capability with the Army, the Navy, the Marines and the Air Force to defend America, to deter aggression and to protect our national security.

I think we are making the headway this year because they recognize that what I have proposed is right, to maintain the unsurpassed military capability of the United States.

But now let me conclude with just one other comment. I said in August of 1974 we were going through a traumatic experience. Confidence had been lost. The Ford Administration has been open, it has been candid, it has been forthright. I will never promise more than I can deliver and I will deliver everything that I promise.

Yes, what do I see as we go down the years ahead for the next four years, but more importantly what do I see in America in the next century? I think America ought to be a country of individualism. We have the greatest form of Government in the history of mankind. We are the most productive nation in the history of the world.

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But, I want your help and assistance to sustain a program that has brought us from the depths of the recession to sustained recovery that will insure that runaway inflation never robs us again -- our loved ones -- and will reward those who work hard and have saved during their lifetime.

Finally, I want to finish my most important job -- as I said, the restoration of trust in the Presidency of the United States. I will promise to maintain that respect and decency that is so important for our nation. I need your support to insure peace, prosperity and trust for the future, the good, secure, satisfying future that we owe to our children as well as our grandchildren.

Americans have always wanted a better life for our children than what it was for ourselves. Because life for us has been better than it was for our parents.

What do I see ahead for this great country? A strong, a confident America, secure in a strength that cannot alone be counted in megatons, a nation rejoicing in its blessings that cannot be eroded by inflation or by taxation. I see an America where life is valued for its quality as well as its comfort, where the individual is inviolate in his constitutional rights, where the Government serves and the people will rule.

Thank you very, very kindly.

END (AT 4:37 P.M. PDT)