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FLINT, MICHIGAN

MAY 13, 1976

THANK YOU FOR INVITING ME HERE, TODAY.

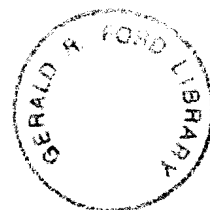
SINCE I AM A MEMBER OF THE FORD ADMINISTRATION, AND PRESIDENT FORD JUST HAPPENS TO BE IN A TOUGH PRIMARY BATTLE -- TO BE DECIDED NEXT TUESDAY -- YOU MIGHT THINK MY BEING HERE IS NO COINCIDENCE.

YOU ARE RIGHT!

PERSONALITIES, REGIONAL ISSUES, AND POLITICAL IDEOLOGIES ASIDE -- THERE IS ONE ISSUE IN MICHIGAN, AS THERE IS ONE ISSUE IN THE NATION.

AND IT ISN'T WHAT WE DO IN PANAMA OR THE PROS AND CONS OF PAST RUSSIAN TRADE DEALS -- THAT'S JUST DUST FROM THE CAMPAIGN TRAIL.

THE OVERRIDING ISSUE IS THE STATE OF THE NATION'S ECONOMY - WHERE WE ARE TODAY AND WHERE WE'RE GOING TOMORROW. BECAUSE IF THE UNITED STATES DOESN'T CONTINUE TO KEEP A FIRM HANDLE ON THE ECONOMIC FORCES THAT CONTROL ITS DESTINY -- ALL THE REST IS TALK.



NOW, WE HAVE HEARD WHAT ALL THE OTHER CANDIDATES, IF ELECTED, MIGHT DO ABOUT THE NATION'S ECONOMY -- RANGING FROM THE OLD, OLD, OLD PROPOSITION OF BUYING OUR WAY OUT OF EVERY CRISIS WITH TAXPAYER DOLLARS, TO THE EVEN OLDER, TURN-OF-THE-CENTURY NOTION THAT THE FEDERAL GOVERNMENT SHOULD STOP THE WORLD AND GET OFF.

ONLY ONE MAN IN THE RUNNING, GERALD R. FORD OF MICHIGAN, HAS PROVEN THAT HE KNOWS WHAT TO DO ABOUT THE NATION'S ECONOMY IN THE REAL WORLD OF TODAY - 1976. ONLY ONE MAN HAS A TEAM IN OFFICE THAT CAN BE JUDGED AS TO ITS PROVEN CAPACITY TO DO THE JOB.

BECAUSE WHAT IS HAPPENING IN FLINT, MICHIGAN IS HAPPENING ALL OVER AMERICA TODAY. THE GENERAL MOTORS PLANTS IN FLINT ARE BACK IN PRODUCTION. LOCAL UNEMPLOYMENT HAS BEEN REDUCED.

THE PRODUCTION LINES, TURNING OUT ALL OF THOSE NEW PRODUCTS, ARE THE REGENERATIVE PROCESSES OF FREE ENTERPRISE, PRODUCING NOT ONLY SPARK PLUGS, CARS, AND JOBS AT THE PLANTS IN FLINT BUT JOBS IN SUPPLIER PLANTS, IN TRANSPORTATION, SERVICE CENTERS, SALES ROOMS, ADVERTISING COMPANIES, OIL COMPANIES AND AT GAS PUMPS ALL OVER THE COUNTRY.



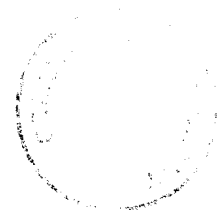
THESE JOBS ARE REAL JOBS -- NOT GOVERNMENT MAKE-WORK JOBS.

IN ONE OF THE POLITICAL COLUMNS YESTERDAY (EVANS AND NOVAK) A MID-WESTERN PARTY LEADER WHO FAVORS PRESIDENT FORD'S OPPONENT WAS QUOTED AS SAYING "FORD HAS BEEN A PRETTY GOOD CARETAKER."

THAT WAS MEANT AS A SLAP, BUT THE FACT IS THAT PRESIDENT FORD HAS BEEN TAKING BETTER CARE OF THE NATION'S AFFAIRS THAN ANY PRESIDENT IN RECENT HISTORY.

ON TAKING OFFICE, HE LED THIS NATION THROUGH ITS MOST SERIOUS CONSTITUTIONAL CRISIS SINCE ITS BIRTH, AND THEN PROCEEDED TO RESTORE NATIONAL CONFIDENCE IN THE INSTITUTIONS WHICH DISTINGUISH OUR FORM OF GOVERNMENT FROM THOSE ENDURED BY A MAJORITY OF THE WORLD'S PEOPLE.

THE PAINSTAKING CARE OF HIS STRONG LEADERSHIP OVER THE PAST TWENTY-TWO MONTHS HAS RESTORED THE PRESTIGE OF AMERICA AMONG THE COUNTRIES OF THE WORLD - WHILE MAINTAINING PEACE, ENHANCING GOOD WILL, AND STANDING FIRM ON THE NEED FOR CONTINUED NATIONAL STRENGTH.



WHAT BETTER MEMORIAL TO OUR BICENTENNIAL THAN THE FACT THIS PRESIDENT HAS LED FIRST AMERICA AND NOW THE ENTIRE FREE WORLD OUT OF A POTENTIALLY DISASTEROUS RECESSION?

IT IS THE DEVELOPMENT UNDER PRESIDENT FORD OF A SOUND NATIONAL ECONOMIC POLICY -- AND HIS COURAGE TO STICK WITH IT IN SPITE OF HIS DOOM-CRYING CRITICS - THAT ESTABLISHES HIM AS PRECISELY THE CARETAKER WE NEED TO TAKE CARE OF THE NATIONAL ECONOMIC RECOVERY, WHICH, THANKS TO HIM, IS FIRMLY UNDERWAY.

AND THAT IS WHAT I WOULD LIKE TO TALK ABOUT.

WE ALL KNOW THAT THE 1960'S GAVE US AN INCREASING POPULATION, AND AN INCREASINGLY COMPLEX SOCIETY. ONE WOULD EXPECT, THEREFORE, A STEADILY INCREASING FEDERAL BUDGET.

BUT, WHO WOULD HAVE GUESSED IN 1962 THAT THE FEDERAL BUDGET WHICH HAD BEEN KEPT BELOW \$100 BILLION FOR 185 YEARS WOULD DOUBLE BY 1971 AND TRIPLE TO \$300 BILLION IN 1975?

BY HINDSIGHT, WE CAN CLEARLY SEE WHAT HAPPENED TO AMERICA IN THE PAST TEN YEARS -- A DECADE WHICH THE KNOWLEDGEABLE SEERS OF THE SIXTIES HAD FORESEEN AS AN ERA OF GOOD WILL AND GOOD LIVING FOR ALL AMERICANS.

IN THAT ONE DECADE WE SQUANDERED OUR RESOURCES, DECIMATED OUR CITIES, ROLLED UP A STAGGERING \$350 BILLION FEDERAL DEBT, FAILED TO BUY ANY REAL SOLUTIONS TO OUR COMPLEX ECONOMIC AND SOCIAL PROBLEMS, FIRED A RAGING INFLATION, AND GENERATED A PAINFUL RECESSION. AND IN SO DOING, WE SEVERELY SHOOK PUBLIC CONFIDENCE IN THE CREDIBILITY AND STABILITY OF BOTH BUSINESS AND GOVERNMENT.

INDEED THE LACK OF VOTER CONFIDENCE IN THE ABILITY OF EITHER THE PUBLIC OR PRIVATE SECTORS TO FIND ECONOMIC SOLUTIONS HAD PLACED OUR FREE ENTERPRISE SYSTEM IN ITS GREATEST JEOPARDY SINCE THE GREAT DEPRESSION.

IT IS STILL VERY "AMERICAN" TO SING THE PRAISES OF OUR FREE ECONOMY THAT HAS MADE AMERICA THE ENVY OF THE WORLD. AND, RECENT POLLS FINDING THAT MOST AMERICANS WOULD MAKE SACRIFICES TO PRESERVE THE SYSTEM, MAKE WARM READING.

BUT, WHAT WE SAY ABOUT FREEING OUR ECONOMIC SYSTEM FROM FEDERAL SHACKLES AND WHAT WE ACTUALLY DO DIFFER MEASURABLY.

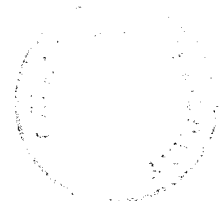
TALK OF CUTTING GOVERNMENT EXPENDITURES WHICH NOW COUNT FOR ABOUT 40 PERCENT OF OUR GROSS NATIONAL PRODUCT HAS INCREASED, ON BOTH SIDES OF THE POLITICAL AISLE, BUT PRESIDENT FORD HAS HAD TO VETO 48 BILLS, TO PROTECT THE TAXPAYERS FROM \$13 BILLION OF ADDITIONAL EXPENDITURES.

THE ISSUE IS NOT WHETHER ANOTHER PRESIDENT WOULD VETO THE SAME BILLS -- THE FACT IS THAT WITH THE SMALLEST PARTY SUPPORT IN CONGRESS IN OVER 50 YEARS, HE HAS HAD THE LEADERSHIP QUALITY AND THE POLITICAL WISDOM TO HAVE THESE VETOES WE NEEDED SUSTAINED.

POLITICAL CAMPAIGNS HAVE BEEN WAGED AND WON ON THE PROMISE OF "MORE FOR EVERYBODY". RESTRAINT AND REASON HAVE NOT BEEN THE RHETORIC OF MOST CANDIDATES. MANY NOW PREACH THE SAME MESSAGE, BUT WHO ELSE HAS EVER MADE IT WORK?'

IN FACT, MANY STILL SINCERELY BELIEVE IN THE POWER OF GOVERNMENT TO RIGHT EVERY WRONG IN SPITE OF THE EVIDENCE. YOU MAY RECALL THE CONTRAST BETWEEN SENATOR MUSKIE'S RESPONSE TO THE PRESIDENT'S STATE OF THE UNION MESSAGE WHEREIN HE SAID:

"WE CAN HAVE CONFIDENCE THAT GOVERNMENT CAN . . . PUT PEOPLE BACK TO WORK."



WITH PRESIDENT FORD'S THEME THAT MORE REAL AND LASTING JOBS ARE CREATED THROUGH THE PRIVATE SECTOR.

OR TAKE THE CURRENT DEBATE REGARDING THE HUMPHREY-HAWKINS BILL, WHICH REQUIRES THE GOVERNMENT TO CONJURE UP PUBLIC PAYROLL JOBS TO REDUCE UNEMPLOYMENT TO 3 PERCENT IN FOUR YEARS.

HOW MUCH WOULD THE BILL COST? HOW LONG WOULD THE PUBLIC PAYROLL JOBS CONTINUE? WHAT WOULD BE THE BILL'S INFLATIONARY IMPACT?

HOW MANY PRIVATE BUSINESSES WOULD REDUCE THEIR HIRING BECAUSE OF THEIR INCREASED COSTS RESULTING FROM THIS FEDERAL EXPENDITURE?

THE QUESTIONS ARE NOT ANSWERED BECAUSE THE PROponents, BELIEVE, AND I THINK SINCERELY, THAT WHERE SOMETHING APPEARS TO BE WRONG WITH THE ECONOMY, THE GOVERNMENT SHOULD RUSH IN AND BUY A SOLUTION.

WE CAN ALL AGREE THAT IN SPITE OF THE GOOD NEWS FROM THE FLINT PLANTS AND PLANTS OF MANY KINDS ALL OVER THE NATION, THE CURRENT UNEMPLOYMENT RATE IS UNACCEPTABLE. WE DO NOT NEED POLITICAL SPEECHES TO TELL US THAT JOBLESSNESS GOES BEYOND MERE STATISTICS. UNEMPLOYMENT AFFECTS PEOPLES' PRIDE, THEIR HOPE, THEIR WHOLE ATTITUDE TOWARD SOCIETY.

BUT NEITHER WE, NOR THE JOBLESS, SHOULD BE LED TO BELIEVE THAT LASTING SOLUTIONS CAN COME FROM INCREASING THE FEDERAL GOVERNMENT'S PURCHASE OF PUBLIC SERVICE JOBS.

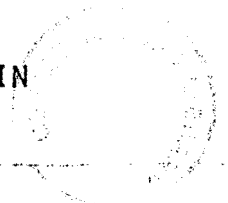
WE CANNOT IGNORE THE LESSON FOR WHICH WE PAID SO DEARLY IN THE 1960'S -- THAT NO MATTER HOW MUCH WE MAY WILL IT -- A "SOCIETY" IS NOT SUDDENLY MADE "GREAT" THROUGH WELL-MEANING PROGRAMS WHOSE SOLE SOURCE OF SUSTENANCE IS THE FEDERAL EXCHEQUER.

WE KNOW THAT OUR PRIVATE ECONOMY CANNOT SUSTAIN THE AWESOME FEDERAL DEFICIT OF TODAY'S MAGNITUDE WITHOUT THE EROSION OF THE VERY FINANCIAL RESOURCES THAT ARE VITAL TO THE GROWTH AND PRODUCTIVITY OF OUR FREE ENTERPRISES, WHICH ARE THE SOURCE OF FIVE OUT OF SIX JOBS.

WE KNOW WE CANNOT ACHIEVE REAL ECONOMIC GROWTH IF THE GOVERNMENT CONTINUES TO COMPETE WITH THE PRIVATE SECTOR FOR DOLLARS TO BUY PUBLIC SERVICE JOBS.

AT THE SAME TIME WE CANNOT AGREE WITH THOSE WHO SIMPLISTICALLY SUGGEST THAT THE FEDERAL GOVERNMENT CAN WASH ITS HANDS OF THIS NATION'S TOUGH SOCIAL AND ECONOMIC PROBLEMS. EVEN IF WE WOULD LIKE TO TURN THE CLOCK BACK, WE HAVE NO CHOICE BUT TO DEAL WITH REALITIES AS THEY EXIST TODAY.

THE PRESIDENT HAS BEEN AND IS DEALING EFFECTIVELY IN THESE REALITIES.



HIS BUDGET PROVIDES THE FUNDS TO SUPPORT ADEQUATE INSURANCE AND PROVEN JOB TRAINING UNTIL EVERY AMERICAN WHO WANTS WORK CAN FIND IT.

BUT, HIS POSITION IS CLEAR: THAT THE WAY TO CREATE REAL, REWARDING AND LASTING JOBS AND TO REACH AND MAINTAIN FULL EMPLOYMENT IS THROUGH PRIVATE ENTERPRISE. AND THE WAY TO SUSTAIN ECONOMIC GROWTH IS TO ENCOURAGE PRIVATE BUSINESS TO EXPAND, TO MODERNIZE AND TO PRODUCE MORE GOODS AT LOWER PRICES.

HE DOES NOT BELIEVE THAT GOVERNMENT DECISIONS TO SPEND CAN REPLACE PRIVATE DECISIONS TO INVEST.

THUS, THE AMERICAN PEOPLE ARE CONFRONTED BY THIS CLEAR CLASH OF IDEOLOGY, AND THEY MUST MAKE A PROFOUND CHOICE GROUNDED IN ECONOMICS. INDEED, IT IS A CHOICE YOU WILL BE MAKING HERE - IN MICHIGAN, NEXT TUESDAY, AND IN NOVEMBER -- AS YOU DECIDE UPON THOSE POLICIES AND THOSE PERSONS WHOM YOU SHALL CHOOSE TO LEAD THIS NATION OVER THE FOLLOWING FOUR YEARS.

PRESIDENT FORD'S STRONG AND PROVEN RECORD TAKES THE GUESS WORK OUT OF MAKING THAT CHOICE -- CORRECTLY!

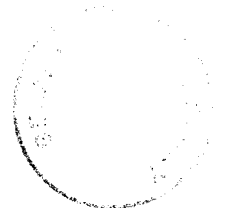
WE HIT THE TROUGH OF THE DEPRESSION JUST ONE YEAR AGO. DISTINGUISHED LABOR AND POLITICAL LEADERS WERE DEMANDING GREATER FEDERAL STIMULUS AND WERE PREDICTING THAT THE FISCAL POLICIES OF THIS ADMINISTRATION WOULD LEAD THIS COUNTRY INTO A DEEPER, DEEPER DEPRESSION.

AND YOU AND I KNOW THAT IT IS FAR MORE EXPEDIENT IN THE POLITICS OF AN ELECTION CYCLE TO SAY "YES" TO MORE FEDERAL EXPENDITURES.

SO, WE CAN BE VERY PROUD OF PRESIDENT FORD'S COURAGE IN EFFECTIVELY SAYING "NO" TO A SUCCESSION OF SPENDING MEASURES LAST YEAR THAT WOULD HAVE FUELED THE DOUBLE DIGIT INFLATION WHICH HE HAS MORE THAN CUT IN HALF AND WHICH, FOR THE PAST THREE MONTHS, HAS HELD STEADY AT AN ANNUAL RATE OF 2.9 PERCENT.

LIBERAL ECONOMISTS SUCH AS WALTER HELLER AND OTTO ECKSTEIN WARNED, CONTRARY TO ALAN GREENSPAN, THAT UNLESS THE MONEY SUPPLY GREW AT AN ANNUAL RATE OF 10 TO 12 PERCENT, THE ECONOMY WOULD NEVER MAKE IT OUT OF THE RECESSION.

IN FACT THAT MONEY SUPPLY GREW AT LESS THAN HALF THAT RATE, AND THE ECONOMY DID EVEN BETTER THAN PRESIDENT FORD PROMISED.



WHAT WE HAVE TODAY IS A SOUND RECOVERY UNDERWAY. WHAT WE COULD HAVE HAD WAS A SERIES OF DISASTEROUS SPENDING BILLS HAD IT NOT BEEN FOR THE PRESIDENT'S STRENGTH IN ISSUING VETOES UNPOPULAR AT THE TIME AND THE POLITICAL SHREWDNESS TO CAUSE MOST OF THOSE VETOES TO BE SUSTAINED IN THE FACE OF THE SO-CALLED "VETO-PROOF" CONGRESS. THOSE ARE THE VERY TOUGH POLICY CALLS THAT HAVE LED US TO THE TURN-ABOUT NOW FIRMLY IN PROGRESS.

CONSIDER THE FACT THAT UNDER HIS "CARETAKER" LEADERSHIP:

PERSONAL SPENDABLE INCOME HAS JUMPED BY \$100 BILLION.

OUR GROSS NATIONAL PRODUCT WENT FROM \$1.4 TRILLION TO A PREDICTED \$1.6 TRILLION.

RETAIL SALES JUMPED 17 PERCENT.

AUTO SALES 70 PERCENT.

GENERAL MERCHANDISE 13 PERCENT.

HOUSING STARTS 46 PERCENT.



TODAY, 2.6 MILLION MORE AMERICANS ARE WORKING THAN ONE YEAR AGO. THE UNEMPLOYMENT RATE HAS MOVED DOWN FROM 9 PERCENT TO 7.5 PERCENT AND CONTINUES DOWNWARD.

THE INDEX OF CONSUMER CONFIDENCE HAS DOUBLED.

NEW FACTORY ORDERS HAVE RISEN FROM \$77 BILLION TO \$90 BILLION.

TO QUOTE THE PRESIDENT:

"AMERICA'S FUTURE LOOKS BRIGHTER DAY BY DAY. EVERYTHING THAT IS SUPPOSED TO BE GOING UP IS GOING UP, AND EVERYTHING THAT IS SUPPOSED TO BE GOING DOWN IS GOING DOWN."

BUT NOW, IN 1976, THOSE SAME ECONOMIC SEERS - WHO WERE SO WRONG IN 1975 -- TELL US THAT THE ECONOMY IS SURE TO GO "THUD" BEFORE THE YEAR IS OUT.

IT SEEMS TO ME THAT WE HAVE A VERY SOUND BASIS FOR SUPPORTING THE ONE MAN WHO HAS CALLED EVERY TURN RIGHT -- AND HAD THE POLITICAL COURAGE, ALONG WITH THE UNRUFFLED STAMINA TO STICK BY HIS GUNS.

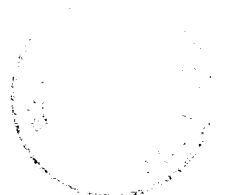


AND, WHEN THOSE SAME POLITICAL AND LABOR LEADERS PREDICT THAT THE PRESIDENT'S \$394 BILLION BUDGET FOR 1977 IS "NOT ENOUGH TO GET CONTINUED DECLINES IN UNEMPLOYMENT" -- WE CAN LOOK BACK WITH PRIDE TO THE FACT THAT IN THE FACE OF IDENTICAL PRESSURES LAST YEAR THE PRESIDENT'S PATIENCE, PRUDENCE AND RESTRAINT LED TO MORE JOBS AND ACHIEVED THE SOLID RECOVERY THAT WE HAVE NOW.

THE PRESIDENT'S COURSE HAS BEEN AND CONTINUES TO BE CLEAR, CAUTIOUS AND CANDID. HIS PROMISES HAVE BEEN UNDERSTATED; FROM THE BEGINNING HE HAS DELIVERED MORE THAN HE HAS PROMISED.

SO THE DECISION IS OURS:

DO WE WANT THE KNOWN ECONOMIC TEAM THAT HAS PLOTTED OUR PRESENT COURSE TO CONTINUE TO GUIDE OUR POLICIES? DO WE WANT A PRESIDENT THAT HAS THE UNPRECEDENTED FULL SUPPORT OF THE ALL-TO-SMALL NUMBER OF REPUBLICANS IN CONGRESS, AND THE RESPECT AND SUPPORT OF THE NECESSARY NUMBER OF DEMOCRATS TO SUSTAIN HIS COURSE OF ACTION? OR DO WE WANT TO GAMBLE ON AN UNKNOWN TEAM WITH AN UNPROVEN CANDIDATE WHO COULD NOT HOPE TO DO BETTER?



PRESIDENT FORD HAS HELD THE LINE IN EXPENDITURES. HE HAS IN PROGRESS THE MOST AMBITIOUS OVERHAUL OF GOVERNMENT REGULATION EVER ATTEMPTED. HE HAS DIRECTLY ATTACKED THE DELAYS, THE RED TAPE, AND THE REGULATION MAZE SO DISHEARTENING TO THE INNOVATIVE SPIRIT THAT IS THE SOUL OF THE FREE ENTERPRISE SYSTEM. HE HAS DONE IT AGAINST OVERWHELMING ODDS IN CONGRESS AND HE HAS DONE IT IN TWO SHORT YEARS, ASSEMBLING HIS WINNING TEAM AT THE LOWEST POINT IN THE POLITICAL HISTORY OF OUR COUNTRY.

HE NEEDS, MORE IMPORTANTLY THE COUNTRY NEEDS, AN ENDORSEMENT OF THOSE POLICIES, SO THAT HE CAN CONTINUE TO GIVE THE CARE TO OUR ECONOMY THAT IS BY ANY FAIR MEASURE SUCCEEDING AND SUCCEEDING WELL.

HIS STRENGTH AND PURPOSE MAKE ME PROUD TO SEEK SUPPORT FOR HIM AND HIS POLICIES AND TO BE PART OF HIS ADMINISTRATION.

HE'S MY KIND OF "CARETAKER".