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LAKWOOD REPUBLICAN CLUB

OCTOBER 8, 1976

THANK YOU FOR INVITING ME HERE, TONIGHT.

SINCE I AM A MEMBER OF THE FORD ADMINISTRATION, AND THE PRESIDENTIAL ELECTION IS JUST 25 DAYS AWAY, YOU MIGHT THINK MY BEING HERE IS NO COINCIDENCE.

YOU ARE RIGHT!

OUR OPPOSITION HAS TRIED TO PUT DOWN THE PRESIDENT'S LEADERSHIP CAPACITY AND ON THAT ISSUE WE ARE STRONG AND WE SHOULD NOT HESITATE TO MEET IT STRAIGHT ON.

THE FACT IS THAT PRESIDENT FORD HAS BEEN PROVIDING THIS NATION WITH BETTER LEADERSHIP THAN ANY PRESIDENT IN RECENT HISTORY.

ON ASSUMING OFFICE 26 MONTHS AGO, 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.

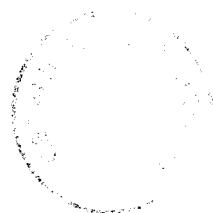


IT IS HIS STRONG LEADERSHIP OVER THE PAST TWO YEARS THAT HAS RESTORED THE PRESTIGE OF AMERICA AMONG THE COUNTRIES OF THE WORLD -- WHILE MAINTAINING PEACE, ENHANCING GOOD WILL, AND STANDING FIRM ON THE NEED FOR CONTINUED NATIONAL STRENGTH.

WHAT BETTER MEMORIAL TO OUR BICENTENNIAL THAN THE REMARKABLE FACT THAT THIS PRESIDENT HAS LED, FIRST AMERICA AND NOW THE ENTIRE FREE WORLD OUT OF A POTENTIALLY DISASTEROUS RECESSION -- WHILE, AT THE SAME TIME, LEADING IT EVER FURTHER FROM GLOBAL CONFLICT?

IF ANYTHING CAME THROUGH TO THE AMERICAN PEOPLE, IN WEDNESDAY NIGHT'S DEBATE -- IT WAS THE UNARGUABLE FACT THAT THERE IS NOT ONE SINGLE AMERICAN ON A BATTLEGROUND ANYWHERE ON THIS EARTH!

WHEN MR. CARTER DUCKED ONE OF SEVERAL TOUGH FOREIGN "POLICY" QUESTIONS, AND RETREATED TO COMPARING THE ECONOMIC STATISTICS UNDER RECENT DEMOCRATIC PRESIDENTS WITH THE ECONOMY TODAY, HE INADVERTENTLY OPENED UP A SUBJECT THAT THE AMERICAN PEOPLE WOULD DO WELL TO RECALL.



FOR, THE TRUTH IS THAT THE RELATIVELY LOW UNEMPLOYMENT FIGURES MR. CARTER MENTIONED WERE, IN EVERY CASE, ACHIEVED THROUGH THE ARTIFICIAL STIMULUS OF WAR, AND DEARLY PAID FOR WITH THE LIVES AND CRUSHED HOPES OF MILLIONS OF OUR AMERICAN PEOPLE! --

-- AND PAID FOR AGAIN, IN PEACETIME, AS THE NATION STRUGGLED TO RE-ADJUST ITS PRIORITIES -- BOTH ECONOMIC AND SOCIAL.

IT IS THE DEVELOPMENT, UNDER PRESIDENT FORD, OF A SOUND NATIONAL ECONOMIC POLICY -- AND HIS ABILITY TO MAKE IT WORK FOR ALL AMERICANS -- THAT ESTABLISHES HIM AS PRECISELY THE LEADER WE NEED TO TAKE CARE OF OUR NATIONAL ECONOMIC RECOVERY, WHICH, THANKS TO HIM, IS FIRMLY UNDERWAY.

AND, THAT IS WHAT I WOULD LIKE TO TALK ABOUT TONIGHT.

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 DURING THE 1960'S -- A DECADE WHICH THE KNOWLEDGEABLE SEERS LOOKING AT THE GRAND FEDERAL PROGRAMS FORESAW AS AN ERA OF GOOD WILL AND FOR ALL AMERICANS.

IN THAT ONE DECADE WE SQUANDERED OUR RESOURCES, DECIMATED OUR CITIES, AND ROLLED UP A STAGGERING \$350 BILLION FEDERAL DEBT. WE FAILED TO BUY ANY REAL SOLUTIONS TO OUR COMPLEX ECONOMIC AND SOCIAL PROBLEMS. INSTEAD, WE 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 PUBLIC 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 59 BILLS, ALL BUT 47 OF WHICH WERE SUSTAINED, TO PROTECT THE TAXPAYERS FROM \$9 BILLION OF ADDITIONAL EXPENDITURES.

WITH THE SMALLEST PARTY SUPPORT IN CONGRESS IN OVER 50 YEARS, THE PRESIDENT HAS HAD THE LEADERSHIP QUALITY AND THE POLITICAL WISDOM TO HAVE THESE VETOES WE NEEDED SUSTAINED.

WITHOUT THIS RESTRAINT AND REASON IN THE OVAL OFFICE OVER THE PAST TWO YEARS THERE WOULD HAVE BEEN LITERALLY NOTHING TO CHECK THE PARADE OF SPENDING BILLS THAT WERE TUMBLING OUT OF THE LEGISLATIVE BRANCH.

OUR FOUNDING FATHERS CONSTRUCTED OUR SYSTEM OF CHECKS AND BALANCES FOR VERY GOOD REASONS -- AND NEVER BETTER DEMONSTRATED THAN IN 1975.

WE HIT THE TROUGH OF THE DEPRESSION IN EARLY 1975. DISTINGUISHED LABOR AND POLITICAL LEADERS WERE DEMANDING GREATER FEDERAL STIMULUS AND WERE PREDICTING THAT THE FISCAL RESTRAINTS OF THIS ADMINISTRATION WOULD LEAD THIS COUNTRY INTO A DEEPER, DEEPER DEPRESSION.

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.

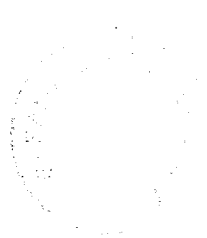
WELL-KNOWN ECONOMISTS SUCH AS WALTER HELLER AND OTTO ECKSTEIN WARNED, CONTRARY TO ALAN GREENSPAN, THAT UNLESS THE MONEY SUPPLY GREW AT AN ANNUAL RATE OF 10 TO 12 PERCENT, THE ECONOMY WOULD NEVER MAKE IT OUT OF THE RECESSION.

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 POLITICAL SHREWDNESS TO CAUSE MOST OF THOSE VETOES TO BE SUSTAINED IN THE FACT 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.



IN ONE SHORT YEAR UNDER HIS LEADERSHIP WE HAVE SEEN:

-- PERSONAL INCOME JUMP \$83 BILLION; -- OUR GROSS NATIONAL PRODUCT GROW BY \$200 BILLION; -- RETAIL SALES INCREASE 16 PERCENT; -- AUTO SALES 38 PERCENT; -- GENERAL MERCHANDISE 11 PERCENT; -- NEW FACTORY ORDERS UP \$17 BILLION.


TODAY, THERE ARE 3 MILLION MORE AMERICANS WORKING THAN ONE YEAR AGO -- IN SPITE OF A TREMENDOUS INFLUX OF WOMEN AND YOUNG PEOPLE INTO THE LABOR MARKET.

AND INFLATION HAS BEEN MORE THAN CUT IN HALF.

AND IN HOUSING -- PERHAPS THE HARDEST HIT SECTOR OF OUR ENTIRE ECONOMY. -- NEW STARTS ARE UP 22 PERCENT OVER LAST AUGUST, AND 64 PERCENT OVER THE BEGINNING OF 1975.

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. AND THIS BICENTENNIAL YEAR IS NO EXCEPTION.

WEEK AFTER WEEK, WE HEAR OUR OPPOSITION CALLING FOR MORE OF THE SAME PROGRAMS OF THE 1960'S, THAT GOT THIS NATION IN THE SERIOUS ECONOMIC STRAIT THAT FINALLY CAUGHT UP WITH US IN THE 1970'S.





IF WE LISTEN TO MR. CARTER'S ENDORSEMENT OF PROPOSALS THAT WOULD ADD \$100 TO \$200 BILLION TO A BUDGET THAT IS ALREADY PRODUCING A DEFICIT OF OVER \$50 BILLION, THEN WE MUST CONCLUDE THAT HE IS PURSUING THE PRESIDENCY WITH THE SAME "SOMETHING FOR EVERYBODY" PROMISES THAT HAVE BEEN HIS PARTY'S STOCK-IN-TRADE FOR FOUR DECADES.

FOR EXAMPLE, THE FAMILIAR ADHERENCE TO THE DISCREDITED NOTION THAT AMERICA CAN "BUY ITS WAY" OUT OF ANY PROBLEM IS FOUND IN HIS SUPPORT OF THE NATIONAL HEALTH INSURANCE PROGRAM THAT WOULD ADD \$70 BILLION TO THE NATIONAL DEBT; AND HIS CALL FOR FEDERALIZED JOB PROGRAMS WHOSE COST HAS BEEN ESTIMATED AT A MINIMUM OF ANOTHER \$50 BILLION.

THE UNVARNISHED EVIDENCE IS THAT THESE PROGRAMS WOULD THWART NEEDED BUSINESS EXPANSION BY DRIVING UP COSTS OF DOING BUSINESS.

THAT HURTS THE VERY PEOPLE THESE PROGRAMS ARE SUPPOSED TO HELP -- WITH GREATER EXPENSES, EMPLOYMENT CONTRACTION, LAYOFFS AND STILL ANOTHER ROUND OF UNEMPLOYMENT CHECKS.

MR. CARTER'S UNEMPLOYMENT STRATEGY WOULD "CREATE" MAKE-WORK FEDERAL EMPLOYMENT ON ONE END WHILE THE MEANINGFULLY-EMPLOYED IN THE PRIVATE SECTOR WOULD BE SQUEEZED OUT AT THE OTHER. IN FACT, A CARTER ECONOMIC ADVISOR (WACHTEL) HAS ESTIMATED THAT MR. CARTER'S "SOLUTION" WOULD DRIVE-UP INFLATION ANOTHER 15 PERCENT.

SURELY, A CONCERN FOR CATASTROPHIC ILLNESS AND UNEMPLOYMENT IS NOT THE SOLE PROVINCE OF THE DEMOCRATIC CANDIDATE.

IN HEALTH INSURANCE, THE PRESIDENT PROPOSES NOT TO FEDERALIZE ALL OF HEALTH CARE, BUT, INSTEAD, TO INSURE THAT ELDERLY PERSONS WITH MAJOR MEDICAL EXPENSES WILL NOT BE FINANCIALLY DESTROYED BY THOSE COSTS.

THE PRESIDENT'S CURE FOR UNEMPLOYMENT IS THE BEST REMEDY KNOWN TO A DEMOCRATIC SOCIETY: TO ESTABLISH A STABLE ECONOMY IN WHICH EXPANDING BUSINESS AND INDUSTRY, UNDER THE SYSTEM OF FREE ENTERPRISE, CREATES REAL AND LASTING JOBS AND A GROWING DEMAND FOR BLUE AND WHITE COLLAR WORKERS AT EVERY INCOME LEVEL.

SIMILARLY IN THE HOUSING AREA, WHICH IS OF PARTICULAR CONCERN TO ME, MR. CARTER SAYS THAT WITH HIM AT THE HELM, THE GOVERNMENT WOULD SUBSIDIZE HOUSING STARTS TO A LEVEL OF 2.5 MILLION A YEAR.

SUCH A SUBSIDY PROGRAM WOULD GENERATE WASTE OF OUR EXISTING HOUSING; TRIGGER ANOTHER WAVE OF OUT-MIGRATION FROM OUR URBAN CENTERS AND LEAD, INEVITABLY, TO A SMALLER PRODUCTION CYCLE IN THE NEXT PERIOD -- AND THUS RE-INCARNATE THE ECONOMY-SHATTERING SPECTOR OF BOOM-AND-BUST.

AND ALL OF THIS WITHOUT EVEN CONSIDERING THE INFLATIONARY EFFECT OF THAT GOVERNMENT SPENDING ON THE AMERICAN POCKETBOOK.

THIS ISN'T A "SCARE" STATEMENT. IT IS BASED ON THE HARD LESSON OF OUR IMMEDIATE PAST -- FOR, BY MANDATE OF THE HOUSING ACT OF 1968, OUR NATION SUBSIDIZED ANNUALLY OVER 2 MILLION STARTS FOR A THREE-YEAR PERIOD AND GENERATED A BURST OF HOUSING OVER-PRODUCTION THAT WE ARE STILL TRYING TO WORK OFF.

IN THE COURSE OF THIS GRAND STRATEGY TO SHARE THE BOUNTY OF AMERICA WITH MORE AMERICANS, OUR NATION SQUANDERED THE VERY RESOURCES ON WHICH THAT NOBLE GOAL DEPENDS.

FOR, AS CITY-DWELLERS HEEDED THE PIED PIPER CALL OF "NEW IS BETTER", AND RUSHED TO THE SUBURBS, THEY LEFT BEHIND HUNDREDS-OF-THOUSANDS OF SOUND, WELL-DESIGNED HOMES IN OUR URBAN CENTERS.

AND THE LOWER INCOME FAMILIES WHO WERE TO HAVE BENEFITTED FROM THIS FEDERAL LARGESS, FOUND THEIR "BOUNTY" IN ROW-ON-ROW OF BOARDED-UP NEIGHBORHOODS.

THE CITY FOUND ITS TAX-ROLLS SHRIVELLED, AND MILLIONS OF WASTED DOLLARS INVESTED IN UNUSED -- OR UNDER-USED -- ROADS, UTILITIES, SEWAGE SYSTEMS AND OTHER SERVICE AMENITIES THAT SUSTAIN A LIVING NEIGHBORHOOD.

THIS ARTIFICIALLY PRODUCED "BOOM" IN THE HOUSING INDUSTRY LED -- AS ALL "BOOMS" MUST -- TO AN INEVITABLE "BUST" -- WHICH CAUGHT UP TO US ABOUT TWO YEARS AGO WITH SHARP CUTBACKS IN HOUSING PRODUCTION AND MASSIVE LAYOFFS IN THE CONSTRUCTION BUSINESS.

CERTAINLY PRESIDENT FORD HAS SHOWN HIS BELIEF IN MAINTAINING REASONABLE LEVELS OF HOUSING PRODUCTION -- AND PROOF IS FOUND IN THE GOVERNMENT'S PURCHASE OF MORTGAGES BEARING BELOW-MARKET INTEREST RATES WHICH HAS BEEN JUDICIOUSLY AND EFFECTIVELY USED TO NURTURE RECOVERY OF THE HOUSING INDUSTRY.

HIS HOUSING POLICIES ARE DESIGNED TO ACCOMMODATE THE LOGICAL CALL FOR REASONABLE LEVELS OF STARTS WHILE AVOIDING THE DISASTEROUS CYCLES OF ALL OR NOTHING THAT HAVE CHARACTERIZED THE HOUSING CONSTRUCTION INDUSTRY EVER SINCE BIG GOVERNMENT GOT INTO THE ACT.

THUS, THE AMERICAN PEOPLE, CONFRONTED BY A CLEAR CLASH OF IDEOLOGY, MUST MAKE A PROFOUND CHOICE GROUNDED IN ECONOMICS, AS THEY DECIDE WHO SHALL LEAD THIS NATION OVER THE NEXT FOUR YEARS.

THE CHOICES ARE CLEAR:

DO WE WANT TO SUPPORT THE PRESIDENT AND HIS ADVISORS WHO HAVE PLOTTED OUR PRESENT ECONOMIC RECOVERY TO CONTINUE TO GUIDE OUR POLICIES? OR DO WE WANT TO GAMBLE ON AN UNKNOWN TEAM WITH AN UNSPECIFIC CANDIDATE?

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 THE ONE PARTY WHOSE PLATFORM IS GROUNDED ON HEAVIER EXPENDITURE TO CONTROL BOTH THE LEGISLATIVE AND THE EXECUTIVE BRANCHES OF GOVERNMENT?

WE SIMPLY 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.

PRESIDENT FORD HAS HELD THE LINE IN EXPENDITURES, AND IN SO DOING HAS CREATED THE LARGEST NUMBER OF JOBS IN OUR NATION'S HISTORY

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. AND HE HAS DONE IT IN TWO SHORT YEARS, ASSEMBLING HIS WINNING TEAM AT THE LOWEST POINT IN THE POLITICAL HISTORY OF OUR COUNTRY.

AND ONE OF THE GREAT REASONS FOR HIS SUCCESS IS THAT HE KNOWS WASHINGTON AND HE KNOWS HOW TO MAKE IT WORK FOR THE NATION.

FOR MORE THAN 25 YEARS, GERALD FORD HAS FOUGHT AGAINST EVERY DEMOCRATIC SCHEME THAT WOULD GIVE THE AMERICAN PEOPLE ANY MORE "WASHINGTON" THAN THEY ALREADY HAVE.

HIS "WASHINGTON" POLICY AS PRESIDENT HAS BEEN AND IS TO GIVE MORE AMERICA TO THE AMERICAN PEOPLE.

THIS IS WHAT PRESIDENT FORD IS DOING RIGHT NOW. THIS IS WHAT HE WILL CONTINUE TO DO OVER THE NEXT FOUR YEARS.

WHAT WE HAVE TO DO OVER THE NEXT THREE-AND-A-HALF WEEKS IS TO GET EVERY THINKING AMERICAN TO THE POLLS ON NOVEMBER 2ND TO VOTE FOR A GREAT LEADER WHO HAS MADE US PROUD AGAIN.

THANK YOU.