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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT A
CALIFORNIA REPUBLICAN DINNER

CENTURY PLAZA HOTEL

10:14 P.M. PST

It is really a great privilege and pleasure for me to be introduced on this occasion by the next Governor of the great State of California, Hugh Flournoy.

Hugh, Governor Reagan, Bob Hope, my former colleagues in the Congress, distinguished guests, ladies and gentlemen:

It is really wonderful to be here, and I do want to thank Hugh for his very fine introduction. Since I became President, I am usually introduced in a very stately and dignified manner such as Hugh did tonight in a very appropriate way. But I would like to tell you about one dinner that happened recently when I was introduced by a former teammate of mine at the University of Michigan when I was playing football back there when the ball was round.

I will never forget that introduction. He said something like this: "Ladies and gentlemen: It might interest you to know that I played football with Jerry Ford for two years, and it made a lasting impression on me. I was a quarterback and Jerry was the center. And you might say it gave me a completely different view of the President of the United States." (Laughter)

But it is a particular pleasure to be in California again, and I have been here a number of times over the last 25 years in political life. California -- the State that puts together such great football teams as the UCLA Bruins and the USC Trojans.

As a former football player for the Big Ten, I have always been very, very grateful for those practice teams that you have given us to play against. (Laughter) Well, we call it practice. I think you call it the Rose Bowl.

The last time -- this is the last time I am going to buy a joke from Woody Hayes at Ohio State.

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It is pretty obvious I enjoy being here in California, the State that is governed by Ronnie Reagan, served by Hugh Flournoy, and owned by Bob Hope. (Laughter)

It was very kind of Bob to mention my golf game, but as he well knows, it is not worth mentioning. Bob vows he will never carry me again as a partner on the golf course, and it is reciprocal, Bob. (Laughter)

Frankly, I have the same problem with golf that George Foreman had with Mohammad Ali. My swing is very good; I just did not or don't connect often enough. (Laughter)

I appreciate, as Bob knows, his being here tonight, because at 10:00 tonight, the Dean Martin roast of Bob Hope will be shown on television. Dean and Bob had invited me to be on the show, but unfortunately at almost the last minute some special problems arose in the Oval Office that precluded my participation. I think it is a shame, Bob, because lately, if there is anybody who knows about roasts, it is me. (Laughter)

As a matter of fact, Bob and I have a great deal in common. For the last 24 years Bob has been seen on television, and for the last 25 years I have been in politics. So we both know how to live quite dangerously. At least by the ratings.

I will only conclude by saying that Bob has done very well.

But I do wish to express to Governor Reagan and to Hugh and to all of the others my appreciation for being invited to visit all of you in California. I think you have achieved something quite unique in politics in America. You elected a great Governor who was an actor-turned-politician. Back in Washington, we have the reverse problem -- too many politicians who have turned actor.

Quite frankly, I am talking about some Congressmen and Senators who play the role of fiscal conservatives at home, and Diamond Jim Brady in Washington.

I think you might call them Method Politicians. They will try any method to get elected and, if indeed you do elect them to the House or to the Senate, they are like the child you sent at one time to the grocery store -- one of your own -- sometimes they don't remember what you sent them for.

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Today is Halloween, a warm, affectionate holiday, close to the hearts of all of us in America.

But my message for tonight is this: Let's keep Halloween for the children. The last thing we need in Washington is a Trick and Treat Congress.

To be very blunt, I am talking about a Congress that hands out multi-billion dollar treats, and then the trick is how to pay for them without higher taxation or more inflation.

And it is my observation that one Halloween a year is enough. What we need the rest of the time in Washington, in Sacramento, in State capitals across the country, and in our county and local governments, are serious-minded, dedicated individuals, inflation fighters and energy savers.

I am told that Hugh Flournoy's opponent in the California gubernatorial race claims that one State alone cannot do much about inflation, that it is mainly a Federal problem.

Well, I for one consider California part of the Union, and a very important part of our Union. One out of every ten Americans lives in this great State. You have the largest of all delegations in the Congress and the largest number of eligible voters of any State in the Union. You excel in so many, many fields -- in industry, agriculture, automobiles, advanced technologies, education, effective State and local government, the arts, recreation, conservation, natural resources.

You have all of these great attributes and resources. You even, in my conversations with many from California, run out of superlatives when you talk about the State. And I think for good reason. So I ask, in all sincerity, this problem:

California, not involved in the inflation problem? My answer is categorical: nonsense.

You are not only one-tenth of the problem, you are also one-tenth of the solution.

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This State has shown the rest of the country and the world there is nothing Californians can't do when they really put their shoulder to the wheel. California out-strips all but a handful of nations in wealth and productivity. Nothing California can do about inflation? I repeat, nonsense.

If inflation were only a problem for Washington, I would be staying in Washington trying to solve it, but the state of our economy is a national problem and to the extent that it is a problem of the Federal Government it is a political problem.

Frankly, that is why I am traveling here in California this evening and Fresno tomorrow and five or six other States this last weekend of this great campaign -- to share at least my views on the 1974 political campaign and the issues that are involved.

And I am asking, as I and Hugh and the rest of the State ticket, including your Congressional candidates, campaign day and night literally, I am asking all Californians to do their full share.

You have ten percent of the political clout in the Congress, and I am quite frank to say one of the ablest, as well as one of the largest, Republican delegations in the House of Representatives, and I see two or three of my former colleagues in that delegation here in this room.

You have had a great Republican Governor and a Republican administration in Sacramento which has practiced as well as preached a progressive but fiscally sound policy of good Government, in political terms.

There used to be a saying that as Maine goes, so goes the Nation. The fact is, during my lifetime, it is the polls in California that the Nation has turned to every election night and it is becoming more so as you grow in population and power. This is the way it will be next Tuesday, because what happens in this great State next Tuesday will be a bell-wether as to what might happen in 1976.

If it is true that there is great voter apathy across the Nation -- and the polls seem to indicate -- then, in my judgment, there is time to change it and we had better do it.

If only 42 percent of the eligible voters are going to urn out next Tuesday on the tremendous issues and the candidates that are involved, and this is what the experts are predicting, or forecasting, that means that a slight fraction of over 21 percent of the eligible voters in this country can determine how this Nation will operate for the next two years in Washington, D. C.

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Let me, in all sincerity, ask this question. Do you want that kind of minority rule in the United States of America? I do not think you do. So I say to my friends in California -- to Republicans, Independents, and what President Eisenhower used to call discerning Democrats, and you have plenty of them here in California -- let's prove that these pessimistic pollsters are totally wrong. Let's prove that you care what kind of Government you have in Sacramento and in Washington, that you appreciate the kinds of leadership that you have had with Ron Reagan, John Harmer, Hugh Flournoy, Ev Younger, what they have given to you in California for the past eight years and that you want an even stronger Congressional delegation to represent you in the Nation's capital and to protect your paycheck and your savings in the Congress of the United States.

Very frankly, if you do just that, California will have won one-tenth of the battle against inflation and will once again set an example for the rest of the Nation.

As I indicated in the economic message that I submitted to the Congress and to the American people about a month or so ago, if we are to win against inflation, we must enlist the efforts of every individual American and every unit of Government across this great country.

We need teamwork. We need cooperation between the Federal Government and the States like California. Cooperation between individuals, between individual States and their counties and their communities. If we are going to win the struggle against inflation, we must exercise some rigid fiscal control and responsibility and prudence at every level from the housewife making better use of her budget to the Congress in Washington curbing its appetite for uncontrollable spending.

I think you are fortunate here in California in that you have already established a tradition of fiscal prudence in your State Government. When my good friend, Ron Reagan, replaced the Democrat in Sacramento nearly eight years ago, California was suffering from a deficit of about \$325 million. During the last Brown administration, I understand you could do real well in Sacramento selling red ink to the State House. It was not much, but it was very steady.

Fortunately, your great Governor cleaned up the mess that he inherited using modern management techniques that are now being copied by Governors from many, many States, both Democratic as well as Republican.

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As a result of this technique or technology, he was able to get your State out of the financial grief that he inherited. When Ron leaves office I am told California will be enjoying a surplus of around \$400 million.

That kind of fiscal prudence can make a big dent in inflation. California, as I see it, cannot afford the risk of losing what he has done by electing a big round of new spenders Statewide or Nationwide. Hugh Flournoy understands this; John Harmer, your outstanding Lieutenant Governor knows **this**. So does Bill Richardson, who will make a great Senator for your State. So does Evelle Younger, Brian Camp, Bill Bagley, John Kehoe. I have had the privilege in several visits to California to meet them, to compare them with the kinds of people that I see on the other side of the political aisle and in other States throughout the Union.

So, I think in California, you are fortunate, lucky to have this talent available to elect, to run your State for the next four years. And unlike Hugh's opponent, they also understand the concept of teamwork; teamwork in the fight against inflation and the benefits that can be derived from cooperation between the State and the Federal Government and between the State and local units of government.

From Hugh Flournoy on down on the ballot, California has a Republican slate of experienced public servants -- men of proven competence, integrity -- men who have demonstrated that they know how to do the job and how to get it done.

It is my observation we need more teamwork in Washington, as well.

I first learned this concept, how important it was, some 25 years ago when I first took the oath of office in Washington, D. C. Earlier, a Republican Congress had worked very, very closely with a Democratic President, Harry Truman, to build a strong bipartisan foreign policy, one that was good for America and fortunately, good for the rest of the free world.

And because the Congress, which was then Republican, and the Democratic President did work together, we succeeded in mounting the Marshall Plan, the Greek-Turkish Aid Program, and the programs that followed, that rebuilt Europe, NATO, and produced an alliance which protected the free world from the threat of aggression from those early post-war days.

Today, that bipartisanship in foreign policy which has carried this Nation through some of its very roughest times, some of its greatest challenges, is being eroded by the irresponsible actions of some Members of the Congress.

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What really concerns me is this: If the ranks of the shortsighted are swelled by elections next Tuesday, not only that delicate bipartisanship which served this country so well for over a quarter of a century could be destroyed and our total foreign policy, which is one of maintaining and building the peace, would be undermined.

Now, at home, we have another threat. Certainly, the greatest we face domestically in this country, inflation. In its own way, this deadly domestic enemy is every bit as serious as the threat that we face from abroad.

Again, what concerns me, if the ranks of the big spenders in the Congress, House and Senate are increased next Tuesday, the inflation-fighting program that I have asked the Congress to approve will be swamped -- overloaded with massive deficit spending.

What we need is not a veto-proof Congress, as some have proposed. But what we actually need is an inflation-proof Congress, and we can get it next Tuesday.

If I might, let me be quite precise about what I mean. I do not want anyone to misunderstand. I do not believe that either of our great major political parties has a total monopoly on wisdom or on the solutions to the Nation's economic problems. We have Members on both sides of the aisle and some of my former colleagues know who they are, who are indispensable to an inflation-proof Congress.

Unfortunately and very regrettably, some of the staunchest Democrats who stood up and fought to be cooperative and to be helpful are regrettably retiring voluntarily this year. And so, who they are replaced by is critical and crucial.

Now, I am sure that virtually every Member of the Congress has only the very best interests of our Nation at heart and it depends on how he or she sees it.

Generally, when we differ, it is not so much as to the goals, but the road by which you achieve it. The question we face right today -- and it will be reemphasized and reiterated when Congress comes back on November 18 -- what is the best way to beat inflation? I have labeled it public enemy number one. A lot of different people have a lot of different views and as I think most of you know, we had this summit meeting on the economy that was the result of 12 mini-summits that were held all over the United States where we had labor, management, economists, bankers, housewives and others participating.

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I, at least, had an open mind and was the beneficiary of the suggestions that were made by this broad-based cross-section of America. There was one point, however, on which there was substantial, almost unanimous agreement on which a majority of Americans seemed to agree -- that excess Government spending has been, and will continue to be, a root cause of inflation.

No government, no government that I have read about, studied about, participated in, can keep on spending more than it takes in without driving down the buying power of its currency and driving up the cost of living for its people.

In the short-haul, it is very easy for government to yield to the temptation to give people what they want or what the politicians tell them that they ought to have, but keep this in mind: In the long-haul, a government big enough to give us everything we want is a government big enough to take from us everything we have.

So, when you come right down to a very basic subject, we must curb Federal spending as far as the Federal Government, the Congress, the President, are concerned. In the economic message that I submitted to the Congress just before the recess, I proposed that we establish a spending ceiling this year of some \$300 billion or some \$5.5 billion dollars less than the budget as it was submitted last January, but the current Congress has not yet approved that spending ceiling. The House of Representatives did act, but the Senate did not.

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There are some other proposals in that economic package which is aimed at tightening the screws on inflation and yet giving some help and assistance as far as the economy is concerned to strengthen it.

I hope when Congress reconvenes in the month or the weeks between November 18 and January 3, we will meet the challenge and act effectively on this, I think, finely-tuned proposal.

Now, I am not going to be so brash as to stand here and tell you that all of the big spenders belong to the opposition party, although the percentages tilt pretty far that way. But I would like to note -- I would like you to note -- and Governor Reagan mentioned it, others have said it -- but I think it is good to re-emphasize it -- that the Democratic party has controlled the United States Congress for 38 out of the last 42 years, and for the last 20 years consecutively.

During this period of time, Federal spending has shot up from roughly \$4.5 billion on an annual basis in 1934 to \$300-plus billion in the current fiscal year. It is a simple fact that no President and no Administration can spend a single dollar -- and to be more precise, a single penny -- that Congress has first not appropriated.

I cannot emphasize that enough. Congress appropriates every penny that is spent by any President or by any Administration. So when you look at it, if you are unhappy about the handling of our Nation's finances in the Capital over the past 20 years, if you think it is time for a change, remember next Tuesday who the big spenders are and throw the big spenders out. And if some of them are Republicans, so be it.

I think it is time for responsible men and women of all political persuasions -- Republicans, Democrats, Independents -- to come together, not in an effort for political advantage, but in a spirit of true American patriotism, to whip problems like inflation, energy, the environment, to strengthen our successful foreign policy by the restoration of bipartisanship. And it is also time for the American voter, whatever his views, to demonstrate by the ballot that he supports a responsible and responsive anti-inflation policy, that he opposes wasteful Government spending; that he demands a strong, secure national defense program, and most important, that he wants elected representatives who feel the same way.

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And in Congress that does not mean a one-party monopoly. It does mean a Congress in which reasonable men of both parties can work together with an Administration in a spirit of cooperation for the good of all of us.

I think this is the kind of Congress I have tried to campaign for in some 14 or 15 States in the last month, and with your help, it is the kind of a Congress that we can elect.

If we are successful next Tuesday, the average hard-working American citizen will be the beneficiary.

Just a few weeks ago, while I was out on the campaign trail, I met a lovely lady whose husband is now retired. After working very, very hard all their lives, they are living on Social Security and a small pension. They were beautiful people.

After I shook hands with her, she reached in her purse and handed me a little slip of paper. It was a supermarket register receipt like the one I am holding in my hand.

She told me that she appreciated many of the suggestions I had made on television and individually on what an individual citizen or family might do to help in the battle against inflation. But she said both of them -- she and her husband -- already were doing most of those things, and were trying to do more. Yet the total each week of this little grocery slip kept going up and up and up.

She said, "Mr. President, can't you do something about this?"

I looked her in the eye. I said, "Yes, but I cannot do it all alone. I need a lot of help. I need the help of responsible people, like-minded individuals in the Senate, in the House of Representatives."

And she looked at me with a kindly smile, and said she understood and would do her part on election day.

In the final analysis, let me say to each and every one of you: that is what this great national election is all about, to make sure we have a responsive Congress for the next two years, responsible to the people and responsive to their needs.

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As I close, let me make this suggestion to each of you. When you go into the voting booth next Tuesday, take with you your latest grocery slip, your check-out receipt, and before you vote, take a good hard look at the bottom line. Then vote for the candidates who will really make sure and certain that your paycheck buys as much on the day that you spend it as on the day that you earned it.

Thank you very much.

END (AT 10:50 P.M. PST)