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Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED TO THE
NORTHEASTERN STATES GOP CONFERENCE

TWIN BRIDGES MARRIOTT HOTEL
ARLINGTON, VIRGINIA

It is a great personal pleasure for me to participate in this Northeastern Conference of the Republican Party.

As I look about this room, I see so many old friends -- and so many new friends as well. Good Republicans I met for the first time as I traveled to just about all of your states to be a part of enjoyable, enthusiastic and productive meetings. I know how freely you have given of your time, your talent and your enthusiasm and I applaud you for it.

Let me assure you right now that in the coming months I will continue my best efforts to help elect Republican candidates for the next Congress and State and local office throughout the Northeast and across America.

There is no doubt in my mind and I'm sure there is no doubt in yours, about one thing: as we start our Bicentennial of independence, the two-party system of free choice is still very much alive in America -- and we're going to keep it that way!

Our two-party system works best when it presents clear alternatives to the American people as to what course this nation should take into the future.

In this election year, such clear alternatives have already emerged.

The American people in 1976 are not concerned with the polished "image" of candidates but rather with the hard issues facing this country.

They are concerned about jobs. They are concerned about the cost of health care. They're concerned about housing, education, crime -- about the cost of government and the price of groceries.

All Americans are concerned about their cost of living and the quality of their lives. But each of our two major parties has a different prescription to cure our Nation's ills. The difference can most dramatically be seen in our respective approaches to economic recovery.

I propose to continue the common sense policies of sound, responsible, self-disciplined growth that have brought America out of its worst recession since the Thirties. It is all too easy to forget the fog of fear that enveloped our Nation just a year ago because of double-digit inflation. Who in this audience doesn't remember buying something in a store and

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finding a little mound of price--stickers on it -- one above the other -- each a few cents higher than the one below? We wondered if it would ever stop.

In February of 1975, a prominent labor leader warned that everything was pointing downward toward a depression. He forecast that a ten percent rate of unemployment by July was inevitable.

About this same time, a leading spokesman of the other party went on network TV to say -- and I quote: "Unless we take some very concrete and effective action, and very quickly, within the next 60 to 90 days, I think we would be approaching what you would call the dimensions of a depression." Unquote.

This was a time when it would have been very easy to stampede -- to turn our backs on the inherent strengths of the world's greatest economic machine -- to turn instead to quick-fix gimmicks and snake oil solutions.

This Administration did not stampede. Nor did we abandon our principles or our convictions under fire. We set a steady course and stuck to it. What happened? Doomsday never came.

Inflation today is just about half of what it was a year ago. It is still too high but the monster of runaway inflation no longer sits down with every breadwinner and businessman as they make their daily decisions. Runaway inflation no longer imposes a crushing 12 percent a year tax on all 215 million Americans. We've got a hold on inflation and I'm not about to let go now.

Industrial production is up twelve percent since last April. Our real Gross National Product rose at an annual rate of 8.6 percent in the last half of 1975. Excess business inventories are rapidly being worked off.

Interest rates have gone down significantly. From its high point of twelve percent, the prime lending rate has been cut to a current 6-3/4 percent.

And a few hours ago the Labor Department announced that the rate of unemployment for January was 7.8 percent, down from 8.9 percent last spring. That's going in the right direction, and we want to keep it that way.

American buyers, American investors and American workers have regained their confidence in the future. We have preserved the integrity of the American dollar and the American economy. The system works.

Have we solved all our problems? Of course not! Even though 96 percent of the jobs lost during the recession have now been recovered -- the rate of unemployment is still far too high. Today 2.1 million more Americans are working than at the bottom of the recession, but this isn't good enough. Statistics -- cold numbers on a page -- can never describe the torment, the fear, the erosion of self-confidence, that haunts all those who want work and can't find it. These are Americans we can and must respond to. These are Americans I am responding to.

Here again there is sharp disagreement between our two major parties over how to create these vitally needed jobs.

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Spokesmen for the opposition want the Federal Government to create jobs directly -- through make-work programs similar to those established in the 1930's, and through public service jobs in State and local governments for which the Federal Government pays the bill. We also have public works programs providing employment on needed priorities such as rebuilding railbeds, new housing, construction of sewage treatment plants, land reclamation projects and others. But Government-sponsored jobs have not solved America's unemployment problem -- and never will.

Even when make-work programs were operating on a massive scale in the 1930's, national unemployment stayed astonishingly high. It was World War Two -- demanding an economy operating at full speed -- that brought America back to full employment.

The W.P.A. of the 1930's is not the answer to unemployment in the 1970's -- and obviously war is not the answer to anything.

To create jobs -- real, permanent jobs with a future -- we need to stimulate growth in private business and industry, where five out of every six American jobs are to be found.

We need to "rev" up the mighty engines of the free American economic system, which has given this country the greatest prosperity and progress the world has ever known.

The tax cut and incentive programs I have proposed would give the private sector the encouragement and the assistance it needs to expand, to grow, to build, to create jobs, and to recover its prosperity.

One of my proposals is targeted on those areas where unemployment exceeds seven percent, and it requires that plant and job expansion begin now, this year, so that Americans can get back to work faster.

There is so much work that needs to be done.

There are diseases to be conquered, new technologies to be developed, new sources of energy to be found.

To accomplish these and other objectives, my Administration is making a major investment in America's future.

The budget I have proposed for Fiscal 1977 contains record funds -- 24.7 billion dollars -- for research and development in a wide variety of fields, from desalinization to defense. This is an eleven percent increase in research funds over last year's budget.

This money will be used to develop new varieties of wheat and other farm products to improve our agricultural capacity and export earnings. Some of this money will support research on the liquefaction of coal, our most plentiful energy resource, reducing our reliance on oil.

Other energy research projects include the development of solar and geothermal energy and other "exotic" forms which will help make America energy-independent in the future.

We will continue the search for a cure for cancer and the prevention of heart diseases. New research will be undertaken to develop advanced weapons systems which will keep America's defenses second to none.

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Much of that research will be done by the great universities and research organizations concentrated in your Northeastern region.

It will help your local economies, and it will help make America's future as exciting and rewarding as our past.

Another proposal of immediate and vital importance to you is the extension of the General Revenue Sharing Program through 1982.

Now I know that a considerable number of governors and mayors and county officials -- from your states and others -- have been lobbying pretty vigorously for passage of the six billion dollar so-called Counter Cyclical Bill passed recently by the Congress. I oppose this bill because it is a one shot, band-aid, uneconomical approach to long-range problems.

I believe revenue sharing is far more important legislation. Over the last four and a half years, 22 percent of general revenue sharing funds have been spent on education. Twenty-four percent has been spent to improve local law enforcement and public safety programs. Fourteen percent has been spent on better transportation, seven percent on environmental protection, seven percent on health. This is money spent to make your cities and counties and states cleaner, safer and better places to live in.

Unlike other programs in which the Federal government is involved, the cost of administering this program is only one-twelfth of one cent on every dollar.

Fewer than one hundred Federal employees are involved in administering this program. By any standard, this is an outstanding record of efficiency and good management.

General Revenue Sharing is a 39.85 billion dollar bill that runs for the next five years.

Our party can be very proud of the role we played in securing passage of the original revenue sharing program five years ago. That program has provided your Northeastern states and subdivisions alone with more than 6.7 billion dollars since 1972. If the Congress passes my bill to extend the program, your states will get about 11.5 billion dollars more in the next five and a half years.

New York State will get 4.5 billion dollars. Pennsylvania will get more than 2 billion dollars, and New Jersey more than a billion. And there are proportionate amounts for all the other states represented here.

To mention only one -- strictly at random -- let's take New Hampshire. New Hampshire will get more than 125 million dollars, in addition to the 75.3 million dollars it has already received from revenue sharing since 1972.

The whole foundation of revenue sharing is to return Federal tax dollars, as well as decision-making power, to the local level.

That policy goes to the heart of the American experience. The American people today are about as fed up with the petty tyranny of faceless Federal bureaucrats as earlier Americans were with their faraway rulers in 1776.

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The better balance we seek is not a slogan for an election year. New realism and common sense are not magic words that will work miracles for our people.

They are plain ideas and simple words that speak to the needs of 215 million Americans who are looking for a better life for themselves and their children.

They know, as we know, that government has certain obligations and powers and abilities to help bring about progress in many areas. We in this Administration will fulfill each of those obligations as fully, and exercise those powers and abilities as justly and as responsibly as we can.

We must never lose sight of one simple truth that a government big enough to give us everything we want is a government big enough to take from us everything we have.

The Republican Party is in tune, in touch, and in stride with the mood of America. I am confident that we are on the road to victory in November of 1976.

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