

## Gerald R. Ford at the National Press Club, June 6, 1988



*Gerald R. Ford with 1988 NPC President Lee Roderick, June 6, 1988. Photo by Martin Kuhn. National Press Club Archives*

Ex-President Gerald R. Ford (1913-2006) spoke at a luncheon gathering at the National Press Club on June 6, 1988, to inaugurate the first annual Gerald R. Ford Foundation journalism prizes. Ford presented awards to Charles Corrdry of *The Baltimore Sun* for distinguished reporting on national defense and to Lou Cannon of *The Washington Post* for distinguished reporting on the presidency. Following short acceptance speeches, Ford delivered a talk on the state of the federal budget process, which, he warned, was “in total shambles.” He characterized the large annual budget deficits—averaging approximately \$200 billion for fiscal years 1983 through 1986—as a “potential economic time bomb.” Following his talk, Ford fielded reporters’ questions about the historic summit in Moscow that had occurred the previous week, the presidential campaign in progress, ongoing scandals involving House Speaker James Wright and Attorney General Edwin Meese, prospects for peace in the Middle East, and Ford’s pardon of President Richard Nixon.

Ford had served in Congress for 25 years as a representative from Michigan when Nixon nominated him to replace Spiro T. Agnew as vice president in October 1973. Agnew had just resigned after pleading no contest to charges of income tax evasion amidst an investigation by federal prosecutors that he had solicited and accepted bribes from engineering firms receiving public works contracts during his time as governor of Maryland and vice president. In accordance with the Twenty-fifth Amendment, ratified in 1967, Nixon submitted Ford’s name for confirmation by a majority vote in both houses of Congress.

At the time, Nixon himself was under intense scrutiny by Congress and special prosecutor Archibald Cox investigating the Watergate break-in and cover-up. Although Nixon preferred as his new vice president former Texas Governor

John Connally, whom he hoped to groom to run for president in 1976, he learned that Connally would not be acceptable to Democrats in Congress primarily because Connally had switched parties earlier in the year. Nixon ordered his staff to survey Republicans in Congress and the Republican National Committee for their preferences. Though not the overall first choice, Ford, the House minority leader since 1965 and a politician widely respected for his honesty and fairness, “was without question the front-runner when it came to the key qualification of confirmability,” Nixon later wrote to Ford’s biographer, James Cannon. “In view of my own weak political position at that time, confirmability had to be a major consideration in my decision,” he explained. The Senate voted 92 to 3 to confirm Ford, while the House approved the nomination by a margin of 387 to 35.

At his swearing in as vice president on December 6, 1973, Ford modestly noted, “I am a Ford, not a Lincoln.” Eight months later, on August 9, 1974, Nixon resigned after the Supreme Court ruled that he had to turn over tapes of conversations that implicated him in the Watergate cover-up. Ford took the oath of office that day as the nation’s 38<sup>th</sup> president. In a speech following the swearing in, Ford declared, “My fellow Americans, our long national nightmare is over. Our Constitution works.”

Ford surprised many when he invoked the constitutional power of the president one month later and signed a proclamation issuing to Nixon “a full, free, and absolute pardon” for offenses he had committed during his presidency. In his autobiography, Ford stated that had he not pardoned Nixon, the former president’s fight to stay out of prison would have dominated the news for the next two to six years. “American needed recovery, not revenge,” Ford wrote. “The hate had to be drained and the healing begun.”

Ford failed to foresee the intensity of anger and cynicism that the pardon elicited. His approval rating fell from 66.25% prior to the announcement of the pardon to 49.93% in the weeks following. To dispel rumors that he had made a deal to pardon Nixon prior to the resignation, Ford appeared at a congressional inquiry, marking the first time a sitting president testified before Congress since George Washington. Ford told a House Judiciary subcommittee, “There was no deal, period, under no circumstances.”

Ford testified that he met with Nixon’s chief of staff, General Alexander M. Haig, Jr., on August 1. Haig revealed the existence of the incriminating tapes and said they would prove to be “catastrophic” to Nixon’s future. Haig brought up the possibility of a pardon as one of six potential scenarios for Nixon to consider and asked for Ford’s assessment of the situation. Although Ford queried Haig about the president’s power to pardon, Ford told the subcommittee that he called Haig the next day and said he would not make any recommendations concerning Nixon’s course of action and that their previous conversation should not influence Nixon’s decision. Democrats on the subcommittee and many members of the press expressed disappointment that the hearing had not resolved all issues

involving the pardon. Ford later characterized the pardon as having been “an adverse factor in the ’76 election,” which he lost to Jimmy Carter. During the Press Club question-and-answer period, Ford reiterated his conviction that his decision to pardon Nixon was correct and restated his reasons for it.

Ford’s Press Club talk focused on the deterioration of the budget process and the need for strong presidential action to reduce the size of the national debt. Disagreements over control of the budget process and the ramifications of deficit spending and balanced budgets have existed since the early years of the republic and often have reflected broad political views on the proper scale, scope, and purpose of the federal government. As a rule, balanced budgets were achieved in most years until the Great Depression except during times of war, depression, and recession, though the rationale for avoiding deficits shifted according to political philosophy. While Thomas Jefferson favored balancing expenditures with revenues to limit the size of the federal government and prevent the rise of an aristocracy of moneyed interests, politicians during the Gilded Age balanced budgets by spending surpluses derived largely from high tariffs to promote industrialization and subsidize the sort of interests Jefferson had feared.

During the Great Depression, the Roosevelt administration employed deficit spending to stimulate economic growth and create jobs. While Presidents Truman and Eisenhower endorsed traditionally conservative fiscal policies that strived to balance budgets except during wartime, the Kennedy administration initiated a “new economics” that promoted the use of government spending to induce full employment and high growth with the expectation that balanced budgets would result automatically after these goals had been achieved. Lyndon Johnson’s escalation of the Vietnam War, along with increased expenditures for Great Society domestic programs, led to increased deficits when he failed to raise taxes and to bitter conflicts over budget policy.

During the 1970s and 1980s, as spending for social welfare entitlement programs began to take up a greater share of the budget than defense expenditures, presidents and Congress continued their intense partisan conflicts over the control of budget priorities. Nixon wanted to cut Great Society programs and establish spending ceilings. Congress, with Democratic majorities in both houses, instead passed legislation that transferred appropriations from defense to domestic programs.

Nixon vetoed many of these appropriation bills and also asserted that the Constitution gave the president the power to impound—or refuse to spend—funds Congress had appropriated. Nixon’s confrontational style—after Congress overrode his veto of a water pollution control program, he refused to spend the provided funds—provoked a strong backlash in Congress. Fearing the rise of an “imperial presidency,” Congress in 1974 passed the Congressional Budget and Impoundment Control Act, giving Congress the power to veto proposed short-

term impoundments and requiring their approval for complete rescissions. In addition, the Act established a new and more disciplined budget process. Ford criticized this legislation in the Press Club talk for disabling a powerful tool, the impoundment procedure, for budgetary restraint.

Like Nixon, Ford tried to rein in the growth of domestic spending. In his battles with Congress, Ford vetoed more bills dealing with significant national issues than any previous president. He vetoed 66 bills in total, including 26 for appropriations or budget authorizations. Ford wrote in his autobiography, “The veto was the single most powerful weapon at my disposal to force Congress to recognize fiscal restraint and to keep the economy on track.” Most of his vetoes relating to the budget were not overturned.

In the 1980s, the national debt tripled as Congress passed huge tax cuts and massive increases in defense expenditures in accordance with the Reagan administration’s economic program, but refused to cut entitlement programs. In 1985, Congress passed the Gramm-Rudman-Hollings Act to impose spending cuts that would take place automatically if Congress failed in the future to pass a budget that complied with stipulated deficit ceilings. In the Press Club talk, Ford ridiculed the law as a “parliamentary robot” that was no substitute for the “wisdom and willpower” needed from responsible government officials.

The deficit reached a record high of \$290.4 billion in 1992. Congress passed deficit reduction acts in 1990, 1993, and 1997 that placed controls on spending and revenues covering multiple years in order to prevent legislators from passing future bills that would increase the deficit. With the end of the Cold War and the persistence of a booming economy throughout the rest of the 1990s, President Bill Clinton and congressional Democrats prevailed in their plan to decrease the growth of defense expenditures, increase the tax burden on wealthier Americans, and retain previous spending levels for most domestic programs. In fiscal year 1998, the nation celebrated its first budget surplus since 1969. By 2000, the surplus increased to \$235 billion. In the new fiscal environment, spending controls, however, no longer were enforced. During the 2000 election, the parties battled again over the best way to spend the surplus—whether to prioritize tax cuts, increased spending, or paying down the debt. The passage of a ten-year \$1.35 trillion tax cut in 2001 and an unexpected rise in defense spending due to the war on terrorism created huge deficits in the budget once again—the deficit in 2004 rose to \$412 billion—as costs for entitlement commitments also continued to increase. While the deficit suffered a sharp increase during the Great Recession, reaching in 2009 a peak of 9.8% of gross domestic product (GDP), in 2014, the deficit had declined to 2.8% of GDP.

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