November 21, 1975

Dear Mr. Friedemann:

Thank you for sharing with President Ford your views on the economy. Please be assured that your concerns are fully understood and that we value your opinions.

As you know, the President has proposed a permanent reduction of $28 billion in Federal taxes, with an equal reduction in Federal spending. If enacted by the Congress, these reductions in taxes and government spending are aimed at further stimulating our economic recovery while holding down inflation. Moreover, these reductions will allow the American people a greater choice in determining how they will spend their own money.

President Ford believes that the strength of our country rests in the industry and the ingenuity of our citizens and that, as in the past, our progress and success must come from a fuller reliance on our people. Freedom and prosperity -- stable prices and steady jobs -- go hand in hand, and this is the direction the President wants to follow as we look to the future.

With appreciation for your interest and best wishes,

Sincerely,

Roland L. Elliott
Director of Correspondence

Mr. Theodore Friedemann
645 Forest Avenue
Glen Ellyn, Illinois 60137

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645 Forest Avenue
Glen Ellyn, Illinois 60137
October 10, 1975

The President
The White House
Washington, D. C.

BN

My Dear Mr. President:

I firmly support your strong stand against providing any Federal assistance to New York City or to any municipality for that matter. Being from a state and a local community that have prudently maintained a balance between receipts and expenditures, I will deeply resent having our AAA financial position undermined by the diversion of tax resources to bail out a state and community whose fiscal ineptness can almost be labeled as criminal.

Since the end of World War II, government policies have had the effect of rewarding our country's financial "grasshoppers" at the expense of its "ants". The person who has gone into debt up to his neck has been able to pay off his obligations with inflation-depreciated "Chinese Dollars". The saver and investor on the other hand has observed his government actively working against him through tax policies and inflationary deficits. This process is creating an economic moonscape where prudence is bad and profligacy is good, where consumption must forever be stimulated at the expense of saving and investment, and where no one is allowed to suffer the results of his own bad judgment.

The Federal Government must stop trying to save individuals, corporations or state and local governments from experiencing the pain of their own mistakes. That New York City's default will bring pain is certain but it will be relatively short-lived. The stock and bond markets will adjust to the situation very rapidly and in my opinion will rise as uncertainty is replaced by reality. Further, investors will be relieved from the prospect of continued Federal support for a multitude of other communities whose spending propensities outrun their willingness to tax their citizenry.

Good sense as well as "compassion" dictate that New York City be forced to take the quick cure rather than go through the agony of a prolonged recovery from its fiscal illness; during which the possibility exists that many others could catch the disease.

Cordially yours,

Theodore Friedemann

Theodore E. Friedemann:cek
cc: Senator Adlai E. Stevenson III
Senator Charles H. Percy
Congressman John N. Erlenborn