## The original documents are located in Box 22, "1/19/76 - Message to the Congress and to the Nation, State of the Union (1)" of the President's Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.

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THE PRESIDENT HAS SHEN.

#### STATE OF THE UNION MESSAGE

OF

#### PRESIDENT GERALD FORD

TO A JOINT SESSION OF THE CONGRESS

MONDAY, JANUARY 19, 1976

### MR. SPEAKER, MR. VICE PRESIDENT,

MEMBERS OF THE 94TH CONGRESS AND DISTINGUISHED GUESTS;

AS WE BEGIN OUR BICENTENNIAL, AMERICA IS STILL ONE OF THE YOUNGEST NATIONS IN RECORDED HISTORY. LONG BEFORE OUR FOREFATHERS CAME TO THESE SHORES, MEN AND WOMEN HAD BEEN STRUGGLING ON THIS PLANET TO FORGE A BETTER LIFE FOR THEMSELVES AND THEIR FAMILIES. IN MAN'S LONG UPWARD MARCH FROM SAVAGERY AND

SLAVERY -- THROUGHOUT THE NEARLY 2000 YEARS OF THE

CHRISTIAN CALENDAR, THE NEARLY 6000 YEARS OF JEWISH

RECKONING -- THERE HAVE BEEN MANY DEEP, TERRIFYING VALLEYS,

BUT ALSO MANY BRIGHT AND TOWERING PEAKS.

ONE PEAK STANDS HIGHEST IN THE RANGES OF

HUMAN HISTORY. ONE EXAMPLE SHINES FORTH OF A PEOPLE UNITING TO PRODUCE ABUNDANCE AND TO SHARE THE GOOD LIFE FAIRLY AND IN FREEDOM. ONE UNION HOLDS OUT THE PROMISE OF JUSTICE AND OPPORTUNITY FOR EVERY CITIZEN. THAT UNION IS THE UNITED STATES OF AMERICA.

#### WE HAVE NOT REMADE PARADISE ON EARTH WE

KNOW PERFECTION WILL NOT BE FOUND HERE. BUT THINK FOR A

MINUTE HOW FAR WE HAVE COME IN 200 YEARS.

WE CAME FROM MANY ROOTS AND HAVE MANY BRANCHES. YET ALL AMERICANS ACROSS THE EIGHT GENERATIONS THAT SEPARATE US FROM THE STIRRING DEEDS OF 1776, THOSE WHO KNOW NO OTHER HOMELAND AND THOSE WHO JUST FOUND REFUGE ON OUR SHORES, SAY IN UNISON: AMERICAN.

FOR ME.

I BELIEVE THIS NOT BECAUSE I AM TOLD TO BELIEVE IT,

BUT BECAUSE LIFE HAS BEEN BETTER FOR ME THAN IT WAS FOR MY

# <u>I KNOW</u> IT WILL BE BETTER FOR MY CHILDREN BECAUSE <u>MY HANDS</u>, <u>MY BRAINS</u>, <u>MY VOICE</u> AND <u>MY VOTE</u>, CAN HELP <u>MAKE IT HAPPE</u>N.

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AND IT HAS HAPPENED HERE IN AMERICA.

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IT HAPPENED TO YOU AND TO ME.

GOVERNMENT EXISTS TO CREATE AND PRESERVE

CONDITIONS IN WHICH PEOPLE CAN TRANSLATE THEIR IDEALS

INTO PRACTICAL REALITY. IN THE BEST OF TIMES, MUCH

IS LOST IN TRANSLATION. BUT WE TRY.

SOMETIMES WE HAVE TRIED AND FAILED.

#### ALWAYS WE HAVE HAD THE BEST OF INTENTIONS.

#### BUT IN THE RECENT PAST WE SOMETIMES FORGOT THE SOUND

#### PRINCIPLES THAT HAD GUIDED US THROUGH MOST OF OUR HISTORY.

WE WANTED TO ACCOMPLISH GREAT THINGS AND SOLVE AGE-OLD

**PROBLEMS**.

AND WE BECAME OVERCONFIDENT OF OUR OWN ABILITIES.

HERE AT HOME. WE THOUGHT WE COULD TRANSFORM

THE COUNTRY THROUGH MASSIVE NATIONAL PROGRAMS;

-- BUT OFTEN THE PROGRAMS DID NOT WORK;

#### TOO OFTEN, THEY ONLY MADE THINGS WORSE.

-- IN OUR RUSH TO ACCOMPLISH GREAT DEEDS QUICKLY,

WE TRAMPLED ON SOUND PRINCIPLES OF RESTRAINT,

AND ENDANGERED THE RIGHTS OF INDIVIDUALS.

-- WE UNBALANCED OUR ECONOMIC SYSTEM BY THE HUGE

AND UNPRECEDENTED GROWTH OF FEDERAL EXPENDITURES AND

BORROWING AND WE WERE NOT TOTALLY HONEST WITH OURSELVES

ABOUT HOW MUCH THESE PROGRAMS WOULD COST AND

HOW WE WOULD PAY FOR THEM.

-- FINALLY, WE SHIFTED OUR EMPHASIS

FROM DEFENSE TO DOMESTIC PROBLEMS WHILE OUR ADVERSARIES

CONTINUED A MASSIVE BUILDUP OF ARMS.

THE TIME HAS NOW COME FOR A FUNDAMENTALLY DIFFERENT APPROACH  $\rightarrow$  FOR A NEW REALISM THAT IS TRUE TO

THE GREAT PRINCIPLES UPON WHICH THIS NATION WAS FOUNDED.

WE MUST INTRODUCE A NEW BALANCE TO OUR ECONOMY --

A BALANCE THAT FAVORS NOT ONLY SOUND, ACTIVE GOVERNMENT BUT ALSO A MUCH MORE VIGOROUS, HEALTHIER ECONOMY THAT

CAN CREATE NEW JOBS AND HOLD DOWN PRICES.

#### WE MUST INTRODUCE A NEW BALANCE IN THE

RELATIONSHIP BETWEEN THE INDIVIDUAL AND THE GOVERNMENT --

A BALANCE THAT FAVORS GREATER INDIVIDUAL FREEDOM AND

SELF-RELIANCE

WE MUST STRIKE A NEW BALANCE IN OUR SYSTEM

OF FEDERALISM -- A BALANCE THAT FAVORS GREATER RESPONSIBILITY AND FREEDOM FOR THE LEADERS OF OUR STATE

AND LOCAL GOVERNMENTS.

WE MUST INTRODUCE A NEW BALANCE BETWEEN

SPENDING ON <u>DOMESTIC PROGRAMS</u> AND SPENDING ON <u>DEFENSE</u> A BALANCE THAT ENSURES WE FULLY MEET OUR OBLIGATIONS TO THE NEEDY WHILE ALSO PROTECTING OUR SECURITY IN A WORLD THAT IS STILL HOSTILE TO FREEDOM. AND IN ALL THAT WE DO, WE MUST BE MORE HONEST WITH THE AMERICAN PEOPLE; PROMISING THEM NO MORE THAN WE CAN DELIVER, AND DELIVERING ALL THAT WE PROMISE.



THE GENIUS OF AMERICA HAS BEEN ITS INCREDIBLE

ABILITY TO IMPROVE THE LIVES OF ITS CITIZENS THROUGH A

UNIQUE COMBINATION OF GOVERNMENTAL AND FREE CITIZEN ACTIVITY.

HISTORY AND EXPERIENCE TELL US THAT MORAL PROGRESS COMES NOT IN <u>COMFORTABLE</u> AND <u>COMPLACENT</u> TIMES, BUT OUT OF TRIAL AND CONFUSION. TOM PAINE AROUSED THE <u>TROUBLED AMERICANS OF 1776</u> TO STAND UP TO THE TIMES THAT TRY MEN'S SOULS, BECAUSE THE HARDER THE CONFLICT THE MORE GLORIOUS THE TRIUMPH.



JUST A YEAR AGO I REPORTED THAT THE STATE OF

THE UNION WAS NOT GOOD.

TONIGHT I REPORT THAT THE STATE OF OUR UNION IS BETTER - IN MANY WAYS A LOT BETTER - BUT STILL NOT GOOD ENOUGH. TO PARAPHRASE TOM PAINE, 1975 WAS NOT A YEAR FOR SUMMER SOLDIERS AND SUNSHINE PATRIOTS. IT WAS A YEAR OF FEARS AND ALARMS, AND OF DIRE FORECASTS - MOST OF WHICH NEVER HAPPENED AND WON'T HAPPEN.

#### AS YOU RECALL, THE YEAR 1975 OPENED WITH RANCOR

AND BITTERNESS. POLITICAL MISDEEDS OF THE PAST HAD

NEITHER BEEN FORGOTTEN NOR FORGIVEN.

THE LONGEST, MOST DIVISIVE WAR IN OUR HISTORY

WAS WINDING TOWARD AN UNHAPPY CONCLUSION. MANY FEARED THAT THE END OF THAT FOREIGN WAR OF MEN AND MACHINES MEANT THE BEGINNING OF A DOMESTIC WAR OF RECRIMINATION AND REPRISAL.

#### FRIENDS AND ADVERSARIES ABROAD WERE ASKING

#### WHETHER AMERICA HAD LOST ITS NERVE.

FINALLY, OUR ECONOMY WAS RAVAGED BY INFLATION --

INFLATION THAT WAS PLUNGING US INTO THE WORST RECESSION

IN FOUR DECADES.

AT THE SAME TIME, AMERICANS BECAME INCREASINGLY ALIENATED FROM ALL BIG INSTITUTIONS. THEY WERE STEADILY LOSING CONFIDENCE NOT JUST IN BIG GOVERNMENT, BUT IN BIG BUSINESS, BIG LABOR AND BIG EDUCATION AMONG OTHERS.

#### OURS WAS A TROUBLED LAND.

AND SO, 1975 WAS A YEAR OF HARD DECISIONS,

DIFFICULT COMPROMISES, AND A NEW REALISM THAT TAUGHT US

SOMETHING IMPORTANT ABOUT AMERICA.

IT BROUGHT BACK A NEEDED MEASURE OF COMMON SENSE, STEADFASTNESS AND SELF-DISCIPLINE. AMERICANS DID NOT PANIC OR DEMAND INSTANT BUT USELESS CURES. IN ALL SECTORS PEOPLE MET THEIR DIFFICULT PROBLEMS WITH RESTRAINT AND RESPONSIBILITY WORTHY OF THEIR GREAT HERITAGE. ADD UP THE SEPARATE PIECES OF PROGRESS IN 1975, SUBTRACT THE SETBACKS, AND THE SUM TOTAL SHOWS THAT WE ARE NOT ONLY HEADED IN THE NEW DIRECTION I PROPOSED 12 MONTHS AGO, BUT THAT IT TURNED OUT TO BE THE RIGHT DIRECTION. IT IS THE RIGHT DIRECTION BECAUSE IT FOLLOWS

THE TRULY REVOLUTIONARY AMERICAN CONCEPT OF 1776 WHICH HOLDS THAT IN A FREE SOCIETY, THE MAKING OF PUBLIC POLICY AND SUCCESSFUL PROBLEM SOLVING INVOLVES MUCH MORE THAN GOVERNMENT. IT INVOLVES A FULL PARTNERSHIP AMONG ALL BRANCHES AND LEVELS

COMMON SENSE TELLS ME TO STICK TO THAT STEADY COURSE.



TAKE THE STATE OF OUR ECONOMY.

#### LAST JANUARY MOST THINGS WERE RAPIDLY GETTING

**WORSE** 

THIS JANUARY MOST THINGS ARE SLOWLY BUT

SURELY GETTING BETTER.

THE WORST RECESSION SINCE WORLD WAR TWO TURNED

AROUND IN APRIL. THE BEST COST OF LIVING NEWS OF THE PAST YEAR IS THAT DOUBLE DIGIT INFLATION OF 12 PERCENT OR HIGHER WAS CUT ALMOST IN HALF. THE WORST --UNEMPLOYMENT REMAINS TOO HIGH. TODAY NEARLY <u>1.7 MILLION MORE AMERICANS</u> ARE WORKING THAN AT THE BOTTOM OF THE RECESSION. AT YEAR'S END PEOPLE WERE AGAIN BEING HIRED MUCH FASTER THAN THEY WERE

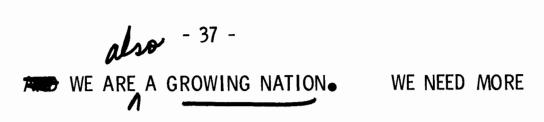
BEING LAID OFF.

- 36 -YET LET US BE HONEST: MANY AMERICANS HAVE

NOT YET FELT THESE CHANGES IN THEIR DAILY LIVES. THEY

STILL SEE PRICES GOING UP TOO FAST, AND THEY STILL KNOW

THE FEAR OF UNEMPLOYMENT.



AND MORE JOBS EVERY YEAR. TODAY'S ECONOMY HAS

PRODUCED OVER 85 MILLION JOBS FOR AMERICANS, BUT WE NEED,

A LOT MORE JOBS, ESPECIALLY FOR THE YOUNG.

MY FIRST OBJECTIVE IS TO HAVE SOUND ECONOMIC

**GROWTH WITHOUT INFLATION**.

WE ALL KNOW FROM RECENT EXPERIENCE WHAT

RUNAWAY INFLATION DOES TO RUIN EVERY OTHER WORTHY PURPOSE.

WE ARE SLOWING IT; WE MUST STOP IT COLD.

FOR MANY AMERICANS THE WAY TO A HEALTHY NON-INFLATIONARY ECONOMY HAS BECOME INCREASINGLY APPARENT; THE GOVERNMENT MUST <u>STOP SPENDING</u> SO MUCH AND BORROWING SO MUCH OF OUR MONEY; MORE MONEY MUST REMAIN IN PRIVATE HANDS WHERE IT WILL DO THE MOST GOOD. TO HOLD DOWN THE COST OF LIVING, WE MUST HOLD DOWN THE COST OF GOVERNMENT. IN THE PAST DECADE, THE FEDERAL BUDGET HAS BEEN GROWING AT THE AVERAGE RATE OF OVER 10 PERCENT EVERY YEAR. THE BUDGET I AM SUBMITTING WEDNESDAY CUTS THIS RATE OF GROWTH IN HALF. I HAVE KEPT MY PROMISE TO SUBMIT A BUDGET FOR THE NEXT FISCAL YEAR OF 395 BILLION DOLLARS. IN FACT, IT IS 394.2 BILLION DOLLARS. BY HOLDING DOWN THE GROWTH IN FEDERAL SPENDING, WE CAN AFFORD ADDITIONAL TAX CUTS AND RETURN TO THE PEOPLE WHO PAY TAXES MORE DECISION-MAKING POWER OVER THEIR OWN

LIVES.

LAST MONTH I SIGNED LEGISLATION TO EXTEND THE

1975 TAX REDUCTIONS FOR THE FIRST SIX MONTHS OF THIS YEAR.

I NOW PROPOSE THAT EFFECTIVE JULY 1, 1976, WE GIVE OUR

TAXPAYERS A TAX CUT OF APPROXIMATELY 10 BILLION DOLLARS

MORE THAN CONGRESS AGREED TO IN DECEMBER.

MY BROADER TAX REDUCTION WOULD MEAN THAT

FOR A FAMILY OF FOUR MAKING 15,000 DOLLARS A YEAR THERE WILL BE <u>227 DOLLARS MORE</u> IN TAKE-HOME PAY ANNUALLY. HARD WORKING AMERICANS CAUGHT IN THE MIDDLE CAN REALLY USE THAT KIND OF EXTRA CASH. MY RECOMMENDATIONS FOR A FIRM RESTRAINT ON

THE GROWTH OF FEDERAL SPENDING AND FOR GREATER TAX REDUCTION

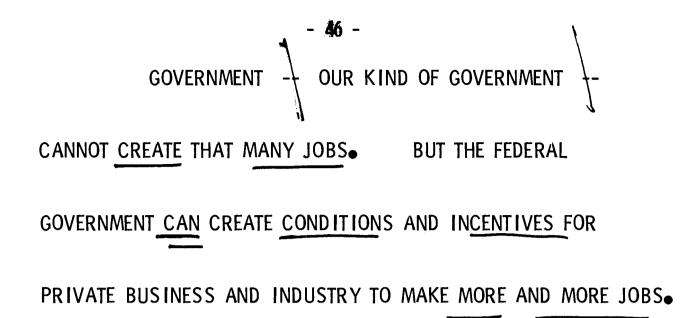
ARE SIMPLE AND STRAIGHTFORWARD. FOR EVERY DOLLAR SAVED

IN CUTTING THE GROWTH IN THE FEDERAL BUDGET WE CAN HAVE

AN ADDED DOLLAR OF FEDERAL TAX REDUCTION.

WE CAN ACHIEVE A BALANCED BUDGET BY 1979 IF WE HAVE THE COURAGE AND WISDOM TO CONTINUE TO REDUCE THE GROWTH OF FEDERAL SPENDING.

FOR EVERY AMERICAN WHO WANTS TO WORK.



FIVE OUT OF SIX JOBS IN THIS COUNTRY ARE IN PRIVATE BUSINESS AND INDUSTRY. COMMON SENSE TELLS US THIS IS THE PLACE TO LOOK FOR MORE JOBS AND TO FIND THEM

FASTER

I MEAN REAL, REWARDING, PERMANENT JOBS.

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TO ACHIEVE THIS WE MUST OFFER THE AMERICAN

PEOPLE GREATER INCENTIVES TO INVEST IN THE FUTURE.

MY TAX PROPOSALS ARE A MAJOR STEP IN THAT DIRECTION.

TO SUPPLEMENT THESE PROPOSALS, I ASK THAT

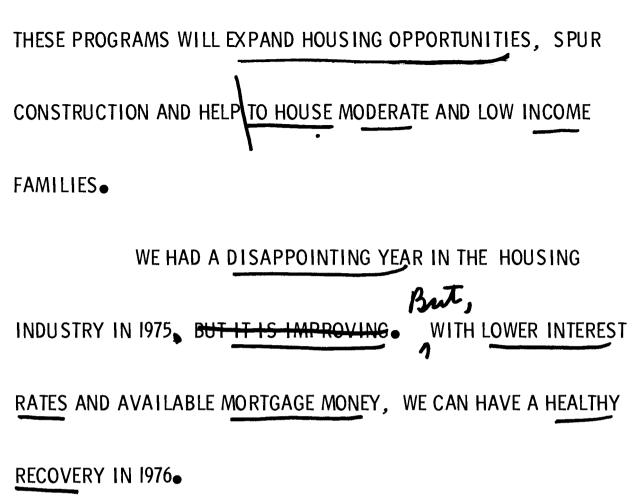
CONGRESS ENACT CHANGES IN FEDERAL TAX LAWS THAT WILL SPEED

UP PLANT EXPANSION AND THE PURCHASE OF NEW EQUIPMENT.

MY RECOMMENDATION WILL CONCENTRATE THIS JOB-CREATION TAX INCENTIVE IN AREAS WHERE THE UNEMPLOYMENT RATE NOW RUNS OVER 7 PERCENT. LEGISLATION TO GET THIS STARTED MUST BE APPROVED AT THE EARLIEST POSSIBLE DATE. WITHIN THE STRICT BUDGET TOTAL I WILL

RECOMMEND FOR THE COMING YEAR, I WILL ASK FOR ADDITIONAL

HOUSING ASSISTANCE FOR 500,000 FAMILIES.



A NECESSARY CONDITION OF A HEALTHY ECONOMY

IS FREEDOM FROM THE PETTY TYRANNY OF MASSIVE GOVERNMENT

REGULATION • WE ARE WASTING LITERALLY MILLIONS

OF WORKING HOURS COSTING BILLIONS OF CONSUMERS' DOLLARS

BECAUSE OF BUREAUCRATIC RED TAPE.

THE AMERICAN FARMER, WHO NOT ONLY FEEDS 215 MILLION

AMERICANS BUT ALSO MILLIONS WORLDWIDE, HAS SHOWN HOW

MUCH MORE HE CAN PRODUCE WITHOUT THE SHACKLES OF GOVERNMENT

CONTROL

NOW WE NEED REFORMS IN OTHER KEY AREAS IN OUR

ECONOMY -- THE AIRLINES, TRUCKING, RAILROADS, AND FINANCIAL INSTITUTIONS. I HAVE CONCRETE PLANS IN EACH OF THESE AREAS, NOT TO HELP THIS OR THAT INDUSTRY, BUT TO FOSTER COMPETITION AND TO BRING PRICES DOWN FOR THE CONSUMER. THIS ADMINISTRATION WILL STRICTLY ENFORCE

THE FEDERAL ANTITRUST LAWS FOR THE SAME PURPOSE.

#### TAKING A LONGER LOOK AT AMERICA'S FUTURE

THERE CAN BE <u>NEITHER SUSTAINED GROWTH NOR MORE JOBS</u> UNLESS WE CONTINUE TO HAVE AN <u>ASSURED SUPPLY OF ENERGY</u> TO RUN OUR ECONOMY. DOMESTIC PRODUCTION OF OIL AND GAS IS STILL DECLINING. OUR DEPENDENCE ON FOREIGN OIL AT HIGH PRICES IS STILL

TOO GREAT, DRAINING JOBS AND DOLLARS AWAY FROM OUR OWN ECONOMY AT THE RATE OF 125 DOLLARS PER YEAR

FOR EVERY AMERICAN.

#### LAST MONTH I SIGNED A COMPROMISE NATIONAL

ENERGY BILL WHICH ENACTS A PART OF MY COMPREHENSIVE

ENERGY INDEPENDENCE PROGRAM. THIS LEGISLATION WAS LATE from the Congress\_\_\_\_\_ IN COMING, NOT THE COMPLETE ANSWER TO ENERGY INDEPENDENCE,

BUT STILL A START IN THE RIGHT DIRECTION.

I AGAIN URGE THE CONGRESS TO MOVE AHEAD

IMMEDIATELY ON THE REMAINDER OF MY ENERGY PROPOSALS TO

MAKE AMERICA INVULNERABLE TO THE FOREIGN OIL CARTEL.

MY PROPOSALS WOULD:

REDUCE DOMESTIC NATURAL GAS SHORTAGES;

Sederal ALLOW PRODUCTION FROM ATIONAL PETROLEUM RESERVES;

## STIMULATE EFFECTIVE CONSERVATION,

### INCLUDING REVITALIZATION OF OUR RAILROADS AND

## THE EXPANSION OF OUR URBAN TRANSPORTATION SYSTEMS;

### DEVELOP MORE AND CLEANER ENERGY

FROM OUR VAST COAL RESOURCES;

# EXPEDITE CLEAN AND SAFE NUCLEAR POWER PRODUCTION;

CREATE A NEW NATIONAL ENERGY INDEPENDENCE AUTHORITY

TO STIMULATE VITAL ENERGY INVESTMENT;

# AND ACCELERATE DEVELOPMENT OF TECHNOLOGY

TO CAPTURE ENERGY FROM THE SUN AND THE EARTH FOR THIS AND

FUTURE GENERATIONS.

### ALSO FOR THE SAKE OF FUTURE GENERATIONS

WE MUST PRESERVE THE FAMILY FARM AND FAMILY-OWNED

SMALL BUSINESSES.

BOTH STRENGTHEN AMERICA AND

GIVE STABILITY TO OUR ECONOMY.

#### I WILL PROPOSE ESTATE TAX CHANGES SO THAT FAMILY

BUSINESSES AND FAMILY FARMS CAN BE HANDED DOWN FROM

GENERATION TO GENERATION WITHOUT HAVING TO BE SOLD TO PAY TAXES.

I PROPOSE TAX CHANGES TO ENCOURAGE PEOPLE

TO INVEST IN AMERICA'S FUTURE, AND THEIR OWN, THROUGH A PLAN THAT GIVES MODERATE INCOME FAMILIES INCOME TAX BENEFITS IF THEY MAKE LONG-TERM INVESTMENTS IN COMMON STOCK IN AMERICAN COMPANIES.



THE FEDERAL GOVERNMENT MUST AND WILL RESPOND

TO CLEAR-CUT NATIONAL NEEDS -- FOR THIS AND FUTURE

**GENERATIONS** 

HOSPITAL AND MEDICAL SERVICES IN AMERICA ARE AMONG THE WORLD'S BEST, BUT THE COST OF A SERIOUS AND EXTENDED ILLNESS CAN QUICKLY WIPE OUT A FAMILY'S LIFETIME SAVINGS. INCREASING HEALTH COSTS ARE OF DEEP CONCERN TO ALL AND A POWERFUL FORCE PUSHING UP THE COST OF LIVING. THE BURDEN OF A CATASTROPHIC ILLNESS CAN BE BORNE

.

BY VERY FEW IN OUR SOCIETY. WE MUST ELIMINATE THIS FEAR

FROM EVERY FAMILY.