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THE PRESIDENT HAS SEEN . . .

*Revisions
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REMARKS AT OPEN FORUM SPONSORED BY

BIRMINGHAM AREA CHAMBER OF COMMERCE,

BIRMINGHAM, ALABAMA, MAY 3, 1976

I AM DELIGHTED TO BE HERE IN BIRMINGHAM --

A THRIVING, GROWING, ENERGETIC, OPTIMISTIC, MAGIC CITY.

!

THE SOURCE OF THAT MAGIC, OF COURSE, IS A LOT
OF HARD WORK AND INGENUITY AND DETERMINATION BY THE PEOPLE
OF BIRMINGHAM.

I

IT IS APPARENT YOU ARE FOLLOWING MY FAVORITE PIECE
OF ADVICE: THE HARDER YOU WORK, THE LUCKIER YOU GET.

WHEN I BECAME PRESIDENT 21 MONTHS AGO, AMERICA
WAS ENTERING ITS WORST ECONOMIC RECESSION IN FORTY YEARS.

I DECIDED THAT AMERICA WOULD WORK ITS WAY OUT
OF THE RECESSION, RATHER THAN TRYING TO SPEND OUR WAY OUT.

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I MADE THAT DECISION IN SPITE OF SOME VERY DIRE
PREDICTIONS BY MANY OF AMERICA'S LEADING ECONOMISTS,
POLITICIANS AND LABOR LEADERS.

1

SOME OF THEM INSISTED THAT I IMPOSE WAGE AND
PRICE CONTROLS TO DEAL WITH AMERICA'S ECONOMIC PROBLEMS●
OTHERS INSISTED THAT WE SPEND MASSIVE AMOUNTS OF FEDERAL DOLLARS
TO STIMULATE THE ECONOMY -- DESPITE THE CLEAR AND PRESENT
DANGER OF KICKING-OFF A NEW ROUND OF DOUBLE-DIGIT INFLATION●

I KNEW THAT THE WAY TO REAL RECOVERY AND ENDURING
PROSPERITY WAS NOT THROUGH GOVERNMENT QUICK-FIXES●

I KNEW THAT THE BETTER COURSE WAS TO STIMULATE
THE GROWTH AND RESTORE THE VITALITY OF THE PRIVATE SECTOR,
AND GET THE GREAT AMERICAN PRIVATE ENTERPRISE SYSTEM
|
WORKING AT FULL SPEED AGAIN.

TO DO THIS, I PROPOSED -- AND THE CONGRESS
ACCEPTED -- A MAJOR TAX CUT FOR INDIVIDUALS, AND OTHER
TAX INCENTIVES FOR BUSINESS EXPANSION AND JOB PRODUCTION.

I
IN ADDITION, I BEGAN A COMPREHENSIVE EFFORT
TO RESTORE THE CONFIDENCE OF THE AMERICAN PEOPLE --
IN THEMSELVES, IN THEIR GOVERNMENT, AND IN THEIR FUTURE.

THIS EFFORT WAS ESSENTIAL IF WE WERE TO RESTORE
THE ECONOMIC CONFIDENCE OF THE CONSUMER -- A KEY ELEMENT
IN OUR RECOVERY POLICY.

↓

TODAY IT IS CLEAR BEYOND DOUBT THAT THESE POLICIES
HAVE BEEN SUCCESSFUL. AMERICA IS IN THE MIDST OF A STRONG
AND STABLE RECOVERY.

THE GROSS NATIONAL PRODUCT ROSE DURING THE
FIRST QUARTER OF THIS YEAR AT AN ANNUAL RATE OF 7.5 PERCENT.

THE PERSONAL SPENDABLE INCOME OF AMERICAN FAMILIES
HAS INCREASED BY ONE HUNDRED BILLION DOLLARS OVER A YEAR AGO.
FARM INCOME IS AT AN ALL-TIME HIGH, AND SO IS PRODUCTION.

PRODUCTIVITY AMONG AMERICAN WORKERS IS STRONGLY
ON THE INCREASE.

SINCE THE BOTTOM OF THE RECESSION A YEAR AGO,

WE HAVE GAINED TWO MILLION, SEVEN HUNDRED THOUSAND JOBS.

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EIGHTY-SIX MILLION, SEVEN HUNDRED THOUSAND PEOPLE

ARE ON THE JOB IN AMERICA TODAY. MORE AMERICANS

ARE GAINFULLY EMPLOYED IN 1976 THAN EVER BEFORE IN HISTORY --

!

AND CONSIDERING WHERE WE STARTED FROM, THAT'S A PRETTY GOOD

COMEBACK.

AFTER MONTHS AND MONTHS OF HIGHER AND HIGHER

UNEMPLOYMENT FIGURES, WITH MILLIONS OF AMERICANS

LIVING IN FEAR THAT THEY WOULD BE THE NEXT TO LOSE THEIR JOBS,

!

UNEMPLOYMENT NOW IS GOING DOWN, AND THE FEAR IS SUBSIDING.

OUR PROGRESS AGAINST UNEMPLOYMENT IS NOT AS FAST AS I WOULD

LIKE, BUT IT IS PROGRESS.

WE ARE GOING IN THE RIGHT DIRECTION,

AND I WILL NOT BE SATISFIED UNTIL EVERY AMERICAN WHO WANTS A JOB

CAN FIND A JOB. BUT I AM COUNTING ON YOU WHO ARE THE

REAL JOB MAKERS TO PUT AMERICA BACK TO WORK.

CONTRARY TO WHAT THE SPONSORS
OF THE HUMPHREY-HAWKINS BILL -- AND ALL BUT ONE
OF THE DEMOCRATIC PRESIDENTIAL CANDIDATES --
↓
WOULD HAVE YOU BELIEVE, WE WILL NOT ACHIEVE
FULL EMPLOYMENT JUST BY PASSING A BILL
WITH "FULL EMPLOYMENT" IN THE TITLE.

WE WILL NOT ACHIEVE FULL EMPLOYMENT BY LETTING
THE FEDERAL GOVERNMENT PLAN AND CONTROL THE NATIONAL ECONOMY●

WE WILL NOT ACHIEVE FULL EMPLOYMENT BY RELYING
ON THE FEDERAL GOVERNMENT TO CREATE HUNDREDS OF THOUSANDS
OF DEAD-END JOBS AT THE TAXPAYER'S EXPENSE●

MY PLAN IS TO STIMULATE THE PRIVATE SECTOR
THROUGH A TEN BILLION DOLLAR TAX CUT FOR INDIVIDUALS
ON JULY FIRST OF THIS YEAR, BY INCREASING THE PERSONAL INCOME
TAX EXEMPTION FROM 750 DOLLARS TO ONE THOUSAND DOLLARS,
BY ENACTING AN ACCELERATED DEPRECIATION ALLOWANCE,
ANOTHER INVESTMENT TAX CREDIT, AND ANOTHER CORPORATE
INCOME TAX REDUCTION.

I WANT THE AMERICAN PEOPLE TO KEEP MORE OF THE MONEY

THEY WORK SO HARD TO EARN. I WANT THEM TO SPEND

THAT MONEY THE WAY THEY WANT TO SPEND IT, INSTEAD OF HAVING

,

TO PAY FOR MORE AND MORE GOVERNMENT PROGRAMS.

THE MAJORITY IN THE CONGRESS OBVIOUSLY BELIEVES
THAT MORE DIRECT FEDERAL INTERVENTION IN OUR ECONOMIC RECOVERY
IS REQUIRED TO KEEP IT GOING●

↓
THEY BELIEVE HIGHER FEDERAL SPENDING ON A HOST OF
SOCIAL PROGRAMS WILL STIMULATE A MORE RAPID RECOVERY AND THAT
THE GOVERNMENT SHOULD PROVIDE JOBS FOR EVERYBODY
IF PRIVATE EMPLOYERS DON'T DO SO FAST ENOUGH●

THEY BELIEVE AN ACCEPTABLE PRICE FOR ECONOMIC
RECOVERY IS A NEW ROUND OF HIGHER INFLATION. THEY BELIEVE
THAT BIGGER FEDERAL DEFICITS ARE REQUIRED TO KEEP THE
RECOVERY UNDERWAY.

WELL, THEY ARE WRONG.

IF THE CONGRESS WOULD ONLY ACT SENSIBLY,
AND ENACT THE TAX CUT PROPOSALS I HAVE DESCRIBED,
WE COULD CREATE SUCH A DEMAND FOR GOODS AND SERVICES
I
THAT MANY MORE AMERICAN JOBS -- PERMANENT, FULFILLING JOBS
IN THE PRIVATE SECTOR -- WOULD BE THE INEVITABLE RESULT.

THIS COUNTRY WILL NEED BETWEEN 18 AND 19 MILLION

NEW JOBS WITHIN THE NEXT TEN YEARS TO MAINTAIN A STRONG

AND STABLE ECONOMY●

!

PUTTING 19 MILLION MORE PEOPLE ON THE FEDERAL

PAYROLL -- OR EVEN A SIGNIFICANT FRACTION OF THAT NUMBER --

WILL JUST NOT WORK●

IF IT DIDN'T BANKRUPT THE ECONOMY COMPLETELY,

IT WOULD SURELY BE THE BEGINNING OF THE END OF PRIVATE ENTERPRISE

IN AMERICA -- AND I'M NOT ABOUT TO LET THAT HAPPEN.

!

I HAVE VETOED 49 BILLS IN THE LAST 21 MONTHS --

AND BY THE WAY, WE SAVED 13 BILLION DOLLARS IN THE PROCESS.

IF THE HUMPHREY-HAWKINS BILL GETS TO MY DESK, IT IS AN

OBVIOUS CANDIDATE FOR ANOTHER VETO.

AND IF THE CONGRESS KEEPS SENDING ME IRRESPONSIBLE,
BUDGET-BUSTING SPENDING BILLS, I WILL USE MY VETO AGAIN
AND AGAIN AND AGAIN.

I HAVE DONE BATTLE WITH INFLATION TOO LONG
TO LET IT GET OUT OF CONTROL AGAIN AS A RESULT OF THE
IRRESPONSIBILITY OF THE UNITED STATES CONGRESS.

WHEN I TOOK OFFICE AS PRESIDENT IN 1974,

THE RATE OF INFLATION WAS SOARING AT 12.2 PERCENT.

DURING THE FIRST THREE MONTHS OF 1976, THE ANNUAL RATE

OF INFLATION WAS LESS THAN THREE PERCENT.

THAT IS A 75 PERCENT REDUCTION, AND WHILE THE

INFLATION NEWS MAY NOT BE THAT GOOD EVERY QUARTER,

WE'RE A LONG WAY FROM DOUBLE-DIGIT INFLATION.

THIS LOW RATE OF INFLATION IS ONE OF THE MOST
ENCOURAGING OF ALL THE RECOVERY STATISTICS I HAVE CITED,
BECAUSE IT MEANS THE "BOOM" WE ARE EXPERIENCING THIS YEAR
WILL NOT GO "BUST" NEXT YEAR. AND ANYBODY WHO SAYS IT WILL
DOESN'T KNOW ANY MORE ABOUT ECONOMICS THAN HE DOES ABOUT
NATIONAL DEFENSE.

BUT THE MOST IMPORTANT RECOVERY STATISTIC

OF ALL IS THIS; THE INDEX OF CONSUMER CONFIDENCE IS DOUBLE
WHAT IT WAS A YEAR AGO.

IN ECONOMIC TERMS, THAT MEANS THE AMERICAN PEOPLE
ARE SPENDING MORE MONEY, DEMANDING MORE GOODS,
AND EVEN WILLING TO BORROW FOR MAJOR PURCHASES.

IN BROADER TERMS, IT MEANS THE AMERICAN PEOPLE
ARE LOOKING TO THE FUTURE WITH FAITH NOW, INSTEAD OF FEAR.

IT MEANS THAT AFTER YEARS OF WAR AND TURMOIL AND
ADVERSITY, OF HOPES UNFULFILLED AND PROMISES BROKEN,
AMERICA IS READY TO FACE THE WORLD AND FACE THE FUTURE AGAIN
WITH OPTIMISM AND REALISM AND COURAGE.

THE COURSE WE TAKE IN THE NEXT FOUR YEARS WILL
SHAPE AMERICA'S FUTURE FOR MANY MORE YEARS TO COME.

I WANT TO PURSUE THE STEADY COURSE THAT LEADS TO
PEACE THROUGH STRENGTH, FROM RECESSION TO RECOVERY,
FROM CYNICISM TO CONFIDENCE, FROM FEAR TO FAITH.

THAT IS WHY I ASK FOR YOUR SUPPORT TOMORROW,
NEXT NOVEMBER, AND IN THE CHALLENGING YEARS AHEAD.

NOW LET'S GET TO THE QUESTIONS.

END OF TEXT