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MARCH 9, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
57TH ANNUAL CONVENTION
OF THE
ASSOCIATED GENERAL CONTRACTORS OF AMERICA

THE WASHINGTON HILTON

2:30 P.M. EST

Thank you very, very much, Jack, Secretary Usery, Mr. Hogan, Bishop Lyons, members and guests of the Associated General Contractors of America:

At the outset let me thank you for the very, very warm welcome. It is a great privilege and honor to have the opportunity to address the 57th National Convention of the AGC.

I am particularly attracted to the theme of this convention, "Building America in the Spirit of '76." It is a fitting theme for a Bicentennial year. You can point with pride to the fact that an early forerunner of this organization built Carpenters Hall in Philadelphia where patriots met at the First Continental Congress and planted the seeds of the greatest Nation in the history of the world.

Your history, your progress, your prosperity and even your hard times have been closely linked with America's own. And as the President of this Association, Jack, as you have said, you prosper only if the entire economy in which you operate is likewise healthy.

In the recent past we all recognize America's economic health has not been very good. The construction industry has been especially hard-hit by the worse economic recession America has suffered in the last 40 years, but there can be no doubt now that our national economy is rebounding in a strong, solid and a very encouraging way. Every week we are hearing more and more and more good economic news.

Unemployment -- surely one of the strongest and stubbornest of all our economic enemies -- has been reduced from a high of 8.9 percent nationwide just last May to the current rate of 7.6.

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The January unemployment figures showed the biggest monthly improvement in more than 16 years. Now some cynics or skeptics call it a fluke, I called it progress, and the unemployment figures for February proved me right. For the last four months we have been winning the battles against unemployment and we are not going to stop until we win the war, and the quicker the better.

The economic statistics for February also showed that we have recovered 100 percent of the jobs lost by America during the recession. The figures actually showed that 86.3 million Americans were gainfully employed in February, reaching the all-time high of gainfully employed in this great country. This is real undeniable progress but we are not satisfied and we will not be satisfied until every American who wants a job can find a job and we have full employment in all 50 States.

Yes, we are waging a war on other economic enemies as well -- inflation; the cruelest, most deceitful and most persuasive tax of all has been cut almost half since September of 1974. That is still not good enough but we will do better and better in the months ahead.

I will keep the pressure on until inflation is no longer a threat to our savings, to our paychecks and to our economic future.

Let me speak for a moment about the Federal budget. For the last ten years Federal spending has been increasing at the annual rate of 10 percent. In the fiscal year budget for 1977 which I submitted to the Congress in January of this year I cut that growth rate in Federal spending by 50 percent. Since becoming President I vetoed 46 bills, including one of particular interest to you.

But it is interesting to note that 39 of those vetoes have been sustained by the Congress. That is not a bad batting average. But most importantly, those vetoes will save the American taxpayers \$13 billion and that's progress by any standards.

If we can keep that kind of pressure on and hold the spending down, we can do three things that really ought to be done, and as I see, it must be done.

First, we can balance the Federal budget by fiscal year 1979; second, we can cut taxes again; and, thirdly, we can get the Government out of competition with you and those associated with you in the private money market, and that is exactly what we plan to do.

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There is even more good economic news. The Commerce Department recently announced that the index of leading economic indicators rose by 2.2 percent in January, the largest increase in six months. That index showed improvement in nine out of eleven components of our economy.

Just last week it was announced that new factory orders in January totaled \$88 billion 400 million and new orders for durable goods increased by a very strong 2.2 percent over the previous month. Real earnings for the average American have increased significantly in recent months and wholesale prices are actually going down.

The index of consumer confidence is double what it was a year ago and that is a real key as we move forward in the months ahead.

I could say, in all honesty, the list goes on and on. However, it is easy to get lost in a sea of statistics when we talk about economics. But let me assure you of one thing -- these figures are not political fiction, they are hard economic fact and they are putting us on the road to a new prosperity in the United States of America.

Some people, especially some politicians, may deny it because the prospect of prosperity in 1976 didn't quite fit into their plans for this year. They may continue to deny it with every new announcement of economic progress and criticize the policies we followed to work our way out of the recession.

But, as Winston Churchill once said, and I quote: "I do not resent criticism even when for the sake of emphasis it parts for a time with reality."

Yes, we have a lot farther to go but there can no longer be any doubt that America's economic recovery is real, it is strong and we intend to make it permanent. We are entering our Bicentennial year with cause for hope, more reasonable expectations of progress than even the optimists would have dared to imagine just a few short months ago.

The forecasts of doom and gloom, each more dire and desperate than the last, were wrong once again. The false prophets among us once again underestimated the courage, the determination and the ingenuity and the indomitable spirit of the American people. I have never underestimated the American people and I don't think you have or you will. I can assure each and every one of you that I never will.

The American people did not panic in the face of adversity and the American free enterprise system did not fail to respond to one of its greatest and most complex challenges. Through the common sense steps that I initiated -- tax cuts for individuals, tax incentives for business expansion and job production, and extended assistance for those Americans hardest hit by our national adversity -- we are working our way out of the worst recession in 40 years and we did it without resorting to wage and price controls, massive new spending programs by the Federal Government or any of the other so-called cures that the patient might not have survived.

Unfortunately, as you know better than I, the construction industry has not shared fully in the recovery we are experiencing nationwide. Unemployment in your industry remains far too high and the volume of your business activity remains much too low. Within the constraint of Federal fiscal responsibility, I am doing everything practical and possible at the Federal level to help your industry restore its economic health in the budget for fiscal year 1977.

Let me illustrate. I have proposed that the Federal Government spend more than \$21 billion for construction of highways, hospitals, schools, water and sewerage treatment plants, mass transit facilities, libraries, dams, buildings and other major construction projects. That is an increase of more than \$3 billion in expenditures over the budget for fiscal year 1976. I think you have a great opportunity to move in and move up in this fiscal year 1977.

In my State of the Union message I proposed an accelerated depreciation allowance for new job creating construction and expansion in those areas of the country with the highest levels of unemployment. If the Congress will act, we can get that program going this year and get your industry going along with it.

In the 1977 budget I have proposed a 30 percent increase in research and development over last year. For example, over 100 new nuclear plants and about 200 coal-fired power plants could be built by 1985. We will also have to construct several synthetic fuel plants, develop hundreds of new coal mines, many new refineries and thousands of oil wells, but they won't be developed unless we remove the impediments now in their way.

I propose numerous legislative measures designed to help speed up our energy development. If the Congress will use a little of its own energy, we have the programs and we have the resources to make America energy independent, and we must.

This national energy effort can do so much for our country. It can create hundreds of thousands of jobs, generate extraordinary expansion and growth for our economy and help make certain that America will enjoy its third century of independence truly independent of foreign domination and foreign control.

Our energy situation today is still too fragile, our dependence still too great for us to forget the lessons of recent years so quickly. 1973 we must not forget. Energy independence must not lose its place in the American people's list of concerns. It must have a high, high rank in our national priority, and in this Administration let me assure you that it does.

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In the field of energy and in so many other fields of enterprise and endeavor we can truly build a better America in the Spirit of '76 -- a spirit that calls for courage, compassion, the common sense and the capacity for hard work that Americans have demonstrated for the past 200 years. We can build, rebuild and revitalize America's cities, not by Government action alone but through the imaginative and cooperative efforts of both the public and the private sectors.

We can make our cities safe, enjoyable, comfortable, workable and governable again. We can protect our environment better and, at the same time, we can make sure that extreme environmental demand and endless environmental delays do not make progress impossible in America.

We can make Government a responsible, capable servant of the people and a powerful instrument of progress without letting the Government enslave us with endless roles of red tape and regulation. We can do all of this and more, too, because we have the will, the courage and the resources and the imagination to do it. We can build a better America -- stronger, wealthier, safer, healthier, happier America -- an America that we can be proud to leave to our children and to our grandchildren.

Let us work together to reach that goal together and let's celebrate this Bicentennial year with hope, with pride and with increasing prosperity and with confidence in a promising future. That is the way I look at America's prospects so we can all say, as we do today, "I am proud to be an American and proud of America."

Thank you very much.

END (AT 2:48 P.M. EST)