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JOINT SESSION OF THE CONGRESS

OCTOBER 7, 1974

MR. SPEAKER, MR. PRESIDENT, DISTINGUISHED GUESTS

AND MY VERY DEAR FRIENDS:

IN HIS FIRST INAUGURAL ADDRESS, PRESIDENT FRANKLIN

D. ROOSEVELT SAID:

"THE PEOPLE OF THE UNITED STATES HAVE NOT FAILED.....

THEY WANT DIRECT, VIGOROUS ACTION.....THEY HAVE ASKED FOR

DISCIPLINE AND DIRECTION UNDER LEADERSHIP."

TODAY, THOUGH OUR ECONOMIC DIFFICULTIES DO NOT
APPROACH THE EMERGENCY OF 1933, THE MESSAGE FROM THE AMERICAN
PEOPLE IS THE SAME. I TRUST YOU ARE GETTING THE SAME MESSAGE:
OUR CONSTITUENTS WANT LEADERSHIP AND ACTION.

ALL OF US HAVE HEARD MUCH TALK ON THIS VERY FLOOR
ABOUT CONGRESS RECOVERING ITS RIGHTFUL SHARE OF NATIONAL
LEADERSHIP. I NOW INTEND TO OFFER YOU THAT CHANCE.

SEVENTY-THIRD
THE 73rd CONGRESS RESPONDED TO FDR'S APPEAL IN FIVE DAYS.

I AM DEEPLY GRATEFUL FOR THE COOPERATION OF THE 93rd

CONGRESS IN THE CONFERENCE ON INFLATION WHICH ENDED TEN DAYS

AGO. MR. SPEAKER, MANY -BUT NOT ALL- OF YOUR RECOMMENDATIONS

ON BEHALF OF YOUR PARTY'S CAUCUS ARE REFLECTED IN SOME OF MY

PROPOSALS. THE DISTINGUISHED MAJORITY LEADER OF THE SENATE

OFFERED A NINE-POINT PROGRAM. I SERIOUSLY STUDIED ALL AND

ADOPTED SOME OF HIS SUGGESTIONS.

I MIGHT ADD I HAVE ALSO LISTENED HARD TO MY MANY
OTHER FORMER COLLEAGUES IN BOTH BODIES AND OF BOTH THE MAJORITY
AND MINORITY, AND HAVE BEEN BOTH PERSUADED AND DISSUADED.
BUT IN THE END I HAD TO DECIDE, AS EACH OF YOU DO WHEN THE ROLL
IS CALLED.

I WILL NOT TAKE YOUR TIME TODAY WITH A DISCUSSION OF
THE ORIGINS OF INFLATION AND ITS BAD EFFECT ON THE UNITED STATES.

I KNOW WHERE WE WANT TO BE IN 1976 -- ON THE 200th BIRTHDAY OF

A UNITED STATES OF AMERICA THAT HAS NOT LOST ITS WAY, NOR ITS WILL,

NOR ITS SENSE OF NATIONAL PURPOSE.

DURING THE MEETINGS ON INFLATION, I LISTENED
CAREFULLY TO THE MANY VALUABLE PROPOSALS OFFERED. SINCE THE
SUMMIT, I HAVE EVALUATED HUNDREDS OF IDEAS, DAY AND NIGHT.

MY CONCLUSIONS ARE SIMPLY STATED. THERE IS ONLY
ONE POINT ON WHICH ALL ADVISORS AGREE: WE MUST WHIP
INFLATION NOW.

NONE OF THE REMEDIES PROPOSED -- GREAT OR SMALL,
COMPULSORY OR VOLUNTARY -- STANDS A CHANCE UNLESS THEY ARE
COMBINED IN A CONSIDERED PACKAGE, IN A CONCERTED EFFORT, IN
A GRAND DESIGN.

I HAVE REVIEWED THE PAST AND PRESENT EFFORT~~S~~ OF OUR FEDERAL

GOVERNMENT TO HELP THE ECONOMY. THEY ARE SIMPLY NOT GOOD

ENOUGH, \ NOR SUFFICIENTLY BROAD, \ NOR DO THEY PACK THE PUNCH

THAT WILL TURN ON AMERICA'S ECONOMY.

A STABLE AMERICAN ECONOMY CANNOT BE SUSTAINED IF

THE WORLD'S ECONOMY IS IN CHAOS. INTERNATIONAL COOPERATION

IS ESSENTIAL. BUT WHILE WE SEEK AGREEMENT WITH OTHER NATIONS,

LET US PUT OUR OWN ECONOMIC HOUSE IN ORDER.

TODAY, I HAVE IDENTIFIED TEN AREAS FOR OUR JOINT ACTION.

NUMBER ONE: FOOD

AMERICA IS THE WORLD'S CHAMPION PRODUCER OF FOOD.

FOOD PRICES AND PETROLEUM PRICES IN THE U.S. ARE ^{instead of} PRIMARY

INFLATIONARY FACTORS. AMERICA TODAY PARTIALLY DEPENDS ON

FOREIGN SOURCES FOR PETROLEUM. BUT WE CAN GROW MORE THAN

ENOUGH FOOD FOR OURSELVES.

TO HALT HIGHER FOOD PRICES, WE MUST PRODUCE MORE
FOOD. I CALL UPON EVERY FARMER TO PRODUCE TO FULL CAPACITY.
THIS GOVERNMENT WILL DO ALL IN ITS POWER TO ASSURE HIM HE CAN
SELL HIS ENTIRE YIELD AT REASONABLE PRICES. ACCORDINGLY,
I ASK THE CONGRESS TO REMOVE ALL REMAINING ACREAGE LIMITATIONS
ON RICE, PEANUTS AND COTTON.

I ALSO ASSURE AMERICA'S FARMERS HERE AND NOW THAT

I WILL ALLOCATE ALL THE FUEL AND ASK AUTHORITY TO ALLOCATE ALL **THE**
FERTILIZER THEY NEED TO DO THE JOB.

AGRICULTURAL MARKETING ORDERS AND OTHER FEDERAL

REGULATIONS ARE BEING REVIEWED TO ELIMINATE OR MODIFY THOSE
RESPONSIBLE FOR INFLATED PRICES.

I HAVE DIRECTED OUR NEW COUNCIL ON WAGE AND
PRICE STABILITY TO FIND AND EXPOSE ALL RESTRICTIVE PRACTICES,
PUBLIC OR PRIVATE, WHICH RAISE FOOD PRICES.

THE ADMINISTRATION WILL ALSO MONITOR FOOD

PRODUCTION, MARGINS, PRICING AND EXPORTS. WE CAN AND SHALL

HAVE ADEQUATE SUPPLIES AT HOME, AND THROUGH COOPERATION, MEET

THE NEEDS OF OUR TRADING PARTNERS ABROAD, OVER THIS PAST

WEEKEND, WE INITIATED A VOLUNTARY PROGRAM TO MONITOR GRA IN EXPORTS.

THE ECONOMIC POLICY BOARD WILL BE RESPONSIBLE FOR DETERMINING
THE POLICY UNDER THIS PROGRAM. IN ADDITION, IN ORDER TO BETTER
ALLOCATE OUR SUPPLIES FOR EXPORT, I ASK THAT A PROVISION BE
ADDED TO PUBLIC LAW 480, UNDER WHICH WE SHIP FOOD TO NEEDY AND
FRIENDLY COUNTRIES. I NEED AUTHORITY TO WAIVE CERTAIN OF THE
RESTRICTIONS ON SHIPMENTS BASED ON NATIONAL INTEREST OR
HUMANITARIAN GROUNDS.

NUMBER TWO: ENERGY

AMERICA'S FUTURE DEPENDS HEAVILY ON OIL, GAS, COAL,
ELECTRICITY, AND OTHER RESOURCES CALLED ENERGY. MAKE NO
MISTAKE -- WE HAVE A REAL ENERGY PROBLEM. ONE-THIRD OF OUR
OIL -- SEVENTEEN PERCENT OF AMERICA'S TOTAL ENERGY -- NOW COMES
FROM FOREIGN SOURCES WE CANNOT CONTROL -- AT HIGH CARTEL PRICES
COSTING YOU AND ME SIXTEEN BILLION DOLLARS MORE THAN JUST A
YEAR AGO.

THE PRIMARY SOLUTION HAS TO BE AT HOME. IF YOU'VE
FORGOTTEN THE SHORTAGES OF LAST WINTER, I HAVE NOT.

I HAVE ORDERED TODAY THE REORGANIZATION OF OUR
NATIONAL ENERGY EFFORT AND THE CREATION OF A NATIONAL ENERGY BOARD.
IT WILL BE CHARGED WITH DEVELOPING A SINGLE NATIONAL ENERGY POLICY
AND PROGRAM.

YOU WILL BE GLAD TO KNOW THAT OUR FORMER COLLEAGUE,
ROG MORTON, SECRETARY OF THE INTERIOR, WILL BE THE OVERALL BOSS
OF OUR NATIONAL ENERGY PROGRAM. HIS MARCHING ORDERS ARE TO
REDUCE IMPORTS OF FOREIGN OIL BY ONE MILLION BARRELS PER DAY BY
THE END OF 1975, WHETHER BY SAVINGS HERE AT HOME OR BY INCREASING
OUR OWN SOURCES.

(among other responsibilities)

SECRETARY MORTON ALSO IS CHARGED WITH INCREASING OUR DOMESTIC ENERGY SUPPLY BY PROMPTLY UTILIZING COAL RESOURCES AND EXPANDING RECOVERY OF DOMESTIC OIL STILL IN THE GROUNDS IN OLD WELLS.

NEW LEGISLATION WILL BE SOUGHT AFTER YOUR RECESS TO REQUIRE USE OF CLEANER COAL PROCESSES AND NUCLEAR FUEL IN NEW ELECTRIC PLANTS AND THE QUICK CONVERSION OF EXISTING OIL PLANTS.

I PROPOSE THAT WE TOGETHER SET A TARGET DATE OF 1980 FOR ELIMINATING OIL-FIRED PLANTS FROM THE NATION'S BASE-LOADED ELECTRICAL CAPACITY.

I WILL USE THE EXISTING DEFENSE PRODUCTION ACT TO
ALLOCATE SCARCE MATERIALS FOR ENERGY DEVELOPMENT AND I WILL ASK
YOU FOR WHATEVER AMENDMENTS PROVE NECESSARY. I WILL MEET WITH
TOP MANAGEMENT OF THE AUTOMOBILE INDUSTRY TO ASSURE -- EITHER BY
AGREEMENT OR BY LAW -- A FIRM PROGRAM AIMED AT ACHIEVING A 40
PERCENT INCREASE IN GASOLINE MILEAGE WITHIN A FOUR YEAR
DEVELOPMENT DEADLINE.

PRIORITY LEGISLATIVE ACTION TO INCREASE ENERGY SUPPLY

REQUIRES:

(1) LONG SOUGHT DEREGULATION OF NATURAL GAS SUPPLIES.

(2) RESPONSIBLE USE OF OUR NAVAL PETROLEUM RESERVES

IN CALIFORNIA AND ALASKA.

(3) AMENDMENTS TO THE CLEAN AIR ACT, AND

(4) PASSAGE OF SURFACE MINING LEGISLATION TO ENSURE

ADEQUATE SUPPLY WITH COMMON SENSE ENVIRONMENTAL PROTECTION.

IF ALL THESE STEPS FAIL TO MEET OUR CURRENT ENERGY-
SAVING GOALS, I WILL NOT HESITATE TO ASK FOR TOUGHER MEASURES.

FOR THE LONG-RANGE, WE MUST WORK HARDER ON COAL
GASIFICATION. WE MUST PUSH WITH RENEWED VIGOR AND TALENT RESEARCH
IN THE USE OF NON-FOSSIL FUELS. THE POWER OF THE ATOM, THE HEAT
OF THE SUN AND STEAM STORED DEEP IN THE EARTH, THE FORCE OF WINDS
AND WATER MUST BE MAIN SOURCES OF ENERGY FOR OUR GRANDCHILDREN.

NUMBER THREE: RESTRICTIVE PRACTICES.

TO INCREASE PRODUCTIVITY AND CONTAIN PRICES, WE
+ costly
MUST END RESTRICTIVE PRACTICES WHETHER INSTITUTED BY GOVERNMENT,
//
INDUSTRY, LABOR OR OTHERS.

I AM DETERMINED TO RETURN TO THE VIGOROUS
ENFORCEMENT OF ANTI-TRUST LAWS.

MY ADMINISTRATION WILL ZERO IN ON MORE EFFECTIVE
ENFORCEMENT OF LAWS AGAINST PRICE-FIXING AND BID-RIGGING,
FOR INSTANCE, NON-COMPETITIVE PROFESSIONAL FEE SCHEDULES
AND REAL ESTATE SETTLEMENT FEES MUST BE ELIMINATED. SUCH
VIOLATIONS WILL BE PROSECUTED BY THE DEPARTMENT OF JUSTICE TO
THE FULL EXTENT OF THE LAW.

I ASK THE CONGRESS FOR PROMPT AUTHORITY TO INCREASE
MAXIMUM PENALTIES FOR ANTI-TRUST VIOLATIONS FROM FIFTY THOUSAND
DOLLARS TO ONE MILLION DOLLARS FOR CORPORATIONS AND FROM
FIFTY THOUSAND DOLLARS TO ONE HUNDRED THOUSAND DOLLARS FOR
INDIVIDUAL VIOLATORS.

AT THE CONFERENCE ON INFLATION, WE FOUND BROAD AGREEMENT
THAT THE FEDERAL GOVERNMENT IMPOSES TOO MANY HIDDEN AND
INFLATIONARY COSTS ON OUR ECONOMY. AS A RESULT, I PROPOSE
A FOUR-POINT PURGING PROCESS:

- I. I HAVE ORDERED MY COUNCIL ON WAGE AND PRICE STABILITY
TO BE THE WATCHDOG OVER INFLATIONARY COSTS OF ALL
GOVERNMENTAL ACTIONS.

2. I ASK THE CONGRESS TO ESTABLISH A NATIONAL COMMISSION
ON REGULATORY REFORM TO UNDERTAKE A LONG-OVERDUE
TOTAL RE-EXAMINATION OF THE INDEPENDENT REGULATORY
AGENCIES. IT WILL BE A JOINT EFFORT BY THE CONGRESS,
THE EXECUTIVE BRANCH AND THE PRIVATE SECTOR TO
IDENTIFY AND ELIMINATE EXISTING FEDERAL RULES AND
REGULATIONS THAT INCREASE COSTS TO THE CONSUMER,
WITHOUT GOOD REASON, IN TODAY'S ECONOMIC CLIMATE.

3. HEREAFTER, I WILL REQUIRE THAT ALL MAJOR LEGISLATIVE PROPOSALS, REGULATIONS, AND RULES EMANATING FROM THE EXECUTIVE BRANCH INCLUDE AN INFLATION IMPACT STATEMENT THAT CERTIFIES WE HAVE CAREFULLY WEIGHED THEIR EFFECT ON INFLATION. I RESPECTFULLY REQUEST THAT CONGRESS REQUIRE SIMILAR ADVANCE INFLATION IMPACT STATEMENTS FOR ITS OWN LEGISLATIVE INITIATIVES.

4. FINALLY, I URGE STATE AND LOCAL GOVERNMENTS TO

UNDERTAKE SIMILAR PROGRAMS TO REDUCE INFLATIONARY

EFFECTS OF THEIR REGULATORY ACTIVITIES.

I THANK THE CONGRESS FOR RECENTLY REVITALIZING THE
NATIONAL COMMISSION ON PRODUCTIVITY AND WORK QUALITY. IT WILL
INITIALLY CONCENTRATE ON PROBLEMS OF PRODUCTIVITY IN GOVERNMENT --
FEDERAL, STATE AND LOCAL. OUTSIDE OF GOVERNMENT, IT WILL
DEVELOP MEANINGFUL BLUEPRINTS FOR LABOR-MANAGEMENT COOPERATION
AT THE PLANT LEVEL. IT SHOULD LOOK PARTICULARLY AT THE
CONSTRUCTION AND HEALTH SERVICE INDUSTRIES.

THE COUNCIL ON WAGE AND PRICE STABILITY WILL OF COURSE
MONITOR WAGE AND PRICE PRACTICES IN THE PRIVATE SECTOR.

MONITORING WILL INCLUDE PUBLIC HEARINGS TO JUSTIFY EITHER PRICE OR
WAGE INCREASES.

I EMPHASIZE THIS IS NOT A COMPULSORY WAGE AND
PRICE CONTROL AGENCY.

I KNOW MANY AMERICANS SEE FEDERAL CONTROLS AS
THE ANSWER. BUT CONTROLS NEVER REALLY STOP INFLATION --
NOT THE LAST TIME -- NOT EVEN DURING AND IMMEDIATELY AFTER
WORLD WAR II WHEN, AS I REMEMBER, PRICES ROSE DESPITE
SEVERE AND ENFORCEABLE WARTIME RATIONING.

PEACETIME CONTROLS ACTUALLY CREATE SHORTAGES,
HAMPER PRODUCTION, STIFLE GROWTH AND LIMIT JOBS. I DO NOT
ASK FOR SUCH POWERS, HOWEVER TEMPTING POLITICALLY, AS
SUCH A PROGRAM COULD CAUSE THE FIXER AND THE BLACK MARKETEEER
TO FLOURISH WHILE DECENT CITIZENS FACE EMPTY SHELVES AND
STAND IN LONG WAITING LINES.

NUMBER FOUR: WE NEED MORE CAPITAL.

WE CANNOT "EAT UP OUR SEED CORN." OUR FREE

ENTERPRISE SYSTEM DEPENDS ON ORDERLY CAPITAL MARKETS THROUGH

WHICH THE SAVINGS OF OUR PEOPLE BECOME PRODUCTIVELY USED.

TODAY OUR CAPITAL MARKETS ARE IN DISARRAY. WE MUST RESTORE

THEIR VITALITY. PRUDENT MONETARY RESTRAINT IS ESSENTIAL.

YOU AND THE AMERICAN PEOPLE SHOULD KNOW,

HOWEVER, THAT I HAVE PERSONALLY BEEN ASSURED BY THE CHAIR-
MAN OF THE INDEPENDENT FEDERAL RESERVE BOARD THAT THE SUPPLY
OF MONEY AND CREDIT WILL EXPAND SUFFICIENTLY TO MEET THE
NEEDS OF OUR ECONOMY, AND THAT, IN NO EVENT, WILL A CREDIT
CRUNCH OCCUR.

THE PRIME LENDING RATE IS GOING DOWN.

TO HELP INDUSTRY TO BUY MORE MACHINES AND
CREATE MORE JOBS, I AM RECOMMENDING A LIBERALIZED TEN
PERCENT INVESTMENT TAX CREDIT. THIS CREDIT SHOULD BE
ESPECIALLY HELPFUL TO CAPITAL-INTENSIVE INDUSTRIES, SUCH
AS PRIMARY METALS AND PUBLIC UTILITIES WHERE CAPACITY
SHORTAGES HAVE DEVELOPED.

I AM ASKING CONGRESS TO ENACT TAX LEGISLATION
TO PROVIDE THAT ALL DIVIDENDS ON PREFERRED STOCKS, ISSUED
FOR CASH BE FULLY DEDUCTIBLE BY THE ISSUING COMPANY.
THIS SHOULD BRING IN MORE CAPITAL -- ESPECIALLY FOR ENERGY-
PRODUCING UTILITIES. IT WILL ALSO HELP OTHER INDUSTRIES SHIFT
FROM DEBT TO EQUITY, PROVIDING SOUNDER CAPITAL STRUCTURE.

CAPITAL GAINS TAXATION MUST BE LIBERALIZED AS
PROPOSED BY THE TAX REFORM BILL CURRENTLY BEFORE THE COMMITTEE
ON WAYS AND MEANS. I ENDORSE THIS APPROACH AND HOPE YOU
WILL PASS IT PROMPTLY.

NUMBER FIVE: HELPING THE CASUALTIES.

THE CONFERENCE ON INFLATION MADE EVERYBODY
EVEN MORE AWARE OF WHO IS SUFFERING MOST FROM INFLATION.
FOREMOST ARE THOSE WHO ARE JOBLESS THROUGH NO FAULT OF THEIR
OWN. THREE WEEKS AGO, I RELEASED FUNDS WHICH, WITH
EARLIER ACTIONS, PROVIDE PUBLIC SERVICE EMPLOYMENT FOR
170,000 WHO NEED WORK. I NOW PROPOSE TO THE CONGRESS A
TWO-STEP PROGRAM TO AUGMENT THIS ACTION.

FIRST, 13 WEEKS OF SPECIAL UNEMPLOYMENT INSURANCE BENEFITS WOULD BE PROVIDED TO THOSE WHO HAVE EXHAUSTED THEIR REGULAR AND EXTENDED UNEMPLOYMENT INSURANCE BENEFITS AND 26 WEEKS OF SPECIAL UNEMPLOYMENT INSURANCE BENEFITS TO THOSE WHO QUALIFY BUT ARE NOT NOW COVERED BY A REGULAR UNEMPLOYMENT INSURANCE PROGRAM. FUNDING WOULD COME FROM THE GENERAL TREASURY, NOT FROM TAXES ON EMPLOYERS AS IS THE CASE WITH THE ESTABLISHED PROGRAMS.

SECOND, I ASK THE CONGRESS TO CREATE A BRAND-NEW
COMMUNITY IMPROVEMENT CORPS TO PROVIDE WORK FOR THE
UNEMPLOYED THROUGH SHORT-TERM USEFUL WORK PROJECTS TO
IMPROVE, BEAUTIFY AND ENHANCE THE ENVIRONMENT OF OUR CITIES,
TOWNS AND COUNTRYSIDE. THIS STANDBY PROGRAM WOULD
COME ALIVE WHENEVER UNEMPLOYMENT EXCEEDS SIX PERCENT
NATIONALLY. IT WOULD BE STOPPED WHEN UNEMPLOYMENT
DROPS BELOW SIX PERCENT.

LOCAL LABOR MARKETS WOULD EACH QUALIFY FOR GRANTS
WHENEVER THEIR UNEMPLOYMENT RATE EXCEEDED 6.5 PERCENT.

STATE AND LOCAL GOVERNMENT CONTRACTORS WOULD
SUPERVISE THESE PROJECTS AND COULD HIRE ONLY THOSE WHO HAD
EXHAUSTED THEIR UNEMPLOYMENT INSURANCE BENEFITS. THE GOAL
OF THIS NEW PROGRAM IS TO PROVIDE MORE CONSTRUCTIVE WORK
FOR AMERICANS -- YOUNG OR OLD -- WHO CANNOT FIND A JOB.

SHORT-TERM PROBLEMS REQUIRE SHORT-TERM
REMEDIES. I THEREFORE REQUEST THAT THESE PROGRAMS BE
FOR ONE YEAR.

I KNOW THAT LOW AND MIDDLE-INCOME AMERICANS
HAVE BEEN HARDEST HIT BY INFLATION. THEIR BUDGETS ARE
MOST VULNERABLE BECAUSE A LARGER PART OF THEIR INCOME GOES FOR
THE HIGHLY-INFLATED COSTS OF FOOD, FUEL, AND MEDICAL CARE.

THE TAX REFORM BILL NOW IN THE HOUSE COMMITTEE ON WAYS AND MEANS, WHICH I FAVOR, ALREADY PROVIDES APPROXIMATELY \$1.6 BILLION OF TAX RELIEF TO THESE GROUPS. COMPENSATING NEW REVENUES ARE PROVIDED IN THIS PROSPECTIVE LEGISLATION BY A WINDFALL PROFITS TAX ON OIL PRODUCERS AND BY CLOSING OTHER LOOPHOLES. IF ENACTED, THIS WILL BE A MAJOR CONTRIBUTION BY THE CONGRESS IN OUR COMMON EFFORT TO MAKE OUR TAX SYSTEM FAIRER TO ALL.

NUMBER SIX: STIMULATING HOUSING.

WITHOUT QUESTION, CREDIT IS THE LIFEBLOOD OF HOUSING.

THE UNITED STATES IS SUFFERING THE LONGEST AND MOST SEVERE HOUSING RECESSION SINCE THE END OF WORLD WAR II.

UNEMPLOYMENT IN THE CONSTRUCTION TRADES IS TWICE THE NATIONAL AVERAGE.

ONE OF MY FIRST ACTS AS PRESIDENT WAS TO SIGN
THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. I HAVE
SINCE CONCLUDED THAT STILL MORE HELP IS NEEDED -- HELP THAT
CAN BE DELIVERED QUICKLY AND WITH MINIMUM INFLATIONARY
IMPACT.

I URGE THE CONGRESS TO ENACT, BEFORE YOUR RECESS,
ADDITIONAL LEGISLATION TO MAKE MOST HOME MORTGAGES ELIGIBLE
FOR PURCHASE BY AN AGENCY OF THE FEDERAL GOVERNMENT. AS THE
LAW NOW STANDS, ONLY FHA OR VA HOME MORTGAGES, ONE FIFTH
OF THE TOTAL, ARE COVERED. I AM GLAD THAT THE SENATE, THANKS
TO THE LEADERSHIP OF SENATOR BROOKE AND SENATOR CRANSTON,
HAS ALREADY MADE SUBSTANTIAL PROGRESS ON THIS LEGISLATION.

AS SOON AS IT COMES TO ME, I WILL MAKE AT LEAST 3 BILLION
DOLLARS IMMEDIATELY AVAILABLE FOR MORTGAGE PURCHASES,
ENOUGH TO FINANCE ABOUT 100,000 HOMES.

NUMBER SEVEN: THRIFT INSTITUTIONS.

SAVINGS AND LOAN AND SIMILAR INSTITUTIONS ARE
HARD HIT BY INFLATION AND HIGH INTEREST RATES. THEY NO
LONG ATTRACT ADEQUATE DEPOSITS.

THE EXECUTIVE BRANCH MUST JOIN WITH THE CONGRESS IN GIVING
CRITICALLY NEEDED ATTENTION TO THE STRUCTURE AND OPERATION OF
OUR THRIFT INSTITUTIONS WHICH NOW FIND THEMSELVES FOR THE
THIRD TIME IN EIGHT YEARS IN ANOTHER PERIOD OF SERIOUS
MORTGAGE CREDIT SCARCITY.

PASSAGE OF THE PENDING FINANCIAL INSTITUTION BILL

WILL HELP. BUT NO SINGLE MEASURE HAS YET APPEARED TO SOLVE

FEAST OR FAMINE IN MORTGAGE.CREDIT. HOWEVER, I PROMISE TO

WORK WITH YOU TO DEVELOP ADDITIONAL SPECIFIC PROGRAMS IN

THE FUTURE.

NUMBER EIGHT: INTERNATIONAL INTERDEPENDENCY.

THE UNITED STATES HAS A RESPONSIBILITY NOT ONLY TO
MAINTAIN A HEALTHY ECONOMY AT HOME BUT ALSO TO SEEK POLICIES
WHICH COMPLEMENT, RATHER THAN DISRUPT, THE CONSTRUCTIVE
EFFORTS OF OTHERS.

ESSENTIAL TO U.S. INITIATIVES IS THE EARLY PASSAGE OF
AN ACCEPTABLE TRADE REFORM BILL. MY SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS DEPARTED EARLIER THIS AFTERNOON TO CANADA,
EUROPE AND JAPAN TO BRIEF FOREIGN FRIENDS ON MY PROPOSALS.
WE LIVE IN AN INTERDEPENDENT WORLD AND THEREFORE MUST WORK
TOGETHER TO RESOLVE COMMON ECONOMIC PROBLEMS.

NUMBER NINE: FEDERAL TAXES AND SPENDING.

TO SUPPORT PROGRAMS TO INCREASE PRODUCTION AND SHARE
INFLATION-PRODUCED HARDSHIPS, WE NEED ADDITIONAL TAX REVENUES.
I AM AWARE THAT ANY PROPOSAL FOR NEW TAXES JUST FOUR WEEKS BEFORE
A NATIONAL ELECTION IS -- TO PUT IT MILDLY -- CONSIDERED POLITICALLY
UNWISE. I HAVE BEEN EARNESTLY ADVISED TO WAIT AND TALK ABOUT
TAXES ANYTIME AFTER NOVEMBER 5th.

BUT I WILL NOT PLAY POLITICS WITH AMERICA'S FUTURE.

OUR PRESENT INFLATION TO A CONSIDERABLE DEGREE COMES

FROM MANY YEARS OF ENACTING EXPENSIVE PROGRAMS WITHOUT

RAISING ENOUGH NEW REVENUES TO PAY FOR THEM. NINETEEN OUT

OF THE 25 YEARS I SERVED IN THIS CHAMBER ENDED UP WITH FEDERAL

DEFICITS.

BY NOW ALMOST EVERYBODY ELSE HAS STATED MY POSITION
ON FEDERAL GASOLINE TAXES. THIS TIME I'LL DO IT MYSELF. I AM
NOT ASKING YOU FOR ANY INCREASE IN GAS TAXES.

I AM ASKING YOU TO APPROVE A ONE-YEAR TEMPORARY TAX SURCHARGE OF FIVE PERCENT ON CORPORATE AND UPPER-LEVEL INDIVIDUAL INCOMES. THIS WOULD GENERALLY EXCLUDE FROM THE SURCHARGE THOSE FAMILIES WITH GROSS INCOMES BELOW \$15,000 A YEAR. THE ESTIMATED FIVE BILLION DOLLARS IN EXTRA REVENUE TO BE RAISED BY THIS INFLATION FIGHTING TAX SHOULD PAY FOR ALL THE NEW PROGRAMS I HAVE RECOMMENDED IN THIS MESSAGE. THIS IS THE ACID TEST OF OUR JOINT DETERMINATION TO WHIP INFLATION. I WOULD NOT ASK THIS IF MAJOR LOOPHOLES WERE NOT BEING CLOSED BY THE WAYS AND MEANS TAX REFORM BILL.

I URGE YOU TO JOIN ME BEFORE YOUR RECESS BY VOTING TO SET A TARGET SPENDING LIMIT OF THREE HUNDRED BILLION DOLLARS FOR THE FEDERAL FISCAL 1975 BUDGET. WHEN CONGRESS AGREES TO THIS SPENDING TARGET, I WILL SUBMIT A PACKAGE OF BUDGET DEFERRALS AND RECISSIONS TO MEET THIS GOAL. I WILL DO THE TOUGH JOB OF DESIGNATING FOR CONGRESSIONAL ACTION, ON YOUR RETURN, THOSE AREAS WHICH I BELIEVE CAN AND MUST BE REDUCED. THESE WILL BE HARD CHOICES BUT NO FEDERAL AGENCY, INCLUDING THE DEFENSE DEPARTMENT, WILL BE UNTOUCHABLE.

FISCAL DISCIPLINE IS A NECESSARY WEAPON IN ANY FIGHT
AGAINST INFLATION. WHILE THIS SPENDING TARGET IS A SMALL STEP,
IT IS A START IN THE RIGHT DIRECTION. AND WE NEED TO GET ON THAT
COURSE WITHOUT FURTHER DELAY.

WE CANNOT ASK THE AMERICAN PEOPLE TO TIGHTEN THEIR
BELTS IF UNCLE SAM IS UNWILLING TO FIRST TIGHTEN HIS.

AND NOW, IF I MIGHT, I WOULD LIKE TO SAY A FEW WORDS
DIRECTLY TO YOUR CONSTITUENTS -- AND TO MINE.

MY FELLOW AMERICANS:

TEN DAYS AGO I ASKED YOU TO GET THINGS STARTED BY
MAKING A LIST OF TEN WAYS TO FIGHT INFLATION AND SAVE ENERGY, TO
EXCHANGE YOUR LIST WITH NEIGHBORS AND TO SEND ME A COPY.

I HAVE PERSONALLY READ SCORES OF THE THOUSANDS OF LETTERS RECEIVED
AT THE WHITE HOUSE.

AND I HAVE MADE MY ECONOMIC EXPERTS READ THEM, TOO.

WE ALL BENEFITTED -- AT LEAST I DID. I THANK EACH AND EVERY ONE OF
YOU.

SOME OF THE GOOD IDEAS FROM YOUR HOME TO MINE HAVE
BEEN CRANKED INTO THE RECOMMENDATIONS I HAVE JUST MADE TO THE
CONGRESS AND THE STEPS I AM TAKING AS PRESIDENT TO WHIP INFLATION
NOW. THERE WERE ALSO FIRM WARNINGS ON WHAT GOVERNMENT MUST
NOT DO.

YOUR BEST SUGGESTIONS FOR VOLUNTARY RESTRAINT AND
SELF-DISCIPLINE SHOWED ME THAT A GREAT DEGREE OF PATRIOTIC
DETERMINATION AND UNANIMITY ALREADY EXISTS IN THIS COUNTRY.

I HAVE ASKED CONGRESS FOR URGENT SPECIFIC ACTIONS IT
ALONE CAN TAKE.

I HAVE ADVISED CONGRESS OF THE INITIAL STEPS I AM
TAKING AS PRESIDENT.

HERE'S WHAT ONLY YOU CAN DO. UNLESS EVERY ABLE
AMERICAN PITCHES IN, CONGRESS AND I CANNOT DO THE JOB.
WINNING OUR FIGHT AGAINST INFLATION AND WASTE
INVOLVES TOTAL MOBILIZATION OF AMERICA'S GREATEST RESOURCES -----
THE BRAINS, THE SKILLS AND WILLPOWER OF THE AMERICAN PEOPLE.

HERE IS WHAT WE MUST DO....WHAT EACH AND EVERY ONE OF YOU

CAN DO:

TO HELP INCREASE FOOD AND LOWER PRICES, GROW MORE,

WASTE LESS.

TO HELP SAVE SCARCE FUEL IN THE ENERGY CRISIS, DRIVE

LESS, HEAT LESS.

EVERY HOUSEWIFE KNOWS ALMOST EXACTLY HOW MUCH SHE SPENT FOR FOOD LAST WEEK. IF YOU CAN'T SPARE A PENNY FROM YOUR FOOD BUDGET, SURELY YOU CAN CUT THE FOOD YOU WASTE BY 5%.

EVERY AMERICAN MOTORIST KNOWS ALMOST EXACTLY HOW MANY MILES HE OR SHE DRIVES TO WORK OR TO SCHOOL EVERY DAY AND ABOUT HOW MUCH MILEAGE SHE OR HE RUNS UP EACH YEAR.

IF WE ALL DRIVE AT LEAST 5% FEWER MILES WE CAN SAVE 250
THOUSAND BARRELS OF FOREIGN OIL PER DAY. BY THE END OF 1975,
MOST OF US CAN DO MUCH BETTER THAN 5% BY CAR POOLING, TAKING
THE BUS, RIDING BIKES OR JUST PLAIN WALKING, WE CAN HAVE
SAVED ENOUGH GAS BY SELF-DISCIPLINE TO MEET OUR 1 MILLION
BARREL PER DAY GOAL.

THERE IS ONE FINAL THING THAT ALL AMERICANS CAN
DO, RICH OR POOR, AND THAT IS SHARE WITH OTHERS.

WE CAN SHARE BURDENS AS WELL AS BLESSINGS.

SHARING IS NOT AS EASY TO MEASURE AS MILEAGE AND FAMILY

BUDGETS, BUT I'M SURE THAT 5% MORE IS NOT NEARLY ENOUGH TO

ASK. SO I ASK YOU TO SHARE EVERYTHING YOU CAN -- AND A

LITTLE BIT MORE -- AND IT WILL STRENGTHEN OUR SPIRITS AS WELL

AS OUR ECONOMY.

TODAY I WILL NOT TAKE MORE OF THE TIME OF THIS
BUSY CONGRESS -- FOR I REMEMBER WELL THE RUSH BEFORE EVERY
RECESS -- AND THE CLOCK IS ALREADY RUNNING ON MY SPECIFIC
AND URGENT REQUESTS FOR LEGISLATIVE ACTION. I ALSO
REMEMBER HOW MUCH CONGRESS CAN GET DONE WHEN IT WANTS TO.

ONE WEEK FROM TONIGHT I HAVE A LONG-STANDING
INVITATION TO KANSAS CITY TO ADDRESS THE FUTURE FARMERS OF
AMERICA, A FINE ORGANIZATION OF YOUNG PEOPLE, WHOSE HELP,
WITH MILLIONS OF OTHERS, IS VITAL IN THIS BATTLE. I WILL
ELABORATE THEN ON HOW VOLUNTEER INFLATION FIGHTERS AND ENERGY
SAVERS CAN FURTHER MOBILIZE THEIR TOTAL EFFORTS.

SINCE ASKING MISS SYLVIA PORTER, THE WELL-KNOWN FINANCIAL WRITER, TO HELP ME ORGANIZE AN ALL-OUT NATIONWIDE VOLUNTEER MOBILIZATION, I HAVE NAMED A WHITE HOUSE COORDINATOR AND HAVE ENLISTED THE ENTHUSIASTIC SUPPORT AND SERVICES OF SOME 17 OTHER DISTINGUISHED AMERICANS TO HELP PLAN FOR CITIZEN AND PRIVATE GROUP PARTICIPATION. THERE WILL BE NO BIG NEW FEDERAL BUREAUCRACY SET UP FOR THIS CRASH PROGRAM.

THROUGH THE COURTESY OF SUCH VOLUNTEERS FROM
THE COMMUNICATIONS AND MEDIA FIELDS A SIMPLE ENLISTMENT
FORM WILL APPEAR IN MANY OF TOMORROW'S NEWSPAPERS ALONG
WITH THE SYMBOL OF THIS NEW MOBILIZATION, WHICH I AM WEARING
ON MY LAPEL.

IT BEARS THE SINGLE WORD "WIN".

THAT TELLS IT ALL.

I WILL CALL UPON EVERY AMERICAN TO JOIN THIS MASSIVE
MOBILIZATION AND TO STICK WITH IT UNTIL WE WIN.

FOR WIN WE WILL.

I STAND ON A SPOT HALLOWED BY HISTORY.

MANY PRESIDENTS HAVE COME HERE MANY TIMES TO SOLICIT TO SCOLD, TO FLATTER AND TO EXHORT THE CONGRESS TO SUPPORT THEM IN THEIR LEADERSHIP. ONCE IN A GREAT WHILE, PRESIDENTS HAVE STOOD HERE AND TRULY INSPIRED THIS MOST SKEPTICAL AND SOPHISTICATED AUDIENCE OF THEIR CO-EQUAL PARTNERS IN GOVERNMENT. PERHAPS ONCE OR TWICE IN A GENERATION IS THERE SUCH A JOINT SESSION. I DO NOT EXPECT THIS TO BE ONE.

ONLY TWO OF MY PREDECESSORS HAVE COME IN PERSON TO
CALL UPON THE CONGRESS FOR A DECLARATION OF WAR. I SHALL NOT DO
THAT.

BUT I SAY TO YOU WITH ALL SINCERITY THAT INFLATION, OUR
PRESENT PUBLIC ENEMY, WILL -- UNLESS IT IS WHIPPED -- DESTROY OUR
COUNTRY, OUR HOMES, OUR LIBERTIES, OUR PROPERTY AND FINALLY OUR
NATIONAL PRIDE -- AS SURELY AS ANY WELL-ARMED WARTIME ENEMY.

THERE WILL BE NO SUDDEN PEARL HARBOR TO SHOCK US

INTO UNITY AND SACRIFICE. BUT WE HAVE HAD ENOUGH EARLY WARNINGS.

THE TIME TO INTERCEPT IS ALMOST GONE.

MY FRIENDS AND FORMER COLLEAGUES, WILL YOU ENLIST NOW?

MY FRIENDS AND FELLOW AMERICANS, WILL YOU ENLIST NOW?

TOGETHER, WITH DISCIPLINE AND DETERMINATION, WE WILL

WIN.

UNDER THE CONSTITUTION, ONLY THE PRESIDENT CAN PROVIDE
THE ESSENTIAL LEADERSHIP FOR GREAT NATIONAL UNDERTAKINGS.

I ACCEPT IT.

WITH YOUR HELP AND GOD'S, WE WILL WIN.

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