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THE PRESIDENT HAS SEEN. *af*

REMARKS TO THE
NEW YORK SOCIETY OF SECURITY ANALYSTS

THURSDAY, FEBRUARY 13, 1975

I UNDERSTAND THERE HAVE BEEN A LOT OF RUMORS GOING
AROUND ABOUT THE REASON FOR MY VISIT TO YOUR ORGANIZATION
TODAY. AND BEFORE I BEGIN, I WOULD LIKE TO DENY ONE OF
THEM. THERE IS ABSOLUTELY NO TRUTH TO THE RUMOR THAT
I HAVE COME TO DELIVER CARE PACKAGES -- FROM ALAN GREENSPAN.

Handwritten:
Sandy Shultz
9. 9. 1980
Angels

Handwritten:
Mr. Carlson
James Buckley
att. Rev. Jeff Leach

IT IS A GREAT HONOR AND PRIVILEGE TO BE SPEAKING
TO THE NEW YORK SOCIETY OF SECURITY ANALYSTS TODAY --

BECAUSE IN MANY WAYS, WE HAVE SHARED THE SAME PROBLEMS.

BUT WE ALSO SHARE THE SAME HOPES AND A BASIC OPTIMISM.

LOOKING TO THE FUTURE, I AM CONFIDENT THAT YOU
IN YOUR PORTFOLIOS AND ME IN THE POLLS, HAVE SEEN OUR LOWS
FOR THE YEAR.

OF COURSE, I REALIZE THAT NOT EVERYONE SHARES THIS
OPTIMISM. JUST LAST SUNDAY, GEORGE MEANY WAS ON
NETWORK TELEVISION TO ANNOUNCE THAT THE SKY WAS FALLING --
AND I HAVE TO ADMIT THAT SOME OF THE ECONOMIC FORECASTS
OF MY OWN ADVISERS HAVE BEEN STRONG ON CLOUDS AND WEAK
ON SILVER LININGS.

BUT, IF I MAY PARAPHRASE MARK TWAIN, THE REPORTS
OF THE FREE ENTERPRISE SYSTEM'S DEATH HAVE BEEN GREATLY
EXAGGERATED.

TAKE A SECOND LOOK AT THESE GLOOMY FORECASTS.
EVEN THE BEST FORECASTERS SOMETIMES HAVE TROUBLE. GRIM
STATISTICS TEND TO ASSUME A LIFE AND MOMENTUM OF THEIR OWN.
SO, WHEN THE RATE OF JOBLESSNESS HAS GONE UP THREE PERCENT
IN THE PAST YEAR, THE TENDENCY AMONG FORECASTERS IS
TO LOOK FOR A FURTHER RISE, NOT A TURNAROUND.

FORECASTS ARE ONLY FORECASTS. THEY ARE NOT
DIVINE COMMANDMENTS, CARVED UPON STONE. THE THING
WE SHOULD CONCENTRATE ON NOW IS NOT WHAT SOMEONE HAS
FORECAST, BUT WHAT WE CAN DO TO CHANGE THINGS FOR THE BETTER.

AMERICA'S ECONOMIC FUTURE DOES NOT DEPEND ON
PAPER PROJECTIONS.

WE ARE IN A DIFFICULT SITUATION. BUT IF WE
APPROACH IT WITH PRACTICAL, TOUGH-MINDED OPTIMISM,
WE CAN COPE.

AN ECONOMIC ILLNESS IS LIKE ANY OTHER ILLNESS.
TOO MUCH MEDICINE / OR TOO LITTLE MEDICINE CAN MAKE IT WORSE.
THE CRUCIAL ISSUE IS HOW MUCH TREATMENT TO GIVE.

THIS WAS WHAT I HAD TO DECIDE IN DRAWING UP A
COMPREHENSIVE ECONOMIC PROGRAM. TOO SMALL A TAX CUT
WOULD NOT REALLY HELP THE AVERAGE CITIZEN. TOO LARGE
A FEDERAL DEFICIT WOULD SOAK UP TOO MUCH CAPITAL AND
FAN THE FLAMES OF INFLATION.

A REALISTIC BALANCE HAD TO BE STRUCK. THE PROGRAM
I HAVE SUBMITTED COMES AS CLOSE AS POSSIBLE UNDER PRESENT
CONDITIONS.

THE SIXTEEN BILLION DOLLAR TAX CUT WOULD NOT JUST
BENEFIT THE INDIVIDUALS AND BUSINESSES RECEIVING IT.

IT WOULD PROVIDE AN IMMEDIATE STIMULANT TO THE ECONOMY.

IT WOULD PUMP FRESH MONEY INTO CONSUMER GOODS AND

SERVICES AND, | AT THE BUSINESS END, INTO NEW JOBS AND
GREATER PRODUCTIVITY.

I AM HOPEFUL THAT WE CAN AND WILL HAVE UNEMPLOYMENT
DOWN BY THE END OF THIS YEAR.

BUT IN STIMULATING THE ECONOMY TO CREATE MORE JOBS,
NEITHER THE CONGRESS NOR I CAN AFFORD TO REMAKE PAST ERRORS.
WE CANNOT FORGET THE DANGERS OF ADOPTING POLICIES THAT WILL
SURELY SET OFF ANOTHER ROUND OF UNCONTROLLED INFLATION DURING
1976 AND THEREAFTER.

8.2%

UNEMPLOYMENT IS THE BIGGEST CONCERN OF THE EIGHT POINT TWO

PERCENT OF AMERICAN WORKERS TEMPORARILY OUT OF WORK. BUT

100%

INFLATION IS THE UNIVERSAL ENEMY OF ONE HUNDRED PERCENT OF OUR

PEOPLE.

WE MUST NOT FIGHT RECESSIONARY PROBLEMS WITH
INFLATIONARY CURES. I WILL WORK WITH THE CONGRESS
TO AVOID THIS DANGER AND WILL USE MY VETO, IF NECESSARY,
TO PROTECT THE AMERICAN PEOPLE FROM THE EFFECTS OF NEW
FEDERAL SPENDING PROGRAMS, EXCEPT FOR ENERGY.

THE BUDGET FOR FISCAL 1976 WHICH I PROPOSED TO THE
CONGRESS CALLS FOR A SIXTEEN BILLION DOLLAR REDUCTION IN
TAXES. IT INCLUDES AN EXPANSION OF THIRTY-SIX ^{\$36} BILLION
DOLLARS OR ELEVEN AND ONE-HALF PERCENT ^{11 1/2 %} IN FEDERAL EXPENDITURES.

IT PROPOSES A DEFICIT IN EXCESS OF FIFTY-TWO BILLION DOLLARS.

THAT IS A LOT OF STIMULUS. AND YET I DO NOT BELIEVE

IT IS TOO MUCH UNDER PRESENT CIRCUMSTANCES.

I BELIEVE THAT A DEFICIT OF THIS SIZE CAN BE FINANCED

IN FISCAL YEAR 1976. I CANNOT SAY THE SAME FOR A MUCH

LARGER DEFICIT WHICH WILL RESULT IF THE CONGRESS DOES NOT

SUPPORT MY RECOMMENDED SEVENTEEN ^{\$}17 BILLION DOLLAR CUTBACK

IN PREVIOUSLY PROGRAMMED SPENDING. THAT IS WHY

I PLEDGE TO HOLD THE LINE ON OLD SPENDING AND DRAW THE LINE

ON NEW SPENDING.

WE CANNOT AFFORD TO LOSE THIS BATTLE, OR OUR ECONOMIC
RECOVERY WILL END AGAIN IN ANOTHER INFLATION RECESSION CYCLE.

THE CURRENT RECESSION IS COMPOUNDED BY THE ENERGY CRISIS.

NEITHER PROBLEM CAN BE IGNORED; EACH MAKES SOLVING THE OTHER
MORE DIFFICULT.

SOME WOULD LIKE TO FORGET ABOUT THE ENERGY CHALLENGE AND
CONCENTRATE ALL ATTENTION AND RESOURCES ON OUR CURRENT RECESSION.

I ONLY WISH WE COULD, BUT WE SIMPLY CANNOT AFFORD
TO TURN OUR BACKS ON OUR GROWING VULNERABILITY TO UNRELIABLE
FOREIGN SUPPLIES OF ENERGY. WE CAN STILL AVOID A DISASTER
THAT COULD WRECK NOT ONLY OUR OWN ECONOMY, BUT THE ECONOMIC
STRUCTURE OF ALL INDUSTRIALIZED DEMOCRACIES.

WITHOUT QUESTION, THERE IS A LINK BETWEEN ECONOMIC
PROBLEMS AT HOME AND THE WORLD ENERGY SITUATION AND THE
COMPLICATIONS POSED BY THE INTERNATIONAL OIL CARTEL -- AND
MOST AMERICANS ARE WELL AWARE OF THIS.

IT IS MY HOPE THAT A RESPONSIBLE MAJORITY OF BOTH PARTIES
IN THE CONGRESS WILL NOT ONLY RECOGNIZE THE PROBLEM, BUT AGREE
ON A SOLUTION.

WE CANNOT AFFORD ANY MORE WASTED TIME.

LAST WINTER'S OIL EMBARGO BROUGHT WIDESPREAD AGREEMENT

THAT A COMPREHENSIVE ENERGY POLICY IS NEEDED. WE HAVE

ANALYZED AND DEBATED THE OPTIONS. DELAY WILL ONLY COMPOUND

THE PROBLEM.

WE MUST BEGIN NOW. UNLESS WE DO, OUR DOMESTIC

OIL AND GAS SUPPLIES WILL CONTINUE TO DWINDLE AND COSTLY AND

UNSURE IMPORTS WILL GROW. WE MUST TAKE IMMEDIATE STEPS TO

REDUCE OUR CONSUMPTION OF OIL AND DEVELOP NEW ENERGY SUPPLIES.

UNLESS WE DO SO, OUR DOLLAR OUTLAY FOR PETROLEUM WILL

CONTINUE TO INCREASE DANGEROUSLY.

2.7

-- IN 1970, OUR DOLLAR OUTLAY WAS TWO POINT SEVEN

BILLION DOLLARS;

24

-- LAST YEAR, IT ROSE TO TWENTY-FOUR BILLION DOLLARS;

-- AND IF NO ACTION IS TAKEN BY 1977, OUR DOLLAR

32.

OUTLAY COULD INCREASE TO THIRTY-TWO BILLION DOLLARS.

THE UNITED STATES CONSUMES APPROXIMATELY ONE-THIRD THE
WORLD'S TOTAL ENERGY OUTPUT. PROMPT POSITIVE AMERICAN
LEADERSHIP IS ESSENTIAL TO ANY HOPE FOR THE WORLD EMERGING
FROM THIS CRISIS.

MY ADMINISTRATION HAS OFFERED THE FIRST COMPREHENSIVE
SOLUTION TO OUR ECONOMIC AND ENERGY PROBLEMS EVER PLACED
BEFORE THE CONGRESS. IF WE DO NOT ACT NOW, THERE WILL BE
UNACCEPTABLE COSTS TO THE UNITED STATES -- BOTH DOMESTICALLY
AND INTERNATIONALLY.

ADMITTEDLY, MY ENERGY PROPOSALS MAY BE COSTLY
AND INCONVENIENT - AS WILL ANY PROGRAM TO DEAL WITH THE
PROBLEM. BUT THE COSTS OF MY ENERGY PROPOSALS WILL BE
LARGELY OFFSET THROUGH:

\$ 16.5

-- A 1975 TAX REDUCTION OF SIXTEEN POINT FIVE BILLION

\$ 6.

DOLLARS TO INDIVIDUAL TAXPAYERS AND SIX BILLION DOLLARS TO

BUSINESSES.

\$ 2.

-- TWO BILLION DOLLARS IN PAYMENTS TO NEEDY AMERICANS

WHO PAY NO TAXES.

\$ 2.

-- PAYMENTS OF TWO BILLION DOLLARS TO STATE AND LOCAL

GOVERNMENTS TO OFFSET HIGHER ENERGY COSTS.

EACH OF THESE MEASURES WAS CAREFULLY THOUGHT OUT; EACH
IS PART OF A MASTER PLAN -- AN INTERLOCKING PART.

AT THE SAME TIME, BY KEEPING THE LID ON ALL NEW FEDERAL
SPENDING PROGRAMS NOT CONNECTED WITH ENERGY, THE FEDERAL
DEFICIT WOULD BE KEPT TO THE LOWEST POSSIBLE MINIMUM.

NOT AS LOW AS I WOULD LIKE IT TO BE UNDER IDEAL CIRCUMSTANCES --

BUT AS LOW AS WE CAN ALLOW IT TO BE ~~AND~~ STILL MEET THE

GOVERNMENT'S MANDATED OBLIGATIONS WHILE ALSO MOBILIZING FEDERAL

RESOURCES TO TURN BACK THE RECESSION.

NATIONAL RECOVERY ALSO DEPENDS ON A DECISIVE AND

PURPOSEFUL AMERICAN ENERGY POLICY:

-- ONLY BY COOPERATIVE EFFORTS AMONG THE MAJOR
INDUSTRIAL NATIONS, AND A CONSTRUCTIVE DIALOGUE WITH THE
OIL PRODUCERS CAN AN EQUITABLE OIL PRICE BE RESTORED.

-- ONLY BY NEW MECHANISMS OF COOPERATION AND MUTUAL
SUPPORT CAN THE INDUSTRIAL DEMOCRACIES SAFEGUARD THEIR
ECONOMIES AGAINST A NEW EMBARGO OR INTERNATIONAL FINANCIAL
DISRUPTION.

-- ONLY IF THE UNITED STATES TAKES THE LEAD NOW WILL OUR PARTNERS HAVE ANY HOPE OF AN ULTIMATE SOLUTION, OR ANY INCENTIVE TO COMMIT THEMSELVES TO COOPERATION WITH US.

-- AND ONLY WITH A DETERMINED NATIONAL EFFORT TO REDUCE AND END OUR GROWING DEPENDENCE ON IMPORTED OIL CAN WE AND OUR PARTNERS RECOVER CONTROL OVER OUR ECONOMIC DESTINY.

IN MEETING THE ENERGY CHALLENGE, I SEEK COOPERATION --
NOT CONFRONTATION -- WITH THE CONGRESS. BUT IN ORDER
FOR US TO WORK TOGETHER, THE CONGRESS MUST DO MORE THAN
CRITICIZE. AND UNTIL THE CONGRESS DOES SOMETHING MORE,
IT WILL BE PART OF THE ENERGY PROBLEM -- NOT PART OF THE
SOLUTION.

THE INTENT OF GOVERNMENTAL ACTION IS TO PROVIDE THE
MOST EFFICIENT AND OPEN SYSTEM -- TO ENABLE THE FINANCIAL
COMMUNITY TO RESPOND MOST EFFECTIVELY. BUT YOU MUST HELP
PROVIDE THE LEADERSHIP.

AMERICA WILL MEET THE CHALLENGE. YOUR SUCCESS WILL
BE ESSENTIAL TO THE RENEWAL OF OUR OVERALL ECONOMIC SYSTEM.

A SECURITY ANALYST ONCE TOLD ME THAT THE MOST FREQUENT
REQUEST MADE OF YOUR PROFESSION IS: "DON'T TELL ME WHAT TO BUY --

TELL ME WHEN." WELL, I'D LIKE TO GIVE A VERY PERSONAL

ANSWER TO THAT QUESTION TODAY: I BUY AMERICA. AND I BUY IT

NOW.

AND I THANK YOU.

END OF TEXT