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THE WHITE HOUSE

WASHINGTON

LIVE TELEVISION ADDRESS

Saturday, March 29, 1975

7:30 P. M.

The Oval Office

From: Robert Mead



PURPOSE:

To deliver a televised address to the nation.

BACKGROUND:

The address will originate from the Oval Office and will be broadcast live on all major radio and television networks at 7:30 P. M. EDT. NBC will provide the pool pick-up.

SEQUENCE OF EVENTS:

- | | |
|----------------|--|
| <u>6:30 PM</u> | Proceed to Oval Office for check of lighting and microphone level, and tele-prompter rehearsal time. |
| <u>7:15 PM</u> | Move to Study for personal time. |
| <u>7:29 PM</u> | Return to Oval Office to await start of telecast. |
| <u>7:31 PM</u> | Telecast begins. |
| <u>8:10 PM</u> | Depart South Lawn via Helicopter. |

PRESIDENT'S TELEVIS ED REMARKS

ON THE TAX BILL

SATURDAY, MARCH 29, 1975

FELLOW AMERICANS AND FELLOW TAXPAYERS:

ELEVEN WEEKS AGO, *16* IN MID-JANUARY, I REQUESTED

THE NEW CONGRESS TO PASS -- AS ITS FIRST PRIORITY --

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A SIMPLE SIXTEEN BILLION DOLLAR REDUCTION IN FEDERAL

INCOME TAXES IN ORDER TO STIMULATE ECONOMIC ACTIVITY

AND PUT PEOPLE BACK TO WORK.

I ASKED FOR A ONE-TIME REFUND TO INDIVIDUAL
1974 TAXPAYERS, UP TO A MAXIMUM OF ONE THOUSAND DOLLARS --
ENOUGH TO ASSIST IN THE PURCHASE OF NEW CARS, HOME
APPLIANCES OR IMPROVEMENTS, THUS HELPING BUSINESS AND
WORKERS IN AREAS THAT HAVE BEEN ESPECIALLY HARD-HIT BY
THE RECESSION. I ALSO ASKED FOR BIGGER INVESTMENT
CREDITS TO ENCOURAGE ALL BUSINESSMEN AND FARMERS TO EXPAND
AND MAKE MORE JOBS.

JOBS WERE THEN -- AND ARE NOW -- MY MAIN
CONCERN. UNFORTUNATELY, \ THOUGH SOME OTHER ECONOMIC
SIGNS ARE IMPROVING, \ THE EMPLOYMENT PICTURE REMAINS BLEAK.
I WANT MOST TO HELP THOSE WHO WANT TO GET BACK TO WORK
IN PRODUCTIVE JOBS. THIS CAN BEST BE DONE BY
TEMPORARY TAX INCENTIVES TO CHARGE UP OUR FREE ENTERPRISE
SYSTEM -- NOT BY GOVERNMENT HANDOUTS AND MAKE-WORK
PROGRAMS THAT GO ON FOREVER.

THEREFORE, \ OVER THE PAST FEW MONTHS I HAVE

REPEATEDLY URGED CONGRESS TO GET A STRAIGHTFORWARD

TAX CUT BILL ON MY DESK BEFORE EASTER -- ONE THAT WOULD

RESTORE SOME OF THE BUYING POWER AMERICAN FAMILIES LOST

TO INFLATION AND RISING PRICES IN 1973 AND 1974.

MY OBJECTIVE WAS TO PUT MONEY IN THE POCKETS OF THE AMERICAN
PEOPLE PROMPTLY, RATHER THAN HAVING THE CONGRESS DREAM UP
NEW SCHEMES FOR MORE OF YOUR MONEY TO BE SPENT BY THE
GOVERNMENT IN WASHINGTON.

LAST WEDNESDAY, \ BEFORE RECESSING, \ THE CONGRESS

DID PASS A TAX REDUCTION BILL WHICH IS HERE BEFORE ME.

THE TAX CUT FINALLY ADOPTED BY THE CONGRESS

REPRESENTS A COMPROMISE BETWEEN THE SIXTEEN ¹⁶ BILLION DOLLARS

I RECOMMENDED IN JANUARY \ AND THE THIRTY-TWO ³² BILLION DOLLAR

^{passed} FIGURE ~~FIXED~~ BY THE SENATE.

I SAID THAT I WOULD ACCEPT A REASONABLE COMPROMISE

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AND THIS TWENTY-THREE BILLION DOLLAR TAX REDUCTION IS WITHIN
REASON.

HOWEVER, THIS BILL ALSO DISTRIBUTES THE CUTS
DIFFERENTLY AND, IN MY OPINION, FAILS TO GIVE ADEQUATE RELIEF
TO THE MILLIONS OF MIDDLE-INCOME TAXPAYERS WHO ALREADY
CONTRIBUTE THE BIGGEST SHARE OF FEDERAL TAXES.

BUT THE MOST TROUBLESOME DEFECT OF THIS BILL
IS THE FACT THAT THE CONGRESS ADDED TO AN URGENTLY NEEDED
ANTI-RECESSION TAX REDUCTION A LOT OF EXTRANEOUS CHANGES
IN OUR TAX LAWS, SOME WELL-INTENTIONED BUT VERY ILL-CONSIDERED,
WHICH SHOULD HAVE WAITED FOR DELIBERATE ACTION IN COMMITTEE
HEARINGS AND FULL DEBATE BY ALL MEMBERS. INSTEAD,
THEY WERE ADOPTED IN A HECTIC LAST-MINUTE SESSION BEFORE
RECESSING.

THIS IS NO WAY TO LEGISLATE FUNDAMENTAL TAX REFORMS,

AND EVERY MEMBER OF THE CONGRESS KNOWS IT. UPON THEIR

RETURN, I WILL AGAIN ASK THE HOUSE AND SENATE TO WORK WITH ME

ON A COMPREHENSIVE REVIEW OF OUR TAX STRUCTURE TO ELIMINATE

INEQUITIES AND ENSURE ADEQUATE REVENUES IN THE FUTURE WITHOUT

CRIPPLING ECONOMIC GROWTH.

I COMMEND THOSE MEMBERS OF THE CONGRESS WHO
FOUGHT FOR A CLEAN AND UNCOMPLICATED TAX CUT TO CREATE
MORE JOBS AND SPEED ECONOMIC RECOVERY. IF I WERE STILL
IN THE HOUSE OF REPRESENTATIVES, I WOULD HAVE OPPOSED
EXTRANEOUS AMENDMENTS AND WOULD HAVE VOTED TO SEND THIS BILL
BACK TO COMMITTEE FOR FURTHER CLEANING UP.

AS PRESIDENT, HOWEVER, I CANNOT UNDER THE
CONSTITUTION ACCEPT PART OF THIS BILL AND REJECT THE REST.
IT IS BEFORE ME ON A TAKE IT OR LEAVE IT BASIS. THE
CONGRESS HAS GONE HOME. I BELIEVE MY VETO WOULD
EVENTUALLY BE SUSTAINED BUT I AM BY NO MEANS SURE THAT
THIS CONGRESS WOULD SEND ME A BETTER BILL -- IT MIGHT BE WORSE.

THE PEOPLE OF THIS COUNTRY NEED TO KNOW, \ RIGHT NOW, \

HOW TO PLAN THEIR FINANCIAL AFFAIRS FOR THE REST OF THIS YEAR.

FARMERS AND BUSINESSMEN HAVE ALREADY WAITED TOO LONG TO

FIND OUT WHAT INVESTMENTS THEY CAN MAKE TO IMPROVE THEIR

PRODUCTION AND PUT PEOPLE BACK ON THE PAYROLL. CONFIDENCE

DEPENDS ON CERTAINTY -- \ AND WHILE THE CONGRESS DELIBERATED, \

UNCERTAINTY HAS CLOUDED FINANCIAL PLANNING THROUGHOUT THE

COUNTRY. OUR ECONOMY NEEDS THE STIMULUS AND SUPPORT

OF A TAX CUT AND NEEDS IT NOW.

I HAVE, THEREFORE, DECIDED TO SIGN THIS BILL
SO THAT ITS ECONOMIC BENEFITS CAN BEGIN TO WORK.

I DO THIS DESPITE THE SERIOUS DRAWBACKS IN THIS
BILL. MOST OF THE DRAWBACKS ARE ENACTED ONLY FOR ONE YEAR.

I STRONGLY URGE MEMBERS OF THE CONGRESS TO CALMLY REFLECT

UPON THESE PROVISIONS AND LET THE WORST EXPIRE. HOWEVER, \

ANY DAMAGE THEY DO IS OUTWEIGHED BY THE URGENT NECESSITY

OF AN ANTI-RECESSION TAX REDUCTION RIGHT NOW.

EVEN IF I ASKED THE CONGRESS TO SEND ME A BETTER
BILL, AND IT DID, IT WOULD TAKE TOO LONG A TIME TO GET
ONE BACK AND I CANNOT IN GOOD CONSCIENCE RISK MORE DELAY.

BUT I WILL WORK WITH THE CONGRESS TO NOT ONLY REMEDY THE
DEFICIENCIES IN THIS BILL, BUT ALSO THE DANGEROUS ACTIONS
AND ATTITUDES TOWARD HUGE FEDERAL DEFICITS SOME MEMBERS
HAVE ALREADY SHOWN IN OTHER LEGISLATIVE DECISIONS.

THE FIRST PART OF MY ECONOMIC RECOVERY

RECOMMENDATIONS LAST JANUARY -- A PROMPT TAX CUT OF
REASONABLE SIZE -- NOW BECOMES LAW.

(SIGN BILL)

THE SECOND AND EQUALLY-IMPORTANT PART OF MY
ECONOMIC PROGRAM WAS TO RESTRAIN FEDERAL SPENDING BY
CUTTING BACK SEVENTEEN BILLION DOLLARS IN EXISTING PROGRAMS
AND BY A ONE-YEAR MORATORIUM ON ALL NEW FEDERAL SPENDING
PROGRAMS EXCEPT IN THE CRITICAL FIELD OF ENERGY.

SO FAR, THESE PROPOSALS HAVE BEEN MOSTLY IGNORED

of Congress.

OR REJECTED BY THE MAJORITY OF THE MEMBERS, NOW THAT

WE HAVE REDUCED OUR TAX REVENUES BY SOME SEVEN BILLION DOLLARS

MORE THAN I PROPOSED, WE MUST MOVE TO REDUCE FEDERAL SPENDING

IN EVERY WAY WE CAN. WE CANNOT AFFORD ANOTHER ROUND

OF INFLATION DUE TO GIANT AND GROWING DEFICITS THAT WOULD

CANCEL OUT ALL OUR EXPECTED GAINS IN ECONOMIC RECOVERY.

MAYBE I CAN SHOW YOU THE SITUATION BETTER ON

THIS CHART.

IF CONGRESS HAD ACCEPTED ALL MY JANUARY ECONOMIC RECOVERY PROPOSALS, BOTH FOR TAX CUTS AND SPENDING CUTS, THE ESTIMATED FEDERAL DEFICIT FOR FISCAL YEAR 1976 WOULD HAVE BEEN ABOUT FIFTY-TWO BILLION DOLLARS AS REPRESENTED BY THIS COLUMN.

(CHART)

THIS KIND OF A DEFICIT IS FAR TOO HIGH BUT MOST OF IT WAS UNAVOIDABLE AND WAS BROUGHT ABOUT BY MANDATORY FEDERAL PAYMENT PROGRAMS ALREADY ON THE STATUTE BOOKS, BY INCREASED UNEMPLOYMENT COMPENSATION AND REDUCED TAX REVENUES DUE TO THE RECESSION.

THIS IS WHERE WE ARE TODAY.

(CHART)

THE TAX CUTS IN THE BILL I HAVE JUST SIGNED AND OTHER CHANGES
BRING THE ESTIMATED FISCAL YEAR 1976 DEFICIT UP TO APPROXIMATELY
SIXTY BILLION DOLLARS.

SINCE JANUARY, THE CONGRESS HAS REJECTED OR
IGNORED MOST OF MY REQUESTED SPENDING CUTS. IF THE CONGRESS
FAILS TO MAKE THESE REDUCTIONS, IT WILL ADD SOME TWELVE BILLION
DOLLARS TO THE CONTEMPLATED 1976 DEFICIT.

ON TOP OF THAT, AS I LOOK AT THE NEW SPENDING
ACTION WHICH COMMITTEES OF THE CONGRESS ARE ALREADY SERIOUSLY
CONSIDERING, I CAN EASILY ADD UP ANOTHER THIRTY BILLION
DOLLARS OR MORE OF SPENDING. THIS WOULD BRING THE
DEFICIT TO THE ENORMOUS TOTAL OF ONE HUNDRED BILLION DOLLARS.
DEFICITS OF THIS MAGNITUDE ARE TOO DANGEROUS TO PERMIT.
THEY THREATEN ANOTHER VICIOUS SPIRAL OF RUNAWAY DOUBLE-DIGIT
INFLATION WHICH COULD WELL CHOKe OFF ANY ECONOMIC RECOVERY.

INTEREST RATES, NOW STARTING DOWN, WOULD AGAIN
CLIMB AS THE FEDERAL GOVERNMENT BORROWED FROM THE PRIVATE
MONEY MARKET TO FINANCE ITS ONE HUNDRED BILLION DOLLAR DEFICIT.
INDIVIDUAL CITIZENS WOULD BE UNABLE TO BORROW MONEY FOR
NEW HOMES, CARS, AND OTHER NEEDS. BUSINESSES,
DESPITE INCREASED TAX CREDITS, WOULD DELAY INVESTMENTS
AND EXPANSIONS TO PUT THE UNEMPLOYED BACK TO WORK.

I AM, THEREFORE, SERVING NOTICE NOW THAT THIS
IS AS HIGH AS OUR FISCAL 1976 DEFICIT SHOULD GO.

I AM DRAWING THE LINE RIGHT HERE.

THIS IS AS FAR AS WE DARE TO GO.

*Pres. Special Reading Copies
3-29-75 Tax Cut Bill*

I WILL RESIST EVERY ATTEMPT BY THE CONGRESS TO ADD
ANOTHER DOLLAR TO THIS DEFICIT BY NEW SPENDING PROGRAMS,
HOWEVER WORTHY THEY MAY APPEAR. I WILL MAKE NO EXCEPTIONS,
EXCEPT WHERE OUR LONG-RANGE NATIONAL SECURITY INTERESTS ARE
INVOLVED, AS IN THE ATTAINMENT OF ENERGY INDEPENDENCE,
OR FOR URGENT HUMANITARIAN NEEDS.

IN SHORT, IN SIGNING THIS BILL, I AM KEEPING
MY PROMISE TO REACH A REASONABLE COMPROMISE WITH THE CONGRESS
AND TO PROVIDE A NEEDED BOOST TO THE ECONOMY. I MUST SAY
AGAIN THIS IS AS FAR AS I WILL GO.

IF WE USE COMMON SENSE AND PRUDENCE, I AM
CONFIDENT THAT THE PRESENT RECESSION WILL RETREAT INTO HISTORY.

IF YOUR CONGRESSMEN AND YOUR SENATORS RETURN
FROM THEIR RECESS WITH A NEW AWARENESS OF YOUR DEEP CONCERN
AND DESIRE FOR CAUTION AND CARE IN STEERING OUR DIFFICULT
ECONOMIC COURSE, WE WILL SOON GET BACK ON THE BROAD HIGHWAY
OF INCREASING PRODUCTIVITY AND PROSPERITY FOR ALL OUR PEOPLE.

THANK YOU AND GOOD EVENING.

END OF TEXT