The original documents are located in Box 7, folder “3/29/75 - Remarks on the Tax Cut Bill” of the President’s Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.

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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:

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

ON THE TAX BILL

SATURDAY, MARCH 29, 1975
FELLOW AMERICANS AND FELLOW TAXPAYERS:

ELEVEN WEEKS AGO, IN MID-JANUARY, I REQUESTED THE NEW CONGRESS TO PASS -- AS ITS FIRST PRIORITY -- 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 BILLION DOLLARS I RECOMMENDED IN JANUARY AND THE THIRTY-TWO BILLION DOLLAR FIGURE FIXED BY THE SENATE.
I said that I would accept a reasonable compromise
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, \underline{AND IT DID}, \underline{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 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.
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