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STATE OF THE UNION MESSAGE

OF

PRESIDENT GERALD FORD

TO A JOINT SESSION OF THE CONGRESS

MONDAY, JANUARY 19, 1976
MR. SPEAKER, MR. VICE PRESIDENT,

MEMBERS OF THE 94TH CONGRESS AND DISTINGUISHED GUESTS;
AS WE BEGIN OUR BICENTENNIAL, AMERICA IS STILL ONE OF THE YOUNGEST NATIONS IN RECORDED HISTORY. LONG BEFORE OUR FOREFATHERS CAME TO THESE SHORES, MEN AND WOMEN HAD BEEN STRUGGLING ON THIS PLANET TO FORGE A BETTER LIFE FOR THEMSELVES AND THEIR FAMILIES.
IN MAN'S LONG UPWARD MARCH FROM SAVAGERY AND SLAVERY -- THROUGHOUT THE NEARLY 2000 YEARS OF THE CHRISTIAN CALENDAR, THE NEARLY 6000 YEARS OF JEWISH RECKONING -- THERE HAVE BEEN MANY DEEP, TERRIFYING VALLEYS, BUT ALSO MANY BRIGHT AND TOWERING PEAKS.
ONE PEAK STANDS HIGHEST IN THE RANGES OF
HUMAN HISTORY. ONE EXAMPLE SHINES FORTH OF A PEOPLE
UNITING TO PRODUCE ABUNDANCE AND TO SHARE THE GOOD LIFE
FAIRLY AND IN FREEDOM. ONE UNION HOLDS OUT THE
PROMISE OF JUSTICE AND OPPORTUNITY FOR EVERY CITIZEN.
THAT UNION IS THE UNITED STATES OF AMERICA.

WE HAVE NOT REMADE PARADISE ON EARTH. WE KNOW PERFECTION WILL NOT BE FOUND HERE. BUT THINK FOR A MINUTE HOW FAR WE HAVE COME IN 200 YEARS.
WE CAME FROM MANY ROOTS AND HAVE MANY BRANCHES.

YET ALL AMERICANS ACROSS THE EIGHT GENERATIONS THAT SEPARATE US FROM THE STIRRING DEEDS OF 1776, THOSE WHO KNOW NO OTHER HOMELAND AND THOSE WHO JUST FOUND REFUGE ON OUR SHORES, SAY IN UNISON:
I AM PROUD OF AMERICA AND PROUD TO BE AN AMERICAN. LIFE WILL BE BETTER HERE FOR MY CHILDREN THAN FOR ME.

I BELIEVE THIS NOT BECAUSE I AM TOLD TO BELIEVE IT, BUT BECAUSE LIFE HAS BEEN BETTER FOR ME THAN IT WAS FOR MY FATHER AND MY MOTHER.
I know it will be better for my children
because my hands, my brains, my voice and my vote,
can help make it happen.

And it has happened here in America.

It happened to you and to me.
GOVERNMENT EXISTS TO CREATE AND PRESERVE CONDITIONS IN WHICH PEOPLE CAN TRANSLATE THEIR IDEALS INTO PRACTICAL REALITY. IN THE BEST OF TIMES, MUCH IS LOST IN TRANSLATION. BUT WE TRY. SOMETIMES WE HAVE TRIED AND FAILED.
ALWAYS WE HAVE HAD THE BEST OF INTENTIONS.

BUT IN THE RECENT PAST WE SOMETIMES FORGOT THE SOUND PRINCIPLES THAT HAD GUIDED US THROUGH MOST OF OUR HISTORY.

WE WANTED TO ACCOMPLISH GREAT THINGS AND SOLVE AGE-OLD PROBLEMS.
AND WE BECAME OVERCONFIDENT OF OUR OWN ABILITIES.

WE TRIED TO BE A POLICEMAN ABROAD AND AN INDULGENT PARENT

HERE AT HOME. WE THOUGHT WE COULD TRANSFORM

THE COUNTRY THROUGH MASSIVE NATIONAL PROGRAMS;
BUT OFTEN THE PROGRAMS DID NOT WORK.

TOO OFTEN, THEY ONLY MADE THINGS WORSE.

-- IN OUR RUSH TO ACCOMPLISH GREAT DEEDS QUICKLY,
WE TRampled ON SOUND PRINCIPLES OF RESTRAINT,
AND ENDANGERED THE RIGHTS OF INDIVIDUALS.
-- WE UNBALANCED OUR ECONOMIC SYSTEM BY THE HUGE
AND UNPRECEDENTED GROWTH OF FEDERAL EXPENDITURES AND
BORROWING. AND WE WERE NOT TOTALLY HONEST WITH OURSELVES
ABOUT HOW MUCH THESE PROGRAMS WOULD COST AND
HOW WE WOULD PAY FOR THEM.

-- FINALLY, WE SHIFTED OUR EMPHASIS
FROM DEFENSE TO DOMESTIC PROBLEMS WHILE OUR ADVERSARIES
CONTINUED A MASSIVE BUILDUP OF ARMS.
THE TIME HAS NOW COME FOR A FUNDAMENTALLY DIFFERENT APPROACH FOR A NEW REALISM THAT IS TRUE TO THE GREAT PRINCIPLES UPON WHICH THIS NATION WAS FOUNDED.
WE MUST INTRODUCE A NEW BALANCE TO OUR ECONOMY --

A BALANCE THAT FAVORS NOT ONLY SOUND, ACTIVE GOVERNMENT

BUT ALSO A MUCH MORE VIGOROUS, HEALTHIER ECONOMY THAT

CAN CREATE NEW JOBS AND HOLD DOWN PRICES.
WE MUST INTRODUCE A NEW BALANCE IN THE

RELATIONSHIP BETWEEN THE INDIVIDUAL AND THE GOVERNMENT

A BALANCE THAT FAVORS GREATER INDIVIDUAL FREEDOM AND

SELF-RELIANCE.
WE MUST STRIKE A NEW BALANCE IN OUR SYSTEM OF FEDERALISM — A BALANCE THAT FAVORS GREATER RESPONSIBILITY AND FREEDOM FOR THE LEADERS OF OUR STATE AND LOCAL GOVERNMENTS.
WE MUST INTRODUCE A NEW BALANCE BETWEEN SPENDING ON DOMESTIC PROGRAMS AND SPENDING ON DEFENSE. A BALANCE THAT ENSURES WE FULLY MEET OUR OBLIGATIONS TO THE NEEDY WHILE ALSO PROTECTING OUR SECURITY IN A WORLD THAT IS STILL HOSTILE TO FREEDOM.
AND IN ALL THAT WE DO, WE MUST BE MORE HONEST
WITH THE AMERICAN PEOPLE: PROMISING THEM NO MORE THAN
WE CAN DELIVER, AND DELIVERING ALL THAT WE PROMISE.
THE GENIUS OF AMERICA HAS BEEN ITS INCREDIBLE
ABILITY TO IMPROVE THE LIVES OF ITS CITIZENS THROUGH A
UNIQUE COMBINATION OF GOVERNMENTAL AND FREE CITIZEN ACTIVITY.
HISTORY AND EXPERIENCE TELL US THAT MORA进步 comes not in comfortable and complacent times,
but out of trial and confusion. Tom Paine aroused
the troubled Americans of 1776 to stand up to the times
that try men's souls, because the harder the conflict
the more glorious the triumph.
JUST A YEAR AGO I REPORTED THAT THE STATE OF THE UNION WAS NOT GOOD.

TONIGHT I REPORT THAT THE STATE OF OUR UNION IS BETTER IN MANY WAYS A LOT BETTER BUT STILL NOT GOOD ENOUGH.
TO PARAPHRASE TOM PAINE, 1975 WAS NOT A YEAR
FOR SUMMER SOLDIERS AND SUNSHINE PATRIOTS. IT WAS A
YEAR OF FEARS AND ALARMS, AND OF DIRE FORECASTS — MOST
OF WHICH NEVER HAPPENED AND WON'T HAPPEN.
AS YOU RECALL, THE YEAR 1975 OPENED WITH RANCOR AND BITTERNESS. POLITICAL MISDEEDS OF THE PAST HAD NEITHER BEEN FORGOTTEN NOR FORGIVEN.
THE LONGEST, MOST DIVISIVE WAR IN OUR HISTORY WAS WINDING TOWARD AN UNHAPPY CONCLUSION. MANY FEARED THAT THE END OF THAT FOREIGN WAR OF MEN AND MACHINES MEANT THE BEGINNING OF A DOMESTIC WAR OF RECRIMINATION AND REPRISAL.
FRIENDS AND ADVERSARIES ABROAD WERE ASKING

WHETHER AMERICA HAD LOST ITS NERVE.

FINALLY, OUR ECONOMY WAS RAVAGED BY INFLATION --

INFLATION THAT WAS PLUNGING US INTO THE WORST RECESSION

IN FOUR DECADES.
At the same time, Americans became increasingly alienated from all big institutions. They were steadily losing confidence not just in big government, but also in big business, big labor, and big education among others.
OURS WAS A TROUBLED LAND.

AND SO, 1975 WAS A YEAR OF HARD DECISIONS, DIFFICULT COMPROMISES, AND A NEW REALISM THAT TAUGHT US SOMETHING IMPORTANT ABOUT AMERICA.
IT BROUGHT BACK A NEEDED MEASURE OF COMMON SENSE, STEADFASTNESS AND SELF-DISCIPLINE. AMERICANS DID NOT PANIC OR DEMAND INSTANT BUT USELESS CURES. IN ALL SECTORS PEOPLE MET THEIR DIFFICULT PROBLEMS WITH RESTRAINT AND RESPONSIBILITY WORTHY OF THEIR GREAT HERITAGE.
ADD UP THE SEPARATE PIECES OF PROGRESS IN 1975, SUBTRACT THE SETBACKS, AND THE SUM TOTAL SHOWS THAT WE ARE NOT ONLY HEADED IN THE NEW DIRECTION I PROPOSED 12 MONTHS AGO, BUT THAT IT TURNED OUT TO BE THE RIGHT DIRECTION.
IT IS THE RIGHT DIRECTION BECAUSE IT follows

THE TRULY REVOLUTIONARY AMERICAN CONCEPT OF 1776 WHICH

HOLDS THAT IN A FREE SOCIETY, THE MAKING OF PUBLIC POLICY

AND SUCCESSFUL PROBLEM SOLVING INVOLVES MUCH MORE THAN

GOVERNMENT.
IT INVOLVES A FULL PARTNERSHIP AMONG ALL BRANCHES AND LEVELS OF GOVERNMENT, PRIVATE INSTITUTIONS AND INDIVIDUAL CITIZENS.

COMMON SENSE TELLS ME TO STICK TO THAT STEADY COURSE.
TAKE THE STATE OF OUR ECONOMY.

LAST JANUARY MOST THINGS WERE RAPIDLY GETTING WORSE.

THIS JANUARY MOST THINGS ARE SLOWLY BUT SURELY GETTING BETTER.
THE WORST RECESSION SINCE WORLD WAR TWO TURNED AROUND IN APRIL.

THE BEST COST OF LIVING NEWS OF THE PAST YEAR IS THAT DOUBLE DIGIT INFLATION OF 12 PERCENT OR HIGHER WAS CUT ALMOST IN HALF. THE WORST -- UNEMPLOYMENT REMAINS TOO HIGH.
TODAY NEARLY 1.7 MILLION MORE AMERICANS ARE WORKING THAN AT THE BOTTOM OF THE RECESSION AT YEAR'S END.

PEOPLE WERE AGAIN BEING HIRED MUCH FASTER THAN THEY WERE BEING LAID OFF.
Yet let us be honest: many Americans have not yet felt these changes in their daily lives. They still see prices going up too fast, and they still know the fear of unemployment.
AND WE ARE A GROWING NATION. WE NEED MORE AND MORE JOBS EVERY YEAR. TODAY'S ECONOMY HAS PRODUCED OVER 85 MILLION JOBS FOR AMERICANS, BUT WE NEED A LOT MORE JOBS, ESPECIALLY FOR THE YOUNG.
MY FIRST OBJECTIVE IS TO HAVE SOUND ECONOMIC GROWTH WITHOUT INFLATION.

WE ALL KNOW FROM RECENT EXPERIENCE WHAT RUNAWAY INFLATION DOES TO RUIN EVERY OTHER WORTHY PURPOSE.

WE ARE SLOWING IT; WE MUST STOP IT COLD.
FOR MANY AMERICANS THE WAY TO A HEALTHY

NON-INFLATIONARY ECONOMY HAS BECOME INCREASINGLY APPARENT;

THE GOVERNMENT MUST STOP SPENDING SO MUCH AND BORROWING

SO MUCH OF OUR MONEY; MORE MONEY MUST REMAIN IN PRIVATE

HANDS WHERE IT WILL DO THE MOST GOOD. TO HOLD DOWN

THE COST OF LIVING. WE MUST HOLD DOWN THE COST OF

GOVERNMENT.
IN THE PAST DECADE, THE FEDERAL BUDGET HAS BEEN GROWING AT AN AVERAGE RATE OF OVER 10 PERCENT EVERY YEAR. THE BUDGET I AM SUBMITTING WEDNESDAY CUTS THIS RATE OF GROWTH IN HALF. I HAVE KEPT MY PROMISE TO SUBMIT A BUDGET FOR THE NEXT FISCAL YEAR OF 395 BILLION DOLLARS. IN FACT, IT IS 394.2 BILLION DOLLARS.
BY HOLDING DOWN THE GROWTH IN FEDERAL SPENDING,

WE CAN AFFORD ADDITIONAL TAX CUTS AND RETURN TO THE PEOPLE

WHO PAY TAXES MORE DECISION-MAKING POWER OVER THEIR OWN

LIVES.
LAST MONTH I SIGNED LEGISLATION TO EXTEND THE 1975 TAX REDUCTIONS FOR THE FIRST SIX MONTHS OF THIS YEAR.

I NOW PROPOSE THAT EFFECTIVE JULY 1, 1976, WE GIVE OUR TAXPAYERS A TAX CUT OF APPROXIMATELY 10 BILLION DOLLARS MORE THAN CONGRESS AGREED TO IN DECEMBER.
MY BROADER TAX REDUCTION WOULD MEAN THAT

FOR A FAMILY OF FOUR MAKING 15,000 DOLLARS A YEAR THERE

WILL BE 227 DOLLARS MORE IN TAKE-HOME PAY ANNUALLY.

HARD WORKING AMERICANS CAUGHT IN THE MIDDLE CAN REALLY

USE THAT KIND OF EXTRA CASH.
MY RECOMMENDATIONS FOR A FIRM RESTRAINT ON

THE GROWTH OF FEDERAL SPENDING AND FOR GREATER TAX REDUCTION ARE SIMPLE AND STRAIGHTFORWARD. FOR EVERY DOLLAR SAVED IN CUTTING THE GROWTH IN THE FEDERAL BUDGET WE CAN HAVE AN ADDED DOLLAR OF FEDERAL TAX REDUCTION.
WE CAN ACHIEVE A BALANCED BUDGET BY 1979 IF WE HAVE THE COURAGE AND WISDOM TO CONTINUE TO REDUCE THE GROWTH OF FEDERAL SPENDING. ONE TEST OF A HEALTHY ECONOMY IS A JOB FOR EVERY AMERICAN WHO WANTS TO WORK.
GOVERNMENT - OUR KIND OF GOVERNMENT

CANNOT CREATE THAT MANY JOBS. BUT THE FEDERAL GOVERNMENT CAN CREATE CONDITIONS AND INCENTIVES FOR PRIVATE BUSINESS AND INDUSTRY TO MAKE MORE AND MORE JOBS.
FIVE OUT OF SIX JOBS IN THIS COUNTRY ARE IN PRIVATE BUSINESS AND INDUSTRY. COMMON SENSE TELLS US THIS IS THE PLACE TO LOOK FOR MORE JOBS AND TO FIND THEM FASTER.
I mean real, rewarding, permanent jobs.

To achieve this we must offer the American people greater incentives to invest in the future.

My tax proposals are a major step in that direction.
TO SUPPLEMENT THESE PROPOSALS, I ASK THAT

CONGRESS ENACT CHANGES IN FEDERAL TAX LAWS THAT WILL SPEED

UP PLANT EXPANSION AND THE PURCHASE OF NEW EQUIPMENT.
MY RECOMMENDATION WILL CONCENTRATE THIS JOB-CREATION TAX INCENTIVE IN AREAS WHERE THE UNEMPLOYMENT RATE NOW RUNS OVER 7 PERCENT. LEGISLATION TO GET THIS STARTED MUST BE APPROVED AT THE EARLIEST POSSIBLE DATE.
WITHIN THE STRICT BUDGET TOTAL I WILL RECOMMEND FOR THE COMING YEAR, I WILL ASK FOR ADDITIONAL HOUSING ASSISTANCE FOR 500,000 FAMILIES.
THESE PROGRAMS WILL EXPAND HOUSING OPPORTUNITIES, SPUR CONSTRUCTION AND HELP TO HOUSE MODERATE AND LOW INCOME FAMILIES.

WE HAD A DISAPPOINTING YEAR IN THE HOUSING INDUSTRY IN 1975, BUT IT IS IMPROVING WITH LOWER INTEREST RATES AND AVAILABLE MORTGAGE MONEY, WE CAN HAVE A HEALTHY RECOVERY IN 1976.
A NECESSARY CONDITION OF A HEALTHY ECONOMY IS FREEDOM FROM THE PETTY TYRANNY OF MASSIVE GOVERNMENT REGULATION. WE ARE WASTING LITERALLY MILLIONS OF WORKING HOURS COSTING BILLIONS OF CONSUMERS' DOLLARS BECAUSE OF BUREAUCRATIC RED TAPE.
THE AMERICAN FARMER, WHO NOT ONLY FEEDS 215 MILLION AMERICANS BUT ALSO MILLIONS WORLDWIDE, HAS SHOWN HOW MUCH MORE HE CAN PRODUCE WITHOUT THE SHACKLES OF GOVERNMENT CONTROL.
NOW WE NEED REFORMS IN OTHER KEY AREAS IN OUR ECONOMY -- THE AIRLINES, TRUCKING, RAILROADS, AND FINANCIAL INSTITUTIONS. I HAVE CONCRETE PLANS IN EACH OF THESE AREAS NOT TO HELP THIS OR THAT INDUSTRY, BUT TO FOSTER COMPETITION AND TO BRING PRICES DOWN FOR THE CONSUMER.
THIS ADMINISTRATION WILL STRICTLY ENFORCE
THE FEDERAL ANTITRUST LAWS FOR THE SAME PURPOSE.
TAKING A LONGER LOOK AT AMERICA'S FUTURE

THERE CAN BE NEITHER SUSTAINED GROWTH NOR MORE JOBS UNLESS WE CONTINUE TO HAVE AN ASSURED SUPPLY OF ENERGY TO RUN OUR ECONOMY. DOMESTIC PRODUCTION OF OIL AND GAS IS STILL DECLINING.
OUR DEPENDENCE ON FOREIGN OIL AT HIGH PRICES IS STILL TOO GREAT, DRAINING JOBS AND DOLLARS AWAY FROM OUR OWN ECONOMY AT THE RATE OF 125 DOLLARS PER YEAR FOR EVERY AMERICAN.
LAST MONTH I SIGNED A COMPROMISE NATIONAL ENERGY BILL WHICH ENACTS A PART OF MY COMPREHENSIVE ENERGY INDEPENDENCE PROGRAM. THIS LEGISLATION WAS LATE FROM THE CONGRESS, NOT THE COMPLETE ANSWER TO ENERGY INDEPENDENCE, BUT STILL A START IN THE RIGHT DIRECTION.
I AGAIN URGE THE CONGRESS TO MOVE AHEAD IMMEDIATELY ON THE REMAINDER OF MY ENERGY PROPOSALS TO MAKE AMERICA INVULNERABLE TO THE FOREIGN OIL CARTEL.

MY PROPOSALS WOULD:
REDUCE DOMESTIC NATURAL GAS SHORTAGES;

ALLOW PRODUCTION FROM NATIONAL PETROLEUM RESERVES;
STIMULATE EFFECTIVE CONSERVATION,

INCLUDING REVITALIZATION OF OUR RAILROADS AND

THE EXPANSION OF OUR URBAN TRANSPORTATION SYSTEMS;

DEVELOP MORE AND CLEANER ENERGY

FROM OUR VAST COAL RESOURCES;
EXPEDITE CLEAN AND SAFE NUCLEAR POWER PRODUCTION;

CREATE A NEW NATIONAL ENERGY INDEPENDENCE AUTHORITY

TO STIMULATE VITAL ENERGY INVESTMENT;
AND ACCELERATE DEVELOPMENT OF TECHNOLOGY

TO CAPTURE ENERGY FROM THE SUN AND THE EARTH FOR THIS AND

FUTURE GENERATIONS.
ALSO FOR THE SAKE OF FUTURE GENERATIONS

WE MUST PRESERVE THE FAMILY FARM AND FAMILY-OWNED SMALL BUSINESSES. BOTH STRENGTHEN AMERICA AND GIVE STABILITY TO OUR ECONOMY.
I WILL PROPOSE ESTATE TAX CHANGES SO THAT FAMILY BUSINESSES AND FAMILY FARMS CAN BE HANDED DOWN FROM GENERATION TO GENERATION WITHOUT HAVING TO BE SOLD TO PAY TAXES.
I propose tax changes to encourage people to invest in America's future, and their own, through a plan that gives moderate income families income tax benefits if they make long-term investments in common stock in American companies.
THE FEDERAL GOVERNMENT MUST AND WILL RESPOND TO CLEAR-CUT NATIONAL NEEDS -- FOR THIS AND FUTURE GENERATIONS.
HOSPITAL AND MEDICAL SERVICES IN AMERICA ARE AMONG THE WORLD'S BEST, BUT THE COST OF A SERIOUS AND EXTENDED ILLNESS CAN QUICKLY WIPE OUT A FAMILY'S LIFETIME SAVINGS. INCREASING HEALTH COSTS ARE OF DEEP CONCERN TO ALL AND A POWERFUL FORCE PUSHING UP THE COST OF LIVING.
THE BURDEN OF A CATASTROPHIC ILLNESS CAN BE BORNE 

BY VERY FEW IN OUR SOCIETY. WE MUST ELIMINATE THIS FEAR FROM EVERY FAMILY.