

The original documents are located in Box 22, “1/22/76 - Budget Briefing for Business Leaders” of the President’s Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.

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THE PRESIDENT HAS SEEN....

THE PRESIDENT'S

BUDGET BRIEFING FOR BUSINESS LEADERS

THURSDAY, JANUARY 22, 1976

IT IS A PLEASURE TO WELCOME YOU TO THE WHITE HOUSE
TODAY FOR THIS BRIEFING ON THE FEDERAL BUDGET FOR FISCAL
1977●

AS LEADERS OF AMERICA'S BUSINESS COMMUNITY,

YOU KNOW VERY WELL HOW MUCH WORK AND PLANNING IS INVOLVED

IN THE PREPARATION OF AN ANNUAL BUDGET PROPOSAL. / AND

WHEN YOUR BUDGET IS 394.2 BILLION DOLLARS -- WELL, LET ME

JUST SAY THAT I DON'T WANT TO DO THIS ANY MORE THAN MAYBE

ANOTHER FOUR OR FIVE TIMES.

OUR BUDGET THIS YEAR IS ONE OF THE SOUNDEST AND
MOST RESPONSIBLE THIS TOWN HAS SEEN IN A GOOD MANY YEARS●

IT IS AN AUSTERITY BUDGET IN THE SENSE THAT WE HAVE HELD
GOVERNMENT EXPENDITURES TO THE LOWEST REASONABLE LEVELS●

IT MAY BE A CONTRADICTION IN TERMS TO DESCRIBE A
394.2 BILLION DOLLAR BUDGET AS "AUSTERE," BUT THAT'S
PRETTY MUCH THE STORY.

EACH OF YOU IS INTERESTED, I KNOW, IN WHAT
EFFECT WE THINK THIS BUDGET WILL HAVE ON THE NATIONAL ECONOMY.

FIRST OF ALL, THE BUDGET IS DESIGNED TO HELP SPEED
OUR ECONOMIC RECOVERY -- WITHOUT STARTING ANOTHER ROUND OF
DOUBLE-DIGIT INFLATION.

THE BUDGET TAKES INTO ACCOUNT MY PROPOSAL

FOR AN ADDITIONAL 10 BILLION DOLLAR TAX CUT FOR INDIVIDUALS --

AND A 3.2 BILLION DOLLAR REDUCTION IN THE CORPORATE TAX RATE --

IN THE NEW FISCAL YEAR.

LAST YEAR'S INDIVIDUAL TAX CUT WAS A SIGNIFICANT
STIMULUS FOR THE ECONOMIC RECOVERY WE'VE BEEN EXPERIENCING
IN THE LAST SEVERAL MONTHS. THOSE OF YOU IN THE RETAILING
BUSINESS KNOW THAT THE CHRISTMAS SEASON IN 1975 WAS A LOT
MERRIER THAN IN 1974.

AUTO SALES ARE UP SIGNIFICANTLY, WHICH DOES MY
MICHIGAN HEART GOOD. THE STOCK MARKET IS REBOUNDING IN A
VERY SPIRITED WAY. AND WE LOOK FOR MORE GOOD ECONOMIC
NEWS IN THE COMING WEEKS AND MONTHS.

OUR BUDGET IS TUNED TO ENCOURAGE ECONOMIC GROWTH

THAT IS REAL AND PERMANENT. WE HAVE REJECTED THE

"QUICK FIX" APPROACH THAT WOULD HAVE PUT MILLIONS OF PEOPLE

ON THE GOVERNMENT PAYROLL AND CAUSED PERHAPS A

100 BILLION DOLLAR DEFICIT.

WE HAVE DECIDED ON A PRUDENT, STEADY COURSE THAT POINTS
THE ECONOMY IN THE RIGHT DIRECTION AND SUSTAINS THAT FORWARD
MOVEMENT -- WHILE BREAKING FREE FROM A DANGEROUS INFLATION-
RECESSION CYCLE.

WE HAVE PLANS TO ACCELERATE DEPRECIATION FOR

CONSTRUCTION OF PLANTS AND EQUIPMENT IN HIGH UNEMPLOYMENT

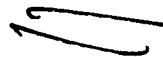
AREAS. SECRETARY SIMON AND JIM LYNN AND JIM CANNON

CAN GIVE YOU MORE DETAILS ON THIS PLAN IN JUST A MOMENT.

BUT ON AN OVER-ALL BASIS, THE 1977 BUDGET:

* * * SETS A COURSE THAT SHOULD PUT THE 1979

BUDGET IN BALANCE●



* * * IT ARRESTS THE RAPID GROWTH IN FEDERAL
SPENDING. THE RATE OF GROWTH PROPOSED IS 5.5 PERCENT,
LESS THAN HALF THE AVERAGE GROWTH RATE OF THE LAST TEN YEARS.

* * * THE BUDGET STRIKES A BETTER BALANCE BETWEEN
THOSE WHO PAY TAXES AND THOSE WHO BENEFIT FROM FEDERAL
SPENDING.

* * * IT GIVES HIGH PRIORITY TO ENERGY RESEARCH
AND DEVELOPMENT, WITH A RECORD RESEARCH BUDGET OVERALL●
OUR EMPHASIS IS ON THE FUTURE, AND WITH THIS BUDGET,
WE'RE MAKING A MAJOR INVESTMENT IN THE FUTURE●

* * * THE NEW BUDGET STRIKES A BETTER BALANCE

BETWEEN NATIONAL DEFENSE REQUIREMENTS AND SOCIAL NEEDS.

* * * IT STRIKES A BETTER BALANCE BETWEEN FEDERAL

CONTROL AND STATE-LOCAL AUTHORITY. IT CONSOLIDATES SOME

FEDERAL PROGRAMS, AND REPLACES OTHERS WITH BLOCK GRANTS.

I WOULD APPRECIATE YOUR HELP IN MAKING THESE
POLICIES SUCCEED. IF WE ARE SUCCESSFUL, I AM CONFIDENT
THAT WE CAN WRITE AN IMPORTANT NEW CHAPTER IN THE HISTORY OF
OUR COUNTRY AND POINT THE WAY TOWARDS A MORE PROSPEROUS
AND SECURE FUTURE FOR MANY GENERATIONS OF AMERICANS TO COME.

THANK YOU FOR COMING.

END OF TEXT