

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED UPON THE SIGNING
OF THE ECONOMIC REPORT

Thank you for joining me today for the signing of the Economic Report of the President, which goes to the Congress with the report of the Council of Economic Advisers.

Neither the report of Chairman Alan Greenspan nor my own is light reading. Yet they come to grips with the problems of recession, inflation, and our need to adjust to scarcer and less accessible energy supplies.

The remedies proposed for these problems are not easy. They require America to turn in a new direction. They require prompt action in the Congress. And from all Americans, we must ask for perseverance and a willingness to tolerate some painful measures necessary to regain good economic health.

The budget which I sent to the Congress today includes a number of underlying economic projections, including estimates of the changes which we expect in prices and in the economy.

The Council of Economic Advisers will go more fully into the details of these projections at a press briefing tomorrow.

The projections are presented as averages for the entire year in the budget. What they do not show is that we will have turned the economy in a new and more favorable direction well before the end of this year.

We expect an increase in total production between mid-1975 and the end of 1976 in excess of a five percent annual rate. This will add some two million workers to the nation's payrolls over this period, so that unemployment -- though still high -- will be going down.

We estimate a rate of inflation between December of 1974 and December of 1975 of a little more than nine percent. A little less than two percentage points of this will be due to higher energy costs, much of which will be rebated to the economy in the form of tax cuts. We expect price increases of slightly more than seven percent during 1976.

While these projected figures present no rosy picture, they forecast the real improvement we expect in the coming months.

Light reading or not, these two reports provide the underpinnings for both the budget and for the policies which I have proposed to deal with our problems squarely. You will find no attempt to evade the plain truth here. The figures used are honest and conservative -- and we hope to do better than the forecasts.

Some of our current problems have been growing for years. I have asked the Congress to join me at once in establishing a new direction for our economy -- not in parceling out blame. I repeat the request -- this time with even greater urgency.

If we fail to act jointly, there will be blame enough for every one of us.

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