

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED TO THE
WHITE HOUSE CONFERENCE ON
DOMESTIC AND ECONOMIC AFFAIRS

It is a pleasure for me to attend this year's first White House Conference on Domestic and Economic Affairs.

I know that you have had a very eventful, productive day -- so I will try not to repeat the points that other speakers have already made.

But I would like to stress one thing about these conferences -- their diversity. Here in Atlanta, for example, fifteen different Georgia organizations have participated -- organizations representing the whole spectrum of labor, business, agriculture and civic activities.

This is important for two reasons.

In the first place, it gives me and other Washington officials participating -- Jim Lynn, Cap Weinberger, Bill Seidman, Bill Baroody, Frank Zarb, Tom Kleppe and Mike Duval -- a real opportunity to discuss pressing national issues with the people who are affected by them. It improves the lines of communication between national and local leadership.

Only in this way, together, can we generate the kind of mutual confidence and trust we will need to turn our economy around and start America on the road to recovery.

Secondly, this varied, representative group is a kind of mini-America. Since most of the participants here can agree on the broad problems and challenges we face -- not necessarily on the detailed solutions, but on the general thrust -- then I think there is good reason to hope for broad national agreement on solutions as well.

And that is what I would like to discuss with you here this evening -- some of the shared concerns and ideas that are beginning to emerge from the new and vigorous national dialogue on energy and the economy.

For me, they represent the common interests that will unite us into action in the crucial days ahead.

Since my television address to the nation and my State of the Union message to the Congress of two weeks ago, I believe that this process of uniting our people in the face of clear challenges has made great progress. I see a broad national consensus forming in at least five major problem areas: recession; tax relief and reform; jobs and productivity; energy; and, last but not least, inflation.

Today, for the first time since the energy crisis began and recession became a major concern, most Americans are not only solidly agreed on the problems we must solve -- but they are agreed that solutions must be forthcoming soon.

To start us on the road to economic recovery, most of us, for example, now agree that our first order of national business must be immediate tax relief to help American consumers to wage their own personal battles against recession. And I think most of us also agree that the fifty million hard-hit middle-income Americans as well as some five million low-income Americans deserve a fair tax break.

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I am referring to farmers, teachers, reporters, editors, secretaries, sales people, truck drivers, policemen, firemen, and other hardworking middle-income Americans who have carried the bulk of this country's tax burdens.

In this connection, it is encouraging to see labor, business and the general public responding so well to the problems of this recession -- and joining in the effort to help solve them. I have been impressed by the many excellent examples of voluntary actions to fight the recession.

In a number of cases, workers in financially pressed plants and businesses have agreed to share shorter working hours to prevent layoffs. This has happened in the garment industry in Los Angeles and in the newspaper business in Washington, D. C., and in other places across this nation.

I commend these enlightened efforts -- for they are in the best American tradition. To me, it is reassuring that our people are still willing to pull together and share hardship in difficult times.

As further evidence of the broad-gauge national unity on this problem, many leaders of major national labor organizations, including labor members of the President's united Labor-Management Advisory Board, have strongly supported the need for an improved investment tax credit for American business as well as tax relief for the American worker.

Just as personal income tax rebates totalling some twelve billion dollars will put more money back into the economy, so the four billion dollars tax benefit I have proposed for business and agriculture will provide more capital to create new jobs and greater productivity.

There have been many recessions in our history. In fact, in my twenty-six years in Washington, the nation underwent at least five recessions -- and survived each one. We will come through this one as well. But the energy crisis is something new and different.

After so many years of energy abundance, many Americans find it hard to understand why we must suddenly take strong measures -- measures that are especially difficult during a recession -- to make sure we have energy to meet our needs.

The answer is that we have no choice. The hard decisions have been postponed too long. We must act now. Here is why.

Unless Congress enacts a comprehensive energy policy, such as I have proposed, by 1977 we will be importing at least twenty-five percent more foreign oil than we are now. By 1985, we will be dependent on foreign sources for more than half of our oil needs.

Bear in mind that, at the time of the 1973-74 oil embargo, we were dependent on foreign sources for a little more than one-third of our oil. The serious disruption which that embargo caused to our economy is minor compared to what will happen if we fail to start moving now toward energy independence.

We can achieve this independence by 1985 under the program I have outlined to the Congress -- a program which encourages energy conservation as well as fuller development of our own energy resources here at home.

The Presidential Proclamation I signed to raise the tax on imported oil is a start in the direction of conservation -- and it has also helped to move the Congress to action.

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There can be honest differences on the details. But I am convinced that, if I had not taken this action in the first place, there would be no real movement in the Congress at this time toward the hard and critical decisions which are vital to our long-range survival.

Today, this is no longer true. Across America as well as on Capitol Hill, there is a growing national consensus on the crucial nature of the energy problems and on a willingness to accept hardships to solve them. This, in itself is a giant first step forward.

Another example of this newly-forming national consensus is the growing public awareness of the danger of inflation, and -- linked to it -- the need to exert some sort of brake on runaway government spending.

Putting it another way, for a long time we have been deferring payments on some of our bills and we now have a whopper that's due. As you may know, I sent to the Congress before leaving Washington today a proposed budget of three hundred forty-nine point four billion dollars for the 1976 fiscal year which starts July first. The projected deficit for 1976 will be over fifty billion dollars -- a figure which would have horrified me as a Member of Congress -- and horrifies me now as President.

I am well aware that some people claim I have made a one hundred eighty-degree turn in my economic policies since last October. But let me just say that during World War Two, I was an assistant navigation officer in the Navy -- and so, I happen to know a little about course correction -- one hundred eighty degree or otherwise.

My job then, as it is now, was to get our ship swiftly and safely to where it was going. In perilous waters, this sometimes called for an altered course, sometimes sharp turns. But we made it. I can do no less for our ship of state today.

For my part, I renew my offer to work with the ninety-fourth Congress to reach mutually acceptable energy and economic programs. I have offered my plan. If the Congress will come forward with one of its own -- a full comprehensive program, not just a series of individual criticisms or conflicting pieces of legislation -- I am sure we can iron out our differences.

We have already been apart too long and the American people are not going to wait forever. It is time to launch America on a new course -- a recovery course. I have done, and will continue to do, everything I can to move toward this vital objective.

We can -- and will -- solve our problems. There are already a number of encouraging signs that public confidence is rallying. I urge the Congress to join in this new public confidence. Quick action on the programs I have proposed would do more than anything else to help assure the rapid economic turn-around we all seek.

I am delighted to have had the opportunity to meet with you here today. And I hope that each of you, whatever your differences on some of the specifics of the program I have proposed, will come out of this Conference united in your resolve to come to grips with our common problems -- to speak out for action.

Although I have a plan, the United States still does not yet have a program. This will require action by the Congress -- and support from the American people. I am confident we will achieve both.

Thank you very much.

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