

FOR IMMEDIATE RELEASE

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OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON THE SIGNING
OF THE ECONOMIC REPORT

THE CABINET ROOM

12:17 P.M. EST

This is the morning of good news.

Let me thank everybody for joining with 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 the Chairman, Alan Greenspan, nor my own is light reading. Yet, they both come to grips with the problems of recession, inflation, and our need to scarcer and less accessible energy supplies.

The remedies proposed for these new problems are not easy. They require our country to take a new direction. They require prompt action by the Congress. And from all Americans, we must ask for a perseverance and a willingness to tolerate some very painful measures 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 the 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 payroll 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.

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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 in either document. 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 with me in establishing a new direction for our economy -- not in parceling out blame. I repeat the request -- this time with an even greater urgency.

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

Thank all of you for the fine work that you did on the preparation of the report. And I think we can promise everybody next year will be better, won't it.

Thank you very much.

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(AT 12:24 P.M. EST)