

FOR IMMEDIATE RELEASE

SEPTEMBER 2, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
AT THE
IMF ANNUAL MEETING OF
THE BOARD OF GOVERNORS

THE SHERATON PARK HOTEL

9:39 A.M. EDT

Mr. Secretary, Mr. Chairman, Mr. McNamara, Mr. Witteveen, Governors, ladies and gentlemen:

Welcome to Washington. At your meeting last year, the major areas of concern were the international economic disruption, resulting from the sharp increase in oil prices, and worldwide inflation.

Over the past year another problem -- stagnation in world economics -- has been a primary concern. These problems--increased oil prices, inflation, and recession--are intimately related. Progress is needed in all three simultaneously. Individual Governments have responded with policies to halt the decline in economic activity and restore economic health.

I am confident that these steps, combined with the resilience of people and institutions around the world, will succeed. But, the forces of recovery do not always move quickly. Too many national economies today are in an uncomfortable and unavoidable period of waiting for the results of earlier actions.

Even in the midst of recession, inflation continues at an uncomfortably high rate. While some progress has been made, the simple truth is that re-establishment of a durable and noninflationary period of economic growth in the world will not be easy.

In the United States, recovery is well underway. Each week brings additional evidence of renewed economic health, and I am determined to fight against an acceleration of inflation that could restrain this recovery.

The achievement of a durable, economic recovery in America is also in the world interest. A sound, healthy, growing United States economy is the best lasting contribution that this Nation can make to other nations. No other action by the United States will contribute as much to the welfare of the world economy.

MORE

(OVER)

A resurgent United States economy will assist the expansion of trade and promote prosperity for other countries.

The United States will continue to insure that goods, services and capital move freely across our frontiers.

We will move forward with negotiations to remove trade barriers and bring about a more efficient use of world resources.

Our capital market will be kept open. The production of American goods in short supply will be increased.

All of these are firm commitments of the United States.

MORE

The United States is acutely aware that while recession and inflation and high oil prices have resulted in many hardships for the industrial nations, the economic consequences have been far more severe for the developing nations. In recent months my advisers and I have been studying means of alleviating the distress of the developing world. True to the traditions of the past, the United States recognizes its responsibilities to assist others in the most constructive way and we intend to live up to those responsibilities.

Yesterday in a speech delivered on his behalf at the United Nations, Secretary Kissinger set forth a wide range of initiatives direct to that purpose. Later this morning Secretary Simon will address several of these proposals in this forum. These new programs, coupled with existing forms of aid with the restoration of a forward momentum in the world economy, and with the critically important efforts of the developing nations to help themselves, should form the building block for a better life for people all around the world.

You meet as representatives of 127 politically independent nations, but also as representatives of 127 economically interdependent nations. Each nation must be free to choose its own goals, establish its own priorities and rely on its own institutions and traditions.

An international economic system which allows each nation maximum freedom of choice and economic independence is imperative.

Each government must make its own difficult choices about its own problems. No country can expect the actions of others to resolve its problems and no country should follow economic policies designed to solve its economic problems at the expense of others.

Actions by any of us affect the ability of others to fulfill individual objectives. We must consult together. We must pull together.

The United States stands ready to work with all nations to strengthen international mechanisms and international practices which will enable each of us to pursue domestic goals in harmony with the welfare of others.

In reaching agreement over the weekend on the technically complex and politically sensitive questions of a major increase in quotas and on phasing gold out of the monetary system, you have already scored a major breakthrough.

I am confident that in the coming months you will complete the comprehensive agreement, including an overall accord on an exchange rate that you have started so well.

MORE

As we face current world economic and social problems, there is a temptation to focus attention on the changes in the division of the existing levels of world resources and production. But we must all recognize that the problems of equity and fairness, whether domestic or international, can best and perhaps only be resolved in a world environment characterized by economic expansion.

It is the restoration of such a world that we must all seek together.

If all the nations act in recognition that their own lasting prosperity requires the prosperity of others, we can restore international economic growth.

You are here this week to carry on deliberations directed to this end. I welcome you and I wish you great success.

Thank you very, very much.

END

(AT 9:48 A.M. EDT)