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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
 TO BE DELIVERED AT THE
 CALIFORNIA HOST BREAKFAST
 SACRAMENTO, CALIFORNIA

SEPTEMBER 5, 1975

An organization, such as your own, that meets once a year has the tremendous advantage of perspective. You tend to focus on the long-range sweep of events rather than the blur of the moment. Your crystal ball, therefore, is likely to be less clouded.

For example, I recently scanned an issue of "The Sacramento Union" dated September 6, 1974 -- and it was concerned with last year's Host Breakfast. The mood was an uncertain one. Feelings about the economy ran all the way from cautious optimism to alarmed pessimism. It said that California and the West seemed to be doing better than the rest of the Nation -- but for how long, no one was sure. Interest rates were rising -- so was the rate of inflation and even worse, the rate of unemployment. The American economy was about to take a roller coaster dip into the future.

Since that meeting, America -- and to a large extent, the rest of the world, has made that economic dip. Most of the industrial nations of the world have mutually experienced an unnerving drop in gross national product and in levels of prosperity. The descent was sudden and at times frightening -- but our vehicle, the American free enterprise system, has once again been proven sound. A year later finds our economy on the straightaway and beginning to climb.

Today, 85 million Americans are at work -- in jobs that offer more pay, more fringe benefits, greater security, more generous pension plans, and safer working conditions than ever before. From March through July of this year alone, more than 1.2 million Americans have found jobs. This is an increase in jobs that would have strained an economist's imagination just a few decades ago. We have problems -- but a true sense of perspective allows us to see our accomplishments as well.

But the problems must be met and solutions must be found. There is a phrase in the jargon of economics that has always irritated me. The phrase is "an acceptable rate of unemployment." I know of no acceptable rate of unemployment as long as there is any American who wants a job and cannot find one.

There is nothing theoretical about unemployment. The graphs, the charts, the percentages often tend to obscure the human tragedy of involuntary unemployment.

How can cold statistics ever adequately portray the trauma of lost jobs, lost savings, and lost pride? America's greatest natural resource is her people -- and I intend to see that this resource is not endangered.

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One of the prime goals of my Administration is to get America out of neutral and moving ahead in a pattern of sustained growth. A working American is a buying American, an investing American, a saving American. Unemployment checks are to maintain life. Paychecks are to enrich life. No American can successfully engage in the pursuit of happiness until the needs of adequate food, clothing, shelter, education and employment are met.

If we are to meet the employment requirements of our expanding population, by the year 1980 we must create over 11 million new jobs! Eleven million new jobs to build the houses, harvest the fields, manufacture the products and earn the salaries that pay for it all. Eleven million new jobs to show the rest of the world that the American dream functions best when we are wide awake.

How do we do it? Well first, let me tell you how it can't be done. In recent years, a disproportionate percentage of new jobs has come from the public sector -- rather than the private. The result has been the creation of a bureaucracy that contributes little to America's prosperity and productivity -- it just shares in it.

Therefore, if the United States is to grow in a substantial, meaningful way, the impetus has to come from the private sector. Jobs are the symbol of a healthy free enterprise system. Jobs, particularly in the private sector, are the fuel that makes our economy run.

Obviously, to achieve the full economic potential of America and Americans, we must make it possible for our industry to maintain its competitive edge in world, as well as domestic trade. We emerged from World War II with an industrial capacity and productivity that was without challenge. Today that lead has narrowed significantly. Friend and former foe alike have used the last three decades to rebuild their war-ravaged economies. Their industrial plants embodying the newest and most sophisticated techniques and technologies, now compete with American products -- often produced by older, less efficient methods. We are still Number One, but throughout the world, a lot of Number Two's are trying harder.

We have no choice but to compete and to excel. Personally, I have no doubt that we can do it, if the private sector is given the opportunity to modernize, expand and secure the tools and technologies that a first class economic machine requires. It won't be easy. Some estimates have placed America's total investment requirement in the coming years, at the astonishing figure of four trillion dollars! Even the figure is imposing. It's four -- followed by twelve zeros!

I consider this a four trillion dollar vote of confidence in the future of United States industry, business and agriculture. Economists call it "capital formation" but I prefer a much more basic term. To me this money means "job creation." It is the wherewithal that creates the plants, the factories and the machinery that in turn requires the skills and efforts of an American labor force second to none. It is what we need to get all of America back to work again!

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The reforms this Administration has already proposed to the Congress will establish the taxing policies which will help to bring about this capital formation and job creation. They will give United States business and industry some of the incentives our economic expansion requires. They will give job-seekers a paycheck instead of a raincheck.

The time to act has come. Because of recession, our plants and factories are underutilized. But the signs are clear for all to see that America's economy is picking up speed. The wheels are beginning to turn. The order books are beginning to open. The muscles of our Nation's industries are beginning to flex and we must make certain they will be able to do their job.

Now is the time to eliminate the production bottlenecks and potential shortages that will surely occur -- unless we plan for the future before it is here. Four trillion dollars is a lot of money. It won't be raised by the board of directors skipping lunches. But capital formation and job creation are only two aspects of this multi-faceted problem. There are other important ways to improve our Nation's business climate. We can help by getting government out of the way of business when all that government contributes is added cost, contradiction and confusion.

And confusion there is. The Consumer Product Safety Commission bought 80,000 lapel buttons with a message promoting toy safety. But it developed that a lead paint had been used on the buttons -- and there was the danger of lead poisoning if they were licked by children. So the Consumer Product Safety Commission had to ban its own buttons!

Competition -- the desire and the economic necessity to build a better mousetrap -- is what made our country the envy of the world. If you doubt it, the next time you travel to parts of the world where the free enterprise system does not exist, go into a department store. Look at the variety of goods, the quality of workmanship, the imagination of design and packaging -- but above all, look at the price. Then, consider this price in terms of what an average worker in that country earns. It may surprise you. Such a visit will only take a few minutes but it will be the best lesson in instant economics and the productive genius of American industry, you could ever sign up for.

The free marketplace and the free enterprise system is the American consumer's best insurance that what he or she buys will work, will last, and will be at the best competitive price. With the possible exception of when big government tries to help.

The Federal government has only been in the regulatory business for about ninety years but it has more than made up for this relatively late start. Starting from point zero not quite a century ago, the Federal government now employs over 100,000 people whose sole responsibility is the writing, reviewing and enforcing of some type of regulation! One hundred thousand people whose principal job is telling you how to do your job. It's a bureaucrat's dream of heaven but it's a nightmare for those who have to bear the burden.

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Just to list all of the rules and regulations established last year required 45,000 pages of very small print in the Federal Register. I mourn for the trees that were felled in America's forests to make this exercise in governmental nagging possible.

Federal regulation began with the loftiest of motives -- but the nature of regulatory bodies is to regulate even when prudence and changing circumstance would indicate their job is over. In many industries -- transportation, energy, communication -- Federal Regulatory Commissions have virtually ruled out competition. What was begun as a protection for consumers now guarantees that in many cases they will pay prices higher than a free market would call for.

Even worse, this Mulligan stew of government rules and regulations -- one often conflicting with another -- has created a nightmare of red tape, paper shuffling, and new heights in counter-productivity. I am determined that our Nation's consumers and businessmen be relieved of this gratuitous burden.

But remember, these regulations and regulatory bodies are the creation of Congress. They are mandated by law. As President, I can propose, I can urge, I can needle -- but it is only the Congress that can act.

The regulatory reform legislation I propose will seek to eliminate the obsolete, the unnecessary, the impractical, and the impossible. Let's retain what is truly helpful and required in Federal regulations. Let's get rid of the rest -- and soon!

If I had to capsulize my views on government, it would be simply this: bigger is not necessarily better. Indeed, bigger is often the reason it isn't better. In my twenty-six years in Washington, I have seen first hand the astonishing growth of the Federal government's involvement in our lives. I have seen experimental programs started for a few million dollars that are now institutionalized and whose existence is unquestioned as their budgets climb into the billions. Yes, I have seen many Federal programs and agencies and departments begun. I have seen very few ended.

There is a spirit here in California that has its roots in the character of the pioneers who first settled here. It is a spirit of fierce independence and self-reliance. It is a zest for innovation and imagination. It is essentially the spirit of America -- the spirit of 1776, 1876, 1976 and the years beyond.

Americans who have overcome the towering obstacles of the past, need fear no problems in the future if we are free to utilize our full potential. We can get the American economy off the roller coaster of boom and bust cycles -- and into a sustained and sustainable pattern of growth. We can create jobs for all who want them and incomes for all who need them. We can live the future our forefathers dreamed for us.

Help me -- help your Representatives in the Congress -- free the free enterprise system. Give America the means and Americans will find the ways.

Thank you very much.

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